Chapter 1

Introduction

When members of a particular immigrant group concentrate in a particular trade, depend heavily on nonethnic suppliers, and serve exclusively nonethnic customers, they usually have a high level of business-related conflicts with other groups and government agencies and thus rely on ethnic collective action for economic survival. They need more than start-up capital, business information, and unpaid family members and co-ethnic employees to successfully establish and operate their businesses. They need to approach commercial activities collectively to neutralize external threats by establishing an ethnic trade association.

Because immigrant or ethnic entrepreneurship involves a moderate or high level of collective approach, it is important for social scientists to investigate the behaviors of immigrant-ethnic business associations and the results as well as the behaviors of individual immigrant merchants. In two classic anthropological studies, Peddlers and Princes and Custom and Politics in Urban Africa, the authors showed how migrant merchants in Asia and Africa were forced to organize collectively to protect their business interests. In his widely cited work, Abner Cohen documented in detail processes in which the Hausa, a migrant minority group in Nigeria, developed a complex political organization to prevent other ethnic groups from encroaching on Hausa trade and to coordinate the activities of Hausa members.

Ivan Light’s Ethnic Enterprise in America, published in 1972, remains the classic work on immigrant-ethnic entrepreneurship in the United States. In it, he showed how Chinese and Japanese immigrants in California were able to start their businesses using rotating credit associations, a communal technique of business capitalization, in the first half of the twentieth century. Although he highlighted the collectivistic approach to small businesses those immigrants took, he emphasized use of rotating credit associations as a major cause of business development rather than as its consequence. Researchers, predominantly sociologists, have subsequently examined ethnic resources or ethnic ties as the major factor in the
development of immigrant-ethnic entrepreneurship. They have recently made a distinction between ethnic and class resources and recognized “labor market disadvantages” and “opportunity structure” as major factors for the development of immigrant and ethnic businesses. Nevertheless, researchers interested in immigrant-ethnic entrepreneurship in the United States still seem to accept the ethnic resources hypothesis as the most popular one.

The concentration of group members in small business further enhances ethnic ties. Thus there is a mutual influence between ethnic ties and ethnic business. Since 1980, a growing number of social scientists have paid attention to the effects of ethnic business on ethnic ties. Only few, however, have documented the effects of ethnic business on ethnicity in detail using empirical data.

I believe that they have not partly because a causal analysis of mutual effects is sometimes difficult. For example, many Korean immigrants have invited their parents or parents-in-law to the United States for babysitting and housework when starting small businesses, which typically are labor intensive and involve long hours of work for both partners. In this case, establishing the business has contributed to the extended family living arrangement rather than the other way around. Many researchers are likely to consider the extended family a causal variable for the business when interpreting a high correlation between the two. Another example related to the business practices of Korean immigrants, which are tricky in a causal interpretation and closely related to the main objective of this book, is the abundance of business associations in the Korean immigrant community in New York and many collective actions they have taken. Many journalists, and even some researchers not familiar with the business-related intergroup conflicts that Korean merchants encounter, may attribute the presence of associations and their collective actions to Korean characteristics. However, Korean immigrant merchants engaged in several types of businesses were forced to establish associations mainly to protect their economic interests against outside groups and government agencies.

Ethnicity or ethnic identity is, of course, a prevalent term in this age of multiculturalism. Many researchers have also studied the ethnic phenomenon over the last three decades or so. Ethnicity has two interrelated but nonetheless separate components, which I label *ethnic attachment* and *ethnic solidarity*. Ethnic attachment indicates the degree to which members of an immigrant-ethnic group are culturally, socially, and psychologically attached to the group. Ethnic solidarity refers to the extent to which members of an immigrant-ethnic group use ethnic collective action to protect economic, welfare and political interests. Ethnic attachment is based on individual, private identity, and ethnic solidarity is based on collective or political identity. Many researchers have failed to make this important distinction when conducting research on the ethnic phenomenon.
Most of these limited studies have revealed positive effects of immigrant-ethnic entrepreneurship on cultural and social ethnic attachments. For example, Edna Bonacich and John Modell showed that Japanese Americans in the ethnic economy maintained Japanese cultural traditions and interacted socially with co-ethnic members to a greater extent than those in the general economy.\(^\text{12}\) Jeffrey Reitz demonstrated that Chinese, Eastern European, and Southern European ethnic groups in Canada were more successful in retaining mother tongue and ethnic endogamy than other ethnic groups mainly because they were more actively involved in the ethnic economy.\(^\text{13}\) Several studies have examined the effects of immigrant entrepreneurship on ethnic solidarity, the use of ethnic collective action.\(^\text{14}\) Almost all these studies, though, are book chapters or sections of book chapters. Only one gives an extended coverage to the issue in a monograph.\(^\text{15}\) Interestingly, all but Olzak’s discuss the effects of Korean immigrants’ business-related conflicts with other groups and government agencies on solidarity in New York City or Los Angeles.

**Objectives**

A high concentration of members of an immigrant group in businesses can enhance ethnic solidarity when the merchants depend on members of other groups, whether as customers, suppliers of merchandise, employees, or landlords. A group’s dependency on other groups for commercial activities enhances its group solidarity mainly because commercial activities involve a great deal of intergroup conflicts. Korean merchants in several retail businesses, such as grocery or liquor, produce, and gift shops, depend heavily on minority customers, white suppliers, Latino employees, and white landlords.\(^\text{16}\) Among all trade groups of Korean immigrant retailers, greengrocers in New York depend most on other groups. As a result, they have encountered multifaceted business-related intergroup conflicts and frequently used ethnic collective actions to protect themselves. The Korean produce retail business is thus an excellent empirical case on which to examine the effects of business-related intergroup conflicts on ethnic solidarity.

This book has three interrelated objectives. First, it intends to examine Korean greengrocers’ business-related conflicts with white produce suppliers, black customers and residents, Latino employees, and various government agencies. I pay special attention to a recent decline in conflicts and the factors that have contributed to the decline. Many researchers have analyzed black boycotts of Korean stores in the 1980s and early 1990s, and the victimization of Korean merchants during the 1992 Los Angeles riots.\(^\text{17}\) But no one has paid special attention to the recent dramatic drop in boycotts and other rejection of Korean stores in black neighborhoods.
Second and more significant, this volume examines Korean green-grocers’ use of ethnic collective action in self-defense against white produce suppliers, black residents and boycott organizers, Latino employee picketing, and government regulations restricting commercial activities through its association, the Korean Produce Association (KPA). I look at group purchases, political and administrative lobbies, demonstrations, and boycotts. I focus on the Korean Produce Association because it has used ethnic collective action more than any other Korean business association.

This book also looks at the KPA’s services to its members, the Korean community, and South Korea. The KPA is a sociologically interesting topic, not only because of its ethnic collective actions, but also because it has provided so many services, monetary and nonmonetary, to the Korean community in New York and to South Korea. To my knowledge, no previous study has examined in detail the role of a particular business association in providing various services to the immigrant-ethnic community or the homeland. The KPA’s services are relevant to the literature on the economic and welfare impact of immigrant entrepreneurship on the immigrant community and its efforts to help South Korea are tied to the transnational literature.

As discussed in detail in chapter 5, the KPA, located at Hunts Point Market, the major produce wholesale market, single-handedly organized collective actions against white produce suppliers. Black boycotts, on the other hand, negatively affected all Korean business owners in black neighborhoods, though produce stores were the targets of four of the six long-term boycotts. As a result, not only the KPA, but also Korean merchants’ associations in black neighborhoods, the Korean Association of New York (KANY), the Korean Consulate in New York, and many other Korean organizations and individuals participated in collective actions to terminate black boycotts. Because of the strong ethnic nature of Korean-black conflicts and Koreans’ collective actions, chapter 5 analyzes the causes of black boycotts of Korean stores in black neighborhoods and ethnic collective action used by a number of Korean organizations, the KPA among them.

Korean produce retail stores in Manhattan were the main targets of Latino employee picketing. But picketing, like boycotts, influenced Korean merchants involved in other businesses as well. Given this, it is not surprising that several Korean organizations responded to the picketing and New York State Attorney General Spitzer’s intervention on the basis of violations of labor regulations. For these reasons, chapter 6 also examines relationships between Korean store owners and Latino employees broadly, though it devotes a significant portion to local labor union and Latino pickets against Korean produce stores and the KPA’s responses to them.
Theoretical and Other Scholarly Contributions

This book documents the collective and organizational aspects of business operation among Korean greengrocers. Due to their experiences of greater external threats, Korean greengrocers in New York City used more ethnic collective action than any other Korean business group in the city. As I document elsewhere, however, several other groups of Korean merchants in the city used ethnic collective action to some extent. Contemporary sociologists, because they approached immigrant entrepreneurship mainly as the result of individual immigrants’ motivation and use of resources, have neglected to investigate collectivity and organizational dynamics involved in immigrant entrepreneurship.

This book systematically examines Korean greengrocers’ conflicts with white suppliers, black customers, Latino employees, and government agencies. In the 1990s, after long-term black boycotts of Korean stores in New York City and the 1992 Los Angeles riots, many researchers actively pursued research on Korean-black conflicts. They have kept silent, however, about what has happened to Korean-black relations in recent years. In explaining the boycotts and their disappearance, I use a serial middleman minority theory, a revised version of middleman minority theory. It has an advantage over other perspectives in explaining the radical reduction.

This volume makes a distinction between ethnic attachment and ethnic solidarity. Korean greengrocers and other merchants have maintained a fairly high level of ethnic attachment over the past three decades, partly due to their involvement in the ethnic economy. The level of their ethnic solidarity has declined significantly in recent years, however, as their business-related intergroup conflicts have dissipated. When studying ethnic phenomena based on noneconomic sources, we can avoid confusion by making this distinction between ethnic attachment based on individual members’ private identity and ethnic solidarity based on their collective, political identity.

The Korean Produce Association has contributed extensive monetary and nonmonetary services to the Korean community. To examine the economic impact of small-business ownership, social scientists usually compare earnings of self-employed workers with those of employed workers based on census data. Earnings reported to the census, though, do not accurately reflect small business owners’ economic conditions due to their tendency to underreport earnings. Chapter 7 of this volume explains how the KPA provided monetary and nonmonetary services to the Korean community. Successful Korean greengrocers also individually donate money for other ethnic organizations, as do other Korean business associations and owners, both services and donations. Accordingly, the concentration
of Korean immigrants in small businesses has had positive effects on the Korean community as a whole.

This book also moderately contributes to transnational studies. A plethora of research addresses immigrants’ transnational ties with their homelands. But almost all focus on individual immigrants’ economic, social, political, and religious ties with homelands. Studies of organizational linkages are neglected. This book devotes chapter 7 to documenting the Korean Produce Association’s strong linkages with government agencies and nonprofit organizations in South Korea, both in connection with its preparation of a major Korean cultural festival in New York City and its efforts to promote exports of Korean agricultural products to New York City.

This volume presents a history and contemporary overview of the Korean community in New York. No doubt, the produce retail business has been the most important of Korean immigrant businesses in New York and the Korean Produce Association has played a very influential role in the community. This book focuses on its use of ethnic collective action in the 1980s and early 1990s. It includes meaningful census and survey data on the socioeconomic background of Korean immigrants, their religious affiliations and frequency of participation in religious institutions, changes over time in their self-employment rate and industrial categories of businesses, and intergenerational transitions in occupational adjustments. To highlight the unique aspects of Korean immigrant business patterns in New York, I have compared Korean immigrants with Chinese, Indian, and Filipino immigrants in the same city, and with Jewish Americans historically.

**Research Methods and Data Sources**

It is my methodological principle that quantitative or qualitative data alone are not enough to capture the reality of the world, especially when studying particular immigrant-ethnic communities. I have thus used both quantitative (public documents and survey data) and qualitative (personal interviews, participant observations and newspaper articles) data in all of my major research projects. As usual, I have also used the following five data sources for this book: quantitative public documents, results of a major survey, personal interviews with Korean business owners and business leaders, participant observations, the KPA’s various materials, and articles published in local Korean- and English-language newspapers. These data were collected in two time periods: 1991 to 1992 and 2005 to 2007.

In chapters 2 and 3, I largely used U.S. census data, especially the 2000 census, and annual Immigration and Naturalization Service immigration statistics for information on Korean immigration and settlement patterns, Korean immigrants’ self-employment rate, industries of Korean immigrant businesses, and their educational levels. In chapter 3 forward, I used results of the 2005 telephone survey of Korean immigrants in New York
City’s five boroughs based on the Kim sample technique for Korean business patterns.

In the spring of 1992, Korean, black, and white students interviewed three New York City subsamples: Korean merchants in black neighborhoods, black residents, and white residents. We randomly selected 150 Korean merchants from directories of Korean merchants’ associations in three black neighborhoods in New York City: the Stuyvesant-Flatbush area, Brooklyn; Jamaica, Queens; and Harlem, Manhattan. Three Korean students interviewed ninety-five of them. We also randomly selected 500 households from New York City public telephone directories in the three areas that closely matched the addresses of the above selected Korean stores. Two black and two white students successfully completed 151 telephone interviews; ninety-seven respondents were black and fifty-one were white. Survey items focused on Korean-black mutual prejudice and stereotypes, black and white respondent views about Korean commercial activities in black neighborhoods, and all views about opportunity structure in American society.

Between March and May 2005, I conducted a major telephone survey of Korean, Chinese, and Indian immigrants in five boroughs of New York City, using the surname sampling technique, to examine business and ethnic attachment patterns among the three Asian immigrant groups. I used the Kim sampling technique for the Korean sample. According to the Korean census, Kims comprise 21.8 percent of the population in Korea. Kim is a uniquely Korean name and Kims represent the Korean population socioeconomically. Thus we could select a sample of the Korean immigrant population by randomly selecting the Kim households listed in public telephone directories. We selected 800 Kim households listed in the 2004 public telephone directories in five boroughs of the New York central city. Many selected households were ineligible for the interview because they were either second or 1.5-generation Koreans or have no worker. Many other selected Kim households were unreachable either because they moved away or, more likely, because both partners worked long hours. Among the 530 eligible or reachable households (about two-thirds of the sample), 277 (52 percent) were successfully interviewed by Korean students.

We conducted in-depth personal or telephone interviews with more than sixty-six Korean immigrants in the two periods. In 1991 and 1992, I conducted ten personal interviews, three with staff members of local Korean merchants’ associations and seven Korean merchants in the three black neighborhoods. Personal interviews focused on causes of Korean-black disputes in the stores, causes of black boycotts of Korean stores, and the efforts to moderate Korean-black boycotts. During the same period, I also interviewed nine staff members of Korean trade associations. My questions probed the histories of their associations, their memberships,
budgets, major goals, major activities responding to Korean merchants’ business-related intergroup conflicts, their lobbying activities of government agencies and politicians, and their services to their members and the Korean community.

In 2006 and 2007, I conducted in-depth interviews with twelve Korean merchants in the same three black neighborhoods and two Korean old-timers who used to have businesses in those black neighborhoods in the 1970s. My interviews focused on advantages for businesses in black neighborhoods in the earlier period and radical reductions of Korean-owned stores and black boycotts of Korean stores there in recent years. Between 2005 and 2007, Young Oak and I also interviewed sixteen current or former KPA staff members. We asked them about some or most of the following issues: the development of the Korean produce business in New York, the history of the KPA, their experiences with discrimination at HPM, the KPA’s use of ethnic collective action, black boycotts of Korean produce stores, local union pickets against Korean produce stores, Korean-Latino relations, KPA services to the Korean community, and KPA efforts to help South Korea. We also asked them about their immigration history and establishment and operation of the produce business. In addition, we interviewed seven Korean greengrocers who had never served as staff members of the KPA. We asked some of the same questions asked of the KPA’s staff members. Six of the twenty-three had their stores in a black neighborhood at the time of the interview or previously. They were asked some of the questions relating to Korean-black relations. The majority were interviewed face to face, but some were interviewed by telephone. I conducted sixteen interviews and Young Oak interviewed seven.

I also interviewed eleven leaders of other Korean associations (ten presidents of other Korean business associations and the president of the Korean Association of New York) and four nonproduce business owners who hired Latino employees. Leaders of business associations were asked about the same questions as those in 1991 and 1992. Only a few of the interviews with leaders of business owners other than KPA and the Korean Small Business Service Center presidents were used in this book, mostly in chapter 3. I also asked four nonproduce Korean merchants who hired three or more Latino employees about the degrees of their preference for Latino workers over native blacks and Mexican workers over other Latino employees, duration of Latino workers’ employment, and their provision of formal rewards to and informal relations with Latino workers. I conducted all these fifteen interviews.

In chapters 2 and 3, I used several case histories to illustrate Korean immigration, settlement, and economic adjustment in New York City. Rather than formal interviews, I used—with their permission—personal stories of friends and relatives gleaned from casual conversations. I tele-
phoned most of these individuals to clarify their stories of immigration and economic adjustment.

I have cited many excerpts from personal interviews with KPA staff members, greengrocers, leaders of other business associations, other Korean merchants, and immigrants not in business. I have used pseudonyms in many instances, but several real names as well, when the individuals approved my doing so. Because this book covers the history and contemporary trends of the Korean community in New York in general and greengrocers in particular, many informants suggested that I use their real names so that second- and third-generation children can read their stories.

Participant observations of Hunts Point Market and three black neighborhoods in New York City (Jamaica, Flatbush, and Harlem) in 1991 and 2005 through 2007 comprise the third major data source for this book. My 1991 observations were brief, limited to three or five hours involving one or two days. Those during the 2005 to 2007 period were more intensive. For several days, in the early hours of the morning, Young Oak, Dong Wan, and I observed Hunts Point Market, where Korean greengrocers and produce delivery drivers purchase merchandise and where the KPA office is located. We observed interactions between Korean greengrocers and delivery drivers and employees of white distributors. We also watched Koreans talking with one another over coffee at three Korean-owned coffee shops. We visited the KPA office several times, watching KPA leaders and members interacting there and interviewing one or two leaders on each visit. Young Oak and I also observed each of the three black neighborhoods for three or four days between 2006 and 2007. We counted the numbers of Korean-owned stores in two of the three black neighborhoods to compare with their numbers in 1991. We interviewed several Korean business owners, focusing on the changes in structure of those black neighborhoods, the number of Korean-owned stores, and Korean-black relations.

We also reviewed public documents of the KPA regarding its activities and services. They include the annual or biannual reports on its activities, newsletters, annual booklets on the Korean Harvest and Folklore Festival, and KPA press releases. I found that the KPA had lost some important public documents, but that whatever it kept was helpful to this study. The KPA’s biannual reports include copies of many Korean newspaper articles that reported its activities. From particular pieces of KPA documents and newspaper articles, I located business-related intergroup conflicts or use of ethnic collective actions that occurred in particular years. I then called former staff members of the KPA who served in particular years to gather more detailed information about conflicts with white suppliers, the KPA’s use of demonstrations, boycotts, and other ethnic collective activities, and the organization’s monetary and nonmonetary services to the Korean community and Korea.
Finally, I reviewed media articles relating to Korean greengrocers’ business-related intergroup conflicts and KPA’s use of ethnic collective actions. I have regularly read three Korean dailies—the Korean Times New York, the Korea Central Daily New York, and the Sage Gae Times—since 1988 and selected all articles dealing with Korean immigrants’ business-related intergroup conflicts and use of ethnic collective action by Korean business associations. Three graduate students also gathered all articles of the same nature published in the New York Times, the Daily News, the New York Newsday, the New York Post, and the Amsterdam News through LEXIS-NEXIS and PROQUEST. I have found these newspaper articles most useful in analyzing various cases of Korean merchants’ and the Korean community’s use of ethnic collective actions to deal with their business-related intergroup conflicts, especially in following the chronology of events. This is true especially because staff members of the KPA have a great deal of difficulty remembering details of particular boycotts, demonstrations, and other collective actions.

My use of multiple data sources, involving both qualitative and quantitative data, increases the validity of many of the arguments in this book. For example, based on participant observations, along with personal interviews with Korean business owners, we see a significant increase in the Latino and Caribbean immigrant populations in traditional African American neighborhoods, such as Harlem, over the past two decades. Review of demographics in the 1980, 1990, and 2000 U.S. censuses corroborates this finding. My fieldwork in black neighborhoods involving personal interviews with Korean merchants showed that the number of Korean-owned retail stores there has radically decreased. The three decennial census data support the significant reduction of Korean retail stores in a concomitant increase in the number of service-related businesses.

Structure of the Book

This book has eight chapters. Chapter 2 provides basic information about Korean immigration patterns, settlement patterns in New York City, and cultural and socioeconomic characteristics. Chapter 3 examines the high self-employment rate among Korean immigrants and major types of Korean-owned businesses. Its final section examines the effect of Korean immigrant participation in the ethnic economy on ethnic attachment. Chapter 4 examines the development and evaluation of Korean produce retail stores in New York and introduces Hunts Point Market and Korean Produce Association located there. More important, it examines Korean greengrocers and produce truck drivers’ conflicts with produce suppliers at Hunts Point Market and the KPA’s use of ethnic collective actions in self-defense. Chapter 5 covers black boycotts of Korean produce stores and
Korean reactive solidarity. Chapters 4 and 5 are perhaps the two most important chapters.

Chapter 6 examines Korean-Latino relations in New York City. It discusses Korean merchants’ heavy reliance on Latino employees, local union and Latino worker pickets against Korean produce stores, and the KPA and the Korean community reactions. The final section offers a snapshot of the relations between Korean merchants and Latino customers. Chapter 7 analyzes the KPA’s services to its members, the Korean community, and South Korea. With regard to the KPA’s services to its members, it also analyzes the KPA’s negotiations with government agencies and lobbies of administrators and politicians to moderate government regulations of small business activities. Chapter 8 provides a summary and the conclusion, discussing the theoretical and practical implications of major findings.