CHAPTER 1

Introduction

On April 29, 1992, a predominantly White jury returned a "not guilty" verdict against four White police officers accused of beating an African American motorist, Rodney King, and ignited three days of rioting in Los Angeles that claimed 52 deaths, about 2,400 injuries, and $785 million worth of property damage. The multiethnic character of the riots and the disproportionately large number of Korean stores that were targets of destruction made the riots unique. Approximately 2,300 Korean-owned stores in South Central Los Angeles and Koreatown were burned and looted during three days of rioting. Korean merchants suffered $350 million worth of damage, 45% of the total riot damages. Conflicts between Koreans and African Americans had been the topic of headlines in recent years, yet the targeting of Korean merchants during the Los Angeles riots was a defining moment of Koreans' business-related conflicts with the African American community.

Korean–African American conflicts have been fully covered by the mainstream media. Not so well covered by the media, but sociologically important, is how these conflicts have increased solidarity in the Korean community. The day after the riots ended, thirty thousand Koreans in Los Angeles held a rally for peace and solidarity. Korean Americans from all over the United States contributed more than $5 million to help the Korean riot victims. The Korean 4.29 Riot Victims Association organized daily rallies at the Los Angeles City Hall for over a month, at which an average of two hundred Korean riot victims participated.

The victimization of Korean merchants during the riots also heightened Koreans' political consciousness and second-generation Korean Americans' ethnic identity.

Although Korean–African American conflicts climaxed in the Los Angeles riots, they were occurring in other cities as well. Korean merchants also faced African American protests and boycotts in New York, Baltimore, Atlanta, Philadelphia, and Washington and these conflicts have helped unify those Korean communities. The New York Korean community has encountered a number of long-term Black—African American and Afro-Caribbean—boycotts, and each has enhanced Korean ethnic solidarity. During the much-publicized 1990–91 Brooklyn boycott of two Korean stores, not only merchants but also many other Koreans in New York participated in fund-raising campaigns, collecting approximately $150,000 to help the "victims of Black racism against Koreans." They also supported the store owners by visiting their businesses and sending letters to them. Finally, dissatisfied with Mayor David Dinkins's "lukewarm" effort to terminate the boycott, the Korean community organized a demonstration in front of City Hall that drew approximately seven thousand Koreans.

Korean merchants are in conflict not only with African American customers but also with suppliers, landlords, and government agencies regulating small businesses. Again, the Korean merchants' conflicts with these powerful forces have enhanced their ethnic solidarity and sharpened their political skills. Using collective strategies such as boycotts, Korean merchants have confronted White suppliers and landlords: Korean trade associations in New York have organized a dozen demonstrations and boycotts against suppliers to protect their economic interests. They have also actively lobbied government agencies and politicians for less stringent regulation of small businesses.

Other immigrant groups are also active in small business, though not to the same extent. For example, Chinese immigrants in New York have created their own subeconomy, specializing in restaurants, garment subcontracting, and the retailing of jewelry and other Asian-imported goods (Kwong 1987; Zhou 1992, 95). Cuban immigrants in Miami have developed a high level of business in their enclave (Portes and Bach 1985; K. Wilson and Portes 1980). But neither group has encountered a level of business-related intergroup conflict comparable to that faced by Korean immigrants.

Why is it that Korean merchants have encountered multifaceted intergroup conflicts that have enhanced their ethnic solidarity, whereas

these other entrepreneurial groups have not? To answer this question, one needs to pay special attention to the location of major Korean businesses and the nature of their commercial activities. Many Korean immigrants run grocery, liquor, produce, and fish retail businesses, and these businesses are heavily concentrated in minority neighborhoods. Korean merchants rely mostly on White suppliers. Like the Jews in Europe, the Chinese in Southeast Asia, and the Indians in African countries (Eitzen 1971; Palmer 1957; Zenner 1991), Korean merchants in the United States play the role of a "middleman" minority between low-income, minority consumers and large companies, often distributing merchandise made by predominantly White-owned corporations to African American and Latino customers. In this economic role, Korean immigrants encounter a high level of business-related conflicts with both customers and White suppliers. Korean men and women engage in middleman businesses more than any other immigrant group and thus are more likely to be involved in intergroup conflicts and to have developed collective strategies to protect their economic interests.

KOREANS' MIGRATION, SETTLEMENT, AND OCCUPATIONS

Before the early 1970s, Korean immigrant businesses attracted little public attention; what the majority of Americans knew about Korea and Koreans came mainly through their memories of the Korean War and movies such as *M*A*S*H*. It was the Immigration Act of 1965 that brought the mass influx of Korean immigrants to the United States. From 1976 to 1990, an annual average of 30,000–35,000 Koreans immigrated to the United States (see chapter 3 for details). In the 1970s and 1980s, Koreans were the third largest immigrant group, following Mexicans and Filipinos. The prospect of a higher standard of living and a better opportunity for their children's education motivated many Koreans to choose trans-Pacific migration. But military, political, and economic connections between the United States and South Korea were also important factors in explaining why South Korea sent more immigrants to the United States than did other Asian countries, such as India and China, during this period.

As a result of a large influx of new immigrants, the Korean American population increased from 70,000 in 1970 to approximately 800,000 in 1990. Southern California, connecting Los Angeles and Orange Counties, is the largest residential center with approximately 250,000

Koreans. Koreans in Los Angeles have established Koreatown three miles west of downtown. More recently, many immigrants have relocated to suburban areas in Orange County. The New York–New Jersey area, the home of approximately 150,000 Koreans, is the second largest Korean center. In the 1980s, both the Los Angeles–Orange County and New York–New Jersey metropolitan areas experienced higher rates of Korean population growth than did the United States as a whole.

Post-1965 Korean immigrants, like other post-1965 Asian immigrants, are characterized by their urban, middle-class backgrounds and their high preimmigration educational and occupational levels. Yet, despite their education, Korean immigrants have faced problems in the American job market because of the language barrier and their unfamiliarity with American customs. College-educated immigrants from India and the Philippines who spoke English in their native countries have not faced the same obstacles.

In the early 1970s, Korean immigrants found employment as cooks, gas station attendants, garment factory workers, and in other blue-collar positions. Beginning in the mid-1970s, they began opening small businesses as an alternative. By the early 1980s, Korean immigrants in Los Angeles, New York, and other cities had already established footholds in several business specialties: groceries and liquor stores, retail outlets for Asian-imported items, dry cleaners, produce retailers, and garment subcontracting. Recent immigrants have been able to start up their own businesses more quickly than immigrants in the 1970s because they were able to acquire business information and training through their jobs at Korean-owned stores. Most Korean immigrants also bring a significant amount of money from Korea. Big corporations and White merchants are unwilling to invest in low-income minority neighborhoods where the residents' spending capacity is low and the crime rate is high. Korean immigrants, on the other hand, prefer these neighborhoods because they can start businesses with small amounts of capital without encountering competition from established businesses. Thus, certain types of Korean businesses, such as grocery and liquor retail, heavily concentrate in minority neighborhoods, setting the stage for Korean–African American conflicts.

OBJECTIVES AND SIGNIFICANCE

The primary objective of this book is to show how Korean immigrants' middleman economic role has enhanced their ethnic solidarity in New

York and Los Angeles. Middleman minority theory is one of the major theories in the field of race and ethnic relations, with an abundant literature. However, as will be discussed in chapter 2, few researchers have examined in detail how ethnic solidarity is enhanced by a group's middleman economic role (see Bonacich and Modell 1980; Chan and Cheung 1985; Cohen 1969; Gold 1992; Light and Bonacich 1988; Zenner 1982, 1991). In this book, I test the hypothesis that a middleman group's business-related intergroup conflicts enhance ethnic solidarity. The existing middleman literature is based on middleman cases in preindustrial societies. My major findings, which are based on Koreans' middleman role in contemporary America, refine and revise middleman minority theory.

While researchers have used ethnicity, ethnic solidarity, ethnic mobilization, ethnic attachment, ethnic cohesion, and ethnic identity interchangeably, they have applied these concepts to two interrelated but separate social phenomena. One aspect is the degree to which members are culturally, socially, and psychologically attached to the ethnic group. The term "ethnic attachment" seems best to capture this meaning (Hurh and Kim 1984; Miller and Coughlan 1993; Yinger 1985). The other aspect is the degree to which members use ethnic collective actions to protect their common interests. "Ethnic solidarity" seems the most appropriate term here, though many researchers use "ethnic solidarity" to indicate "ethnic attachment" as well.

Ethnic attachment is a precondition for ethnic solidarity and thus the difference between the two is blurred. Nonetheless, the distinction is important for understanding the central focus of this book. Though several studies have shown how the concentration of members of a minority or immigrant group in small business contributes to their ethnic attachment, few have examined the processes by which it enhances their ethnic solidarity. In this book, I show how Korean immigrants' concentration in a limited range of small businesses and their business-related intergroup conflicts have strengthened their ethnic solidarity.

My definition of ethnic solidarity is close to Nielsen's (1985).[1] Like Nielsen, I consider collective goals and ethnic mobilization the central components of ethnic solidarity. I, too, view ethnic solidarity as a particular form of collective action. The following collective actions taken by Koreans are evidence for ethnic solidarity: fund-raising campaigns to help boycotted merchants; meetings with African American leaders and politicians to end boycotts; administrative and political lobbies to moderate small-business regulations; demonstrations to protect Kore-

ans' business interests against politicians, suppliers, and landlords; boycotts against suppliers; and price bargaining and group purchasing to reduce prices of retail items.

My treatment of Korean immigrants as middlemen and my focus on Korean ethnic solidarity are likely to be criticized by those who emphasize class differences and class divisions in the Korean immigrant community (Abelmann and Lie 1995; S. Cho 1993).[2] However, by emphasizing the middleman characteristics of Korean merchants, I never intend to suggest that the Korean immigrant population is socioeconomically homogeneous. I am well aware that there are class gaps and conflicts over economic interest between Korean professionals and merchants, Korean merchants and co-ethnic employees, and even successful entrepreneurs and marginal store owners such as swap meet owners (see chapters 8 and 11). However, despite their diversity in occupations and business types, more than any other immigrant group Koreans concentrate in middleman-type businesses, connecting White-owned corporations and minority customers (see chapter 10). Their concentration in middleman businesses significantly affects their intergroup relations and in-group solidarity. Thus, middleman minority theory is useful to understanding Korean immigrants' overall social adjustments as well as their economic adjustments.

I consider generational divisions a more serious problem than class divisions in the Korean community. Younger-generation Koreans do not agree with Korean immigrants on many issues, particularly regarding conflicts with Blacks. In several chapters, I will expose generational differences in interpreting and responding to Korean-Black conflicts. However, I will document in chapter 8 that Korean-Black conflicts in general and the victimization of Korean merchants during the Los Angeles riots in particular have contributed to overall solidarity in the Korean community, overcoming generational divisions and sensitizing younger-generation Koreans' ethnic consciousness. Therefore, revealing these intergenerational differences in interpreting Korean-Black relations does not weaken the major focus of this book—Korean ethnic solidarity affected by Koreans' business-related intergroup conflicts.

The secondary objective of this book is to examine systematically hostility toward Korean merchants in African American neighborhoods and Korean merchants' reactions to it. My central thesis is that Koreans' middleman role has increased their intergroup conflicts, which, in turn, has enhanced their ethnic solidarity. Korean–African American conflicts represent the most serious form of intergroup friction caused by

this middleman economic role. Furthermore, hostility toward Korean merchants in African American neighborhoods has enhanced Korean ethnic solidarity more than any other form of business-related dispute. Therefore, the topic of Korean–African American conflicts is inseparably related to the central thesis of this book. In addition, a systematic examination of Korean–African American tensions is of great theoretical and practical significance. Middleman minority theory is useful to understanding hostility toward Korean merchants in African American neighborhoods; this book also tests several hypotheses based on other theoretical perspectives (see chapter 2).

Traditional theories of race and ethnic relations in the United States focus on White-Black relations. However, the influx of new immigrants from Third World countries since 1965 has considerably complicated these relations in the United States. Several researchers have argued that the traditional theories based on White-Black, majority-minority relations do not capture the dynamics of race in contemporary America (Chang 1990, 1993a; S. Cho 1993; Omni 1993; Omni and Winant 1986; Rumbaut 1991, 1994; Saito 1993; Waldinger 1996). At present, conflicts between minority groups are as serious as majority-minority conflicts (Chang 1990; Johnson and Oliver 1989; Oliver and Johnson 1984). The 1992 riots in Los Angeles involved Koreans, African Americans, Latinos, and Whites as both victims and victimizers, demonstrating the complexity of racial and ethnic relations in the United States today (Abelmann and Lie 1995; S. Cho 1993; Oliver, Johnson, and Farrell 1993; Ong, Park, and Tong 1994). The Korean–African American conflict, which exploded during the Los Angeles riots, is probably the most serious example of minority-minority conflict in the post-1965 period. In addition, Korean merchants depend heavily on Latino immigrant labor for their business operation, which provides the context for Korean-Latino conflicts. Though this book focuses on Korean–African American conflicts, I discuss Korean-Latino tensions in chapter 11. Moreover, in chapter 10 I also touch on economic conflicts between Korean small business owners and Jewish suppliers and landlords, another interesting dimension of the complexity of racial and ethnic relations in contemporary America.

My systematic examination of Korean–African American tensions is also important for public policy. Over the last two decades, several cities, including Los Angeles, New York, Philadelphia, and Atlanta, have witnessed conflicts between Korean merchants and the Black community. County and city human relations commissions, the Department of

Justice, the Federal Bureau of Investigation, civil rights organizations, and Korean and African American ethnic organizations have been actively involved in resolving conflicts and devising preventive measures. To implement programs, we need accurate information about the magnitude and sources of Korean–African American conflicts. Chapters 5, 6, and 7 focus on Korean–African American conflicts and provide insights that will help government agencies and community leaders establish guidelines for reducing tensions between these two communities.

I generally prefer the term "African Americans" to "Blacks" to refer to the non-Hispanic Black population in the United States because it is more neutral and specific. Nevertheless, in this book I have used both terms—"African Americans" and "Blacks"—because Korean merchants in New York have encountered conflicts not only with native-born African Americans but also with Afro-Caribbean immigrants. I have used the terms "African Americans," "the African American community," and "Korean–African American conflicts" far more frequently than the other terms in discussing South Central Los Angeles, where Afro-Caribbean immigrants are very few.

DATA SOURCES

Books that have focused on minority or immigrant groups are usually based on one or two of three types of data sources: independent surveys, public documents, and field study. This book draws on all three conventional data sources as well as ethnic newspaper articles, and I consider use of multiple data sources one of its major strengths. Ethnic newspaper articles in particular provide rich descriptive information about Korean immigrants' reactions to business-related intergroup conflicts, which is hard to get through other sources. Thus this book has methodological advantages not only over previous works on middleman minorities but also over recently published books on immigrant communities in general.

ETHNIC NEWSPAPER ARTICLES

Koreans' business-related conflicts with others in New York have received detailed coverage in Korean language newspapers. The *Korea Times New York* (hereafter *KTNY*) has the most subscribers out of the four major Korean ethnic dailies in the Northeast. *KTNY* started as a weekly in 1968 and became a daily in 1970. A Korean graduate student

reviewed every issue of *KTNY* published between 1970 and 1987, finding all articles dealing with Korean intergroup conflicts in the New York metropolitan area. In addition, she selected all articles dealing with Korean immigrants' collective actions against outside groups in the form of boycotts and mass demonstrations. The content of these articles was analyzed in chronological order.

Since 1988, I have subscribed to three ethnic newspapers published in Korean in New York City: the *Korea Times New York*, the *Sae Gae Times* (hereafter *SGT*), and the *Korea Central Daily New York* (hereafter *KCDNY*). Articles from these three dailies provide rich descriptive information on the development of Korean immigrant businesses and relations with other communities. At the beginning of each year, all three carry special reports on Korean businesses in New York and business-related intergroup conflicts. These special reports have been of great importance to this study. In 1988, *SGT* featured a special series about Korean businesses in New York. The series included more than one hundred articles by reporter Illsuk Moon, based on his personal interviews with successful Korean entrepreneurs and business leaders. Moon's articles have been especially useful to understanding the history of Korean businesses and Korean trade associations in New York.

The *Korea Times Los Angeles* (hereafter *KTLA*) is the major Korean ethnic daily on the West Coast. I have been a regular subscriber since August 1990, and my discussion of Korean business patterns and Korean–African American conflicts in Los Angeles in chapters 4 through 8 is based largely on its articles. *KTLA* also published an English edition weekly that provided valuable information for this book, particularly on the aftermath of the Los Angeles riots. Finally, articles published in the *Los Angeles Times*, the *New York Times*, *New York Newsday*, the *New York Post*, and the *Amsterdam News* have also been used as sources of data.

INTERVIEWS WITH LEADERS OF BUSINESS ASSOCIATIONS

Though ethnic newspaper articles give an overall picture of Koreans' business-related intergroup conflicts and their collective responses, they do not always provide detailed information about a particular Korean business association's specific activities. I conducted interviews with leaders of business associations to gain information about negotiations with different interest groups and about their plans for collective action. The following are the seven major Korean business associations

in the New York metropolitan area: the Korean Produce Association, the Broadway Korean Businessmen's Association, the Korean Apparel Contractors Association of New York, the Korean-American Grocers Association of New York, the Korean Dry Cleaners Association of New York, the Korean Fish Retailers Association of New York, and the Korean Small Business Service Center. I personally interviewed the current president and one former president of each of them.

In addition to these business associations organized by occupation, there are several Korean business associations in New York organized by neighborhood. Both specialized and local business associations have been active in resolving business-related intergroup conflicts. I also interviewed the presidents of three local business associations in predominantly Black neighborhoods—the Harlem Korean Merchants Association, the Jamaica Korean Merchants Association, and the Flatbush Korean Merchants Association. In addition, I interviewed the owners of the two produce stores targeted in the 1990 boycott. These interviews were conducted between October and December 1991.

To assess the effects of Korean businesses on ethnic solidarity, I also compared the activities of Korean business associations to those of nonbusiness, professional associations. I compared membership size, number of paid employees, annual budget, frequency of formal meetings, and other organizational activities. To this end, I interviewed the presidents of five major Korean professional associations by telephone in December 1991.

I visited Los Angeles in the summers of 1990, 1992, and 1994. During my 1990 visit, I interviewed a dozen leaders of Korean trade and professional associations. During my 1992 visit, I interviewed the leaders of several trade associations and owners of swap meets. In the summer of 1994, I interviewed staff members of trade associations and Korean American second-generation organizations, including the Korean American Coalition. These interviews provided data on Korean business patterns, Korean–African American tensions, and Koreans' responses to the intergroup tensions in Los Angeles.

SURVEY OF KOREAN MERCHANTS AND BLACK AND WHITE RESIDENTS

To shed light on Korean–African American conflicts, a multiracial team interviewed three New York City subsamples by telephone in the spring of 1992: Korean merchants in Black neighborhoods, Black (African

American and Afro-Caribbean) residents, and White residents. We randomly selected 150 Korean merchants from directories of Korean merchants' associations in three predominantly Black areas in New York City: the Stuyvesant-Flatbush area, Brooklyn; Jamaica, Queens; and Harlem, Manhattan. Ninety-five of them were interviewed by three Korean students. We also randomly selected 500 households from New York City public telephone directories in the three areas that closely matched the addresses of the selected Korean stores. Two Black and two White students successfully completed 151 telephone interviews; 97 respondents were Black and 51 were White. Chapter 6 is largely based on results from this survey.

SURVEY OF KOREAN IMMIGRANTS IN LOS ANGELES AND ORANGE COUNTIES

To investigate the economic and other positive effects of Korean businesses on the Korean community, twenty bilingual Korean students personally interviewed approximately 500 Korean adult immigrants in Los Angeles County and Orange County who worked twenty or more hours per week in the fall of 1986. We utilized the "Kim sampling technique" introduced by Shin and Yu (1984) to survey a representative sample. Approximately 22% of the Korean immigrant population has the surname Kim, which no other nationality is known to have in such significant numbers. We randomly selected 1,020 Kims from eleven Los Angeles County and Orange County public telephone directories. One hundred fifty-two of these originally selected households were not eligible for the interview because they were either interracially married, American born, unemployed, or in nonimmigrant student households. We interviewed 497 (57.3%) of the remaining 868 Korean households. Some data presented in chapters 4, 6, and 10 are based on the results of this Los Angeles and Orange County survey. Further details about this survey are described in Min (1989).

PARTICIPANT OBSERVATION

I have been deeply involved in the New York Korean community since I came to Queens College in 1987. As a Korean immigrant scholar, I have been invited as an observer to meetings of Korean trade associations, where I was introduced to business leaders. I talked informally with these leaders and gained valuable information on Korean business

development and the history of trade associations in New York. Several reporters working for Korean ethnic newspapers, with whom I have maintained close relations, have also provided me with useful information about the Korean business community in New York. This book has greatly benefited from the information acquired through my own interactions with the community.

SCOPE AND ORGANIZATION

I first conceived of this book during the 1990–91 boycott of two Korean stores in Brooklyn. Until the 1992 riots, Koreans' business-related conflicts with the African American community were more intense in New York than in any other city. Korean merchants' conflicts with other interest groups and government agencies were also more severe there than anywhere else. For these reasons, I initially decided to focus on Koreans' middleman economic role and their ethnic solidarity in New York.

However, the Los Angeles riots forced me to modify my original plan. Devastated by the riots, the Korean community has undergone significant structural changes. I found that many Americans—scholars, journalists, and lay people alike—were interested in pre-riot Korean–African American conflicts in Los Angeles and the effects of the riots on the Korean community. Thus, I decided to expand my study to cover these areas as well. I incorporated information on the Korean community in Los Angeles in chapters 5, 6, 7, and 8, which examine Korean–African American conflicts and their effects on ethnic solidarity. Chapters 9, 10, and 11 focus on the New York Korean community, as originally planned. At various points, I have compared the two communities in areas such as business structure, levels of intergroup conflict, and degree of ethnic solidarity. The inclusion of the Korean community in Los Angeles and the intercity comparisons strengthen the arguments of the book.

Following this introductory chapter, chapter 2 offers a literature review useful to understanding the small business basis of Korean ethnic solidarity and Korean–African American conflicts. Though several theoretical perspectives are reviewed, middleman minority theory is presented as the approach central to understanding both Korean-Black conflicts and the effects of Koreans' business-related intergroup conflicts on ethnic solidarity. Chapter 3 presents detailed information about Koreans' immigration and settlement, providing useful background on

New York's and Los Angeles's Korean communities. Chapter 4 examines the high self-employment rate of Korean immigrants, the major Korean businesses in New York and Los Angeles, and the degree of Korean businesses' concentration in African American neighborhoods. To demonstrate the effects of Koreans' middleman economic role on Korean ethnic solidarity, we need to show, first of all, that Korean immigrants are economically segregated in terms of the types of businesses and their location.

The next three chapters focus on Korean–Black conflicts. Chapter 5 examines different forms of hostility toward Korean merchants in African American and Afro-Caribbean neighborhoods in New York and Los Angeles. Chapter 6 uses survey data to analyze the level of Blacks' rejection of Korean merchants and then examines several hypotheses to explain hostility toward Korean merchants in Black neighborhoods. Of the three chapters focusing on Korean–Black conflicts, this is the most significant. Chapter 7 examines the New York and Los Angeles Korean communities' efforts to improve relations with African Americans. This chapter provides valuable information for policy makers and community leaders interested in reducing tensions between Koreans and African Americans.

Chapters 8, 9, and 10, which demonstrate how Koreans' business-related intergroup conflicts have intensified their ethnic solidarity, provide the central focus of the book. Chapter 8 examines how hostility toward Korean merchants in Black neighborhoods in New York and Los Angeles has unified the respective Korean communities. Chapter 9 examines Korean merchants' conflicts with suppliers, landlords, and government agencies in New York, as well as their use of collective strategies to protect their economic interests against these forces. The two issues discussed in chapter 10 provide more convincing evidence of the economic basis of Korean ethnic solidarity. First, the major collective actions in the forms of demonstrations and boycotts against other groups by Koreans in New York are shown to have been taken largely in response to business-related intergroup conflicts. Second, in their efforts to resolve business-related intergroup conflicts, Korean trade associations and business leaders are shown to have increased their influence and power in the Korean community in New York.

Some readers may argue that Koreans' concentration in small business causes internal conflicts and thus destroys solidarity by increasing both intragroup business competition and friction between business owners and co-ethnic employees. Chapter 11 examines to what extent

this holds true. Chapter 12, the concluding chapter, discusses theoretical implications of major findings concerning the effects of Korean immigrants' middleman role on their ethnic solidarity. It also summarizes major findings concerning causes of Korean–African American conflicts and their policy implications.