CHALLENGES AND OPPORTUNITIES FOR KOREAN-AMERICAN BUSINESSES

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Introduction

This year, we Korean Americans celebrate one hundred-year history of Korean immigration to the United States. Along with Korean immigrants resident in Japan, Korean immigrants in the United States form a vital part of the six million overseas Koreans. Korean Americans are nowadays active in a variety of professional and business areas and they are making significant contribution to both their adopted country America and their ancestral homeland Korea. There has developed a strong bond between the Korean immigrant community and the Korean motherland, especially because the United States and Korea have remained the closest political, economic and military allies. Over the years, active cultural and other exchanges have been maintained between the Korean immigrant community in America and Koreans in the motherland. Most Korean Americans still enjoy close family ties with folks back home and two-way visits between Korean Americans and homelanders have steadily increased in recent years. Frequent tour groups are organized from both sides of the Pacific Ocean, as the airline links between the two countries have multiplied.

Along with cultural and social exchanges between the two sides, there has developed an increasing business relationship as well. The United States has been the premier export market for Korean products during the past several decades, but most of the Korean goods have been marketed in this country by the branch offices or American subsidiaries of Korean trading and manufacturing firms headquartered in Korea, and only a small proportion of Korean exports has been sold in this country with the assistance of Korean American business firms established in America. The main reason for such a trading pattern is that most Korean American businesses have been in the form of small family-owned shops and stores catering to local clientele rather than a nationwide market. The very nature of Korean American businesses has been shaped by the types of Korean American businessmen and entrepreneurs, who have been relative newcomers to this country and in a sense themselves reluctant businessmen who have considered their business activities in America mainly as a means to earn a living during the transition period from their immigration to this country to the time when their children get established in the mainstream of the American society through good education and professional jobs rather than inheriting their parents' small-scale shops and businesses by themselves.

Three Waves of Korean Immigrants

Among almost two million Korean Americans resident in this country, one can detect three distinct groups. The first wave of Korean immigrants to this country arrived in Honolulu one hundred years ago mostly as male laborers to work on the Hawaiian sugar cane fields, earning about $1 per day.1 Later they were joined by Korean women, known as the picture brides,

1 Between 1903 and 1905, about 6,740 Korean immigrants arrived in Hawaii according to steamship passenger manifests of those years.

brought in from Korea in order to marry those early Korean immigrant laborers.2 The early immigrants from Korea were mostly those who came to the United States in search of better jobs and a new life as well as political freedom from the Japanese occupation of 1909-1945. This first wave of Korean immigrants was relatively uneducated and tended to work on American farms and at factories as manual laborers, though some of the more educated immigrants were active in the liberation movement to free Korea from the Japanese occupation. Some of the most prominent leaders in the Korean independence movement, including the first South Korean president after the end of the Second World War, came from this first wave of Korean immigrants to the United States. Many of these independence movement leaders used their newly acquired English skills and Western lobbying tactics in their struggle to win the support of the American as well as international community for the Korean independence. These leaders were financially and morally supported by the first-wave Korean immigrants, who organized many fund-raising drives to assist the Korean independence movement. Most of the first-wave Korean immigrants have since passed away and their children as well as their children's children have been far more thoroughly assimilated into the American mainstream society than any other group of Korean immigrants. In fact, many if not most of the descendants of the first-wave Korean immigrants do not speak Korean, and they have inter-married with persons of other ethnicity more than other Korean immigrant groups. They are also not active in Korean ethnic group activities and they consider themselves more American than Korean.

The second wave of Korean immigrants comprised those who came to this country after the outbreak of the Korean War of 1950-1953. While some among the second immigrant group might have been war refugees from well-to-do families with the economic and political means to obtain the American visas and to afford the substantial economic costs fleeing the war scene for America, most others were young Korean men and even some women who decided to come to the United States to further their advanced education which was not readily available in Korea during and in the immediate aftermath of the Korean War. Between the mid 1950s and early 1970s, this second wave Korean immigrants arrived in the United States not as immigrants like the first wave immigrants but mostly as students seeking higher educational opportunities at many American colleges and universities. Unlike the current wave of Korean students who come to the United States even during their elementary or secondary school years, in those days almost all of the Korean students coming to America to study had finished at least the college level education in Korea already. As the Korean government strictly regulated the outflow of Koreans studying abroad and since getting a student visa at the U.S. embassy in Korea was very difficult, only those students who were relatively studious and had passed overseas study exams administered by the Korean government were eligible to go abroad to study.

Due to the lack of foreign exchange reserves and the poor economic situation in Korea at that time, these Korean young men and women had to rely on a variety of American scholarships and fellowships, as well as working in part-time jobs in order to earn the money necessary to pay for tuition and living expenses while studying in the United States. Fortunately, in those days the

2 On September 20, 2002, a Korean TV channel called SBS had a special on these "picture brides", who numbered at least 500 between 1910 and 1924, according to this documentary. See "100 Years of American Immigration: Review of Picture Brides," *The Chosun Ilbo, September 13, 2002.*

U.S. immigration regulations were rather generous and allowed foreign students in America to work part time even with student visas while studying at American colleges and universities. It would be rare indeed at that time that Korean students enrolled in American educational institutions of higher learning were wholly supported financially by their families back home in Korea. Even though their families might have been affluent on the Korean standard at that time, they could not afford high educational and living expenses in U.S. dollars needed by their sons and daughters studying in America.[3] Furthermore, the Korean government imposed strict restriction on the amount of dollars to be sent abroad due to the precarious foreign exchange situation in Korea, which relied mostly on foreign aid to finance essential imports into the country. In fact, Korea's most famous (or infamous) exports in those days were not textiles or semi-conductors but Korean orphans who were in plentiful supply due to the social chaos and family dislocations caused by the Korean War.

These second wave immigrants, while many of them had originally intended to go back to Korea to participate in nation building, instead decided to stay here even after their study was finished, as they quickly learned that there were more career opportunities and better living conditions in the United States than back home. In fact, in those days Korea did not have many jobs matching the newly acquired academic and professional skills and qualifications of these young Korean professionals. These immigrants, many of whom received doctorate degrees from well-regarded American universities, ended up working for large U.S. firms as engineers, scientists, managers, etc. Also, one of the favored professions chosen by the newly educated young Korean immigrants was a professorship at an American university, as teaching had been regarded as a noble profession in Korea for centuries and college professorship provided the highest honor and intellectual satisfaction to these new Korean immigrants. Such job preference among this group of Korean immigrants reflects the long cultural tradition of Sa Nong Gong Sang (the societal hierarchy of scholar mandarins, farmers, artisans and manufacturers, and lastly merchants and traders) that has been part of the Chinese and Korean historical legacy for many centuries. Thus, the preferred career choice of Korean elites even in Korea has always been to become scholars and government mandarins. When the second wave immigrants finished their advanced education here, often capped by masters and doctorate degrees from prestigious American universities, any thought among them for starting a business to make lots of money for the sake of making money was furthest from their consideration. Their first career choice often was a comfortable professorial job, since becoming an important official of the U.S. government seemed too daunting a task for the relatively new immigrants to this foreign land where the rules and practices of promotion and career advancement were not familiar to this group of Korean immigrants. Furthermore, they sensed perhaps correctly that in the American society a career in the government is not as highly valued as in the largely feudalistic Asian society and instead it is often regarded simply as another bureaucratic job, unless one obtains a high-level policy maker position, which is largely beyond the reach of most new immigrants anyway. Thus, the

3 A class mate of my high school back in Korea , whose father was at that time a Korean ambassador to a Middle Eastern country, had a waiter's job at a restaurant while studying at an American graduate school, and he introduced me to the same restraurant where I was able to get a job as a dishwasher while studying for my MBA degree. Since dishwashing was just too difficult for me, I switched my job later to a supermarket packing grocery bags for customers, thus able to make extra money to supplement the scholarship fund provided by my American university.

traditional elite career as a scholar mandarin in the Chinese and Korean tradition was considered not a viable option for the new, highly educated and ambitious second-wave Korean immigrants.

On the other hand, there were some career prospects for the second-wave Korean immigrants which approximate the ideal scholar mandarin life, albeit on an international scale rather than on a country level. That career path was to land a coveted officer position at a premier United Nations–affiliated international organization. Consequently, many second-wave Korean immigrants fresh with advanced academic degrees from American universities sought careers in international agencies such as the United Nations, World Health Organization, the International Monetary Fund, the World Bank, the United Nations Development Program, etc. Especially most of these international agencies provided relatively high incomes, paid tax free due to their international agency status, and at the same time a very satisfactory professional experience such as traveling all over the world and helping many developing countries including Korea in their economic development efforts. After accumulating substantial development experience working for these prestigious international organizations, many of them were subsequently lured back home to land jobs as high government officials or think tank executives in Korea, of course at much lower salaries than their previous pay scale but with higher psychic income. However, their children and sometimes even their spouses did not savor the idea of returning to a life in Korea, as they had become sufficiently acclimatized to the comfortable and more orderly living style offered by the middle class America. Hence, they tended to stay behind in America, resulting in occasional trans-Pacific commuting among the family members.

The third wave of Korean immigrants to the United States arrived here in the late 1960s and especially from the early and mid 1970s. In 1965, the new Hart-Celler Act in the United States abolished immigration based on national origin, allowing significant growth in immigrant populations from non-European regions such as Asia, the Middle East, Latin America, and Africa. Many Korean immigrants took advantage of the relaxed immigrant visa requirements and came to this country in order to take advantage of the better living conditions offered by the richest, freest and most advanced country in the world. This third wave of Korean immigrants became practically a flood right after the fall of South Vietnam in 1975, as many Koreans back home were scared of another potential invasion from the Communist North Korea emboldened by the victory of the Communist North Vietnam over the democratic but corrupt South Vietnam that had long been supported but finally abandoned by the United States. Many of these third wave immigrants could secure the coveted American immigrant visas (the so-called green cards) through their connections with the second-wave Korean immigrants, who sponsored their family members and other relatives back home to immigrate to this country. Thus, the blood ties between the second and third wave Korean immigrants may be as parents, in-laws, siblings, and other relatives. In other cases, the third-wave immigrants came to America through job quotas allocated to specialized professions such as nursing and other medical service sectors, those requiring certain technical skill sets, and other professions needed in America.

This third wave of Korean immigrants was different in their professional makeup from that of the second wave. Most of them already had white-collar career experience back home as

teachers, government workers, business firm employees or even managers, etc. They were also married, with spouses and children to support, compared to the earlier, second wave Korean immigrants who mostly came to this country as singles and as students in order to pursue their advanced graduate school education. For these third wave Korean immigrants, getting jobs and supporting their families in America became the most urgent task right after their arrival in this country. They could not enjoy the "luxury" of pursuing advanced educational training in this country, because they had to earn a living immediately to support their family. Unfortunately for them, however, they soon learned upon arrival in the new Promised Land that their previous professional job experience and college education back home in Korea was not considered suitable enough for similar American professional jobs. Especially, their lack of English proficiency prevented them from getting comparable jobs or even any "white collar" jobs so highly regarded in the Confucian tradition-bound Korean society back home. Desperate to earn a living not only to support themselves but, even more important, their families newly settled in a foreign land, the third wave Korean immigrants had to make a quick career and life style change from that of white collar professionals in Korea to blue collar workers and laborers or budding entrepreneurs starting as street vendors and household handymen.

Korean Immigrant Businessmen as Reluctant Entrepreneurs

Given a choice, the third wave, newly arrived Korean immigrants would have readily selected white collar careers in America similar to those that they had left behind back home, just like the second wave Korean immigrants most of whom by that time already settled down comfortably holding covetous white collar professional jobs in America. But the new immigrants learned rather quickly in their newly adopted country that "connections" related to family, school, and hometown do not help at all in getting jobs in the United States, where the most important, and often the only, requirement is the professional qualification and competency of a job seeker for that position. Poor in English and with no formal schooling in the United States (even though many of the third wave immigrants had higher education in Korea including college degrees), the new immigrants got into those jobs that did not require English or professional proficiency but instead lots of muscle power and hard work. Thus, many of them started their American life with jobs requiring their muscle rather than their considerable brainpower developed in their earlier professional careers in Korea. They of course considered their first American jobs more as means for livelihood rather than as careers. Their hope was to earn enough money by their personal sacrifices in order to support their families and, most important to them, to help educate their young children who became rather well adjusted to the American educational system and started to excel in school.

Thus, from the 1970s at least there was a distinctive career divide between the second and third wave Korean immigrants. Many belonging to the latter group started their first American jobs working for others in simple tasks requiring hard labor but not much English proficiency. As they arrived in the United States from the mid 1970s onward, however, there was a general decline in manufacturing jobs as the U.S. economy was transforming itself gradually into a service economy away from manufacturing, which was farmed out to new factories in remote

corners of the world with much lower wages and less labor union problems than in America. Therefore, these new Korean immigrants often ended up with jobs working in small businesses such as retail stores and service outlets like laundries and delicatessens. Gradually, however, these Korean immigrants learned the business skills from their new American bosses in running small shops and service outlets.

Their hard work and admirable employment ethics along with their inherent intelligence soon earned them the grudging respect of their American store owners, many of whom were of advanced age and whose children had grown up and left home long time ago in order to start their own families. When these American owners, many of whom were ethnic businessmen themselves such as Jewish or Italian immigrants, decided to sell their stores which they had started many decades ago in order to support their own families, for the sake of enjoying a long-delayed retirement life in the regions such as Florida and Arizona with warmer climate, their hard-working Korean immigrant workers were the natural candidates to take over the stores. Korean immigrants raised the necessary capital to purchase these stores not by bank loans due to their poor credit record, as most of them were paid rather poorly and since they did not have the sufficient time in their adopted country to accumulate an adequate credit history. Instead, they relied on their meager personal savings and some emergency funds that they had carried with them upon their departure from Korea as well as personal loans from their relatives and community colleagues living in the United States. They also relied for seed capital on "kye" which is a type of informal rotational savings club prevalent in Korea and other developing societies where the formal financial system has not developed adequately.[4] The Korean immigrants could provide their own labor and that of their immediate family members, moderate amounts of capital, and bare minimum knowledge of English required to operate these stores. In large metropolitan areas such as New York, Los Angeles, Chicago and Washington, Koreans predominate in small scale businesses such as dry cleaners, green grocers, fish markets, delicatessens, bakeries, low budget restaurants, candy stores, gift and stationery shops, discount stores, shoe repair shops, tailor shops, nail salons, and moving firms.[5] Most Korean businesses are small and initially operated by a husband, wife and other close family members who usually were not regular paid employees. The owners often work more than twelve hours daily, six or even seven days a week, though many Korean businesses are closed on Sundays so that they can attend Sunday church services.

The Role of Korean Immigrant Churches

One of the pronounced but often neglected aspects of the Korean immigrant life in the United States is the constructive and prominent role that has been played by Korean immigrant churches. For most Korean immigrants their Korean church, whose main service is conducted in

4 Such rotating savings clubs also exist in such South Asian countries as the Philippines and Thailand, as well as in some African countries like Kenya and Nigeria.

5 A survey by Los Angeles Times shows that Korean immigrant businesses are mostly in retail service areas, while Chinese Americans are more likely in technology ventures. See "Special Report: The State of Small Business in Los Angeles County," *Los Angeles Times*, September 17, 1999.

Korean, has become the place of the most important religious as well as social gathering. For many of these Korean church goers in America and especially for those belonging to the third wave immigrant community, their Sunday church attendance and their after-service activities in their churches are often the only occasions during a normal work week when they wear suits and ties, just as in their former professional life back home in Korea. Also, unlike their daily jobs at small stores and shops, many of which are located in rather dangerous and dilapidated inner city areas often catering to low-income clients of black and Hispanic ethnic origins, the Korean churches provide not only a spiritually uplifting experience for these hard-working Korean immigrants but also a place where they feel genuinely respected by their peers as responsible and deeply religious church elders and deacons. The Korean immigrant churches, whose numbers experienced a truly explosive growth during the past few decades with the arrival of the third wave Korean immigrants in this country, have rendered a valuable service to this group of hard-working but tired (both in physical and spiritual sense) Korean immigrants, many of whom had not been regular church goers back home before their immigration to this country.

Most immigrant churches are very conservative on the American standard, banning both drinking and smoking as sins, and they encourage their members to lead a life of austere and God-fearing behavior in their recently adopted and still mysterious new land. For many hardworking Korean immigrants, their life in the United States would have been much more unbearable without the spiritual as well social comfort offered by their immigrant churches. In fact, it is quite possible and even probable that, without the ready presence of Korean immigrant churches in almost every corner of this country where even only a tiny Korean immigrant community exists, many of these Korean immigrants, who feel truly tired in their new American life of back-breaking physical labors in their work places and who resent being abused by their American clients, might have plunged into a life of hard drinking or even worse sinful habits during their evening and weekend hours in order to vent off their frustration with their rather harsh reality of the American immigrant life which requires constant toiling with physical labor every working day rather than exercising their brain power as in their former professional careers back home in Korea.

While most Korean immigrant churches are relatively small serving only several dozens or so worshippers, there are some Korean immigrant churches with the membership of a thousand or more worshippers, requiring double or triple Sunday worship services, and with an annual budget exceeding millions of dollars. All of these immigrant churches perform a valuable service in marshalling the spiritual life of hard-working but often frustrated Korean immigrant shop keepers and store owners into a constructive line of activities such as missionary work, food bank services, and inner city volunteerism during their spare time. These churches also have separate worship services and Sunday bible classes for the children of Korean immigrant families, mostly conducted in English unlike those for their parents. This author remembers well that, when he moved from Boston to Washington in 1970 right after receiving his advanced academic degree in order to start his first professional career in America as a young economist at the World Bank headquarters, there was only one Korean restaurant in the entire metropolitan Washington area which was located in the basement of a hotel which has now become the Chinese Embassy, but that more importantly there were only two Korean immigrant churches.

These churches were originally started by the first-wave Korean immigrants but later were filled up mostly by the second-wave Korean immigrants who had been attracted to the Washington metropolitan area in order to work for international organizations such as the IMF and the World Bank as well as for various U.S. Federal government agencies and law offices and consulting firms located in Washington. During the past three decades, however, as the Washington metropolitan area became a magnet for the third-wave Korean immigrants, the number of Korean immigrant churches has exploded also. There are now literally hundreds of Korean churches situated in every nook and cranny of the Washington metropolitan area, each of which contributes mightily to the spiritual life of the Korean immigrant community in its respective area. The majority of the church members in these Korean churches are made of third-wave immigrants and their growing families.

However, as the Korean immigrant churches cater to mostly third-wave Korean immigrants who are holding their jobs not as careers or professions but more as means for earning a living, a number of Korean churches have suffered from internal frictions among church members. Most of these frictions result from a power struggle among some church members to get elected as church elders and senior deacons, as they seem to consider their church not as primarily and even solely a place of worship and spiritual growth but as a place where they want to be "recognized and to gain respect" which they so desperately seek in vain in their daily working life. For a surprisingly large number of Korean immigrant church goers, becoming a deacon or elder or some other church leader appears so important a career goal that they would be terribly discouraged if they failed in obtaining those positions. Many church members frequently change their churches or even abandon their Korean immigrant churches by joining an "American" church either because of their failure to get a leadership position in their immigrant church or because of their disgust and anger at real or imagined internal church politics. Such aberrant behavior results from some Korean immigrants' misperception of a church's primary mission as not so much providing the place of worship for their own spiritual growth but as a large immigrant organization in which they would like to have their frustrated egos and loss of self-esteem redeemed in order to compensate for the harsh immigrant life filled with suffering much abuses by their American clients and back-breaking physical labor. In fact, one of the reasons for the mushrooming Korean immigrant churches is due to the frequent internal friction, which causes some members of a church to break away and form a new church separate from its mother church. There are many cases where one mother church is split into the second and third generation churches due to continuing internal frictions caused by some very trivial matters of dispute that could easily be resolved in the secular life.

As many Korean immigrant churches have grown big, some of them have also imitated the bad habits prevalent back home in Korea where many churches are criticized for growing too big for the sake of becoming big and powerful while neglecting the more serious mission of ministering to the spiritual needs of their members regardless of the size of a church congregation. Some immigrant church leaders also seem to engage in the pursuit of quantitative growth of their church membership with an amazing degree of zeal at the expense of spending more time nurturing the spiritual growth of existing church members. Many Korean church leaders both in

Korea and America seem to ignore the important lesson of Jesus' teaching that it is more important to save one stray lamb than striving to preserve ninety-nine other lambs, and instead they spend too much energy and time in pursuing the ninety-nine or even more lambs, without spending enough time to look for and concerned with that one or two stray lambs among their flock. Some pastors and church leaders appear more eager to enjoy the bragging rights on how "big" their church membership is, neglecting the all-important goal of saving one lost soul at a time. Many Korean churches, both here in the United States and Korea, collect huge sums of money from their members in the form of tithes, special thank offerings, festival day offerings and other donations and then the churches use these funds not so much for social welfare activities and for caring for needy members of the community in which they serve but for constructing grandiose church buildings and expanding church staff members. Some pastors are criticized for spending more time traveling around the world using church funds in the name of missionary works while neglecting the very souls of their own existing church members.

As the number of Korean immigrant church members has increased, church ministers appear to compete for the size of their congregation and their church donation as signs of "success" in their pastoral work. There have been an increasing number of complaints and grumbling among existing church members that they could hardly expect to consult directly with their senior pastors on spiritual and family problems or to be visited at home occasionally and cared for spiritually by their own church ministers, as they seem to have become too busy and too distant with other outside activities and preoccupied with expanding the church membership even further rather than caring for their own existing church members. As some Korean immigrant churches have become so big in size, they have hired many junior and assistant pastors who have also become busy by creating so many "new" church programs and activities, for which the church members are constantly pressured each week for their attendance and attention. Churchgoers are cajoled by senior and assistant ministers to attend these additional church activities without fail, many of which take place during the weekdays. If all these church activities are to be attended to by immigrant churchgoers, hard-pressed Korean immigrant businessmen would hardly have any time left to spend quality time with their families, to work on their own businesses and professional activities, and most importantly reserving their own quiet time to pursue the spiritual growth and meditation. It is critical now for Korean immigrant churches in America that they redefine their true mission in serving their existing church members more diligently rather than trying to imitate the secular world by trying to become bigger for the sake of bigness. They have to understand that true spiritual growth is not attained by attending numerous superficial church activities but by pursuing intensively personal spiritual journey through constant prayers and meditation and bible reading. The spiritual needs of Korean immigrants should not be sacrificed by the Korean immigrant churches in their vain pursuit of more members and bigger church buildings.

The Role of the Korean Language Newspapers in America

The Korean businesses in this country, mostly run on a small scale, can be categorized into those catering to mostly Korean customers and those serving all types of clients including

Korean clients. The former category includes restaurants serving mainly ethnic Korean foods, oriental medicine shops, English language schools, real estate firms serving Korean immigrants, Korean wedding shops, local accounting and bookkeeping firms for Korean immigrant businesses, travel agencies, Korean movie and video rental firms, driving schools for new Korean immigrants, etc. The latter includes laundries, barber and beauty shops, nail salons, florists, delicatessens, greengrocers, bakeries, candy stores, gift and stationery shops, shoe repair stores, carpentry and painting and other handyman service shops, etc. In order to survive the fierce competition among Korean businesses belonging to the first category, many Korean businesses actively advertise in Korean language daily and weekly newspapers published locally either by other Korean immigrants or by major Korean newspapers headquartered in Seoul as their American editions.[6] These Korean newspapers, as other newspapers serving ethnic communities in America, carry the news on the political and social developments back home in Korea as well as the local news events centered on the Korean immigrant community.

The competition among Korean language publications for advertising dollars from local Korean immigrant businesses is rather fierce as well. While local advertisements in Korean language journals and newspapers are helpful to many Korean immigrant businesses in attracting Korean customers, these businesses are sometimes unduly pressured by Korean language newspapers to advertise in their publications. As a result, sometimes there are frictions between Korean immigrant business owners and local Korean language newspapers. In the Fall of 2000, the publisher of The Korea Tribune, a Korean language weekly published in the New York metropolitan area, was arrested and indicted for illegally pressuring and extorting money from several local Korean merchants through threats of publishing unflattering articles about their business practices and even bodily harms. Prosecutors claimed that this case was rather unusual in that the victims of swindles involving immigrants preying upon their own countrymen were willing to come forward in order to complain to the government authorities. Most observers noted that such a case provides a window into a murky and sometimes volatile set of relationships at work every day in many immigrant neighborhoods across the country. While most ethnic newspapers published in this country observe certain ethical standards, some of them operating on shoestring budgets can be really another form of ethnic businesses to earn a living rather than performing a journalistic mission.

Many of these newspapers are distributed free of charge to the local Korean ethnic community and in order to meet their payrolls and other expenses, these publications are desperate for advertising dollars, sometimes publishing ads even without any prior consent from a business owner and later demanding (or extorting in some cases) money from the business owner under the threat of publishing stories critical to the business. In the case of The Korea Tribune, the publisher was accused of extorting money even from several Korean American church ministers with a threat of publicizing certain unsavory rumors and innuendos concerning the churches and their pastors.

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6 Almost all the major Korean daily newspapers published in Korea have strengthened their U.S. editions in recent years through local editorial offices maintained in major metropolitan centers such as Los Angeles, Washington and New York where there are large Korean communities.

Drive to Unionize at Korean Businesses

As Korean immigrant businesses have grown in size and as the children of the owners have grown up and left home for college, many business owners have had to rely increasingly upon hired hands, who happen to be recent Hispanic immigrants from Mexico and other Central and Latin American countries. Most of these immigrants are uneducated and speak almost no English and many of them have entered the United States illegally. Korean merchants who hire these workers pay them often in cash and below minimum wages. However, such pay scales are still very high for these recent Hispanic immigrants compared to what they could earn in their own native countries, if they could find jobs at all. Since they are here also illegally, they tend to suffer quietly and are not aware of legally enforced minimum wage and other fair labor practice laws in this country. Even if they might be aware of such laws, they do not want to raise such issues with their Korean storeowners for fear of being discovered by the U.S. government authorities on their illegal immigration status. Such unhealthy labor practices are bound to cause troubles some day, and one such case flared up in early 2000 in New York City when this abusive labor practice issue was exploited with an aggressive campaign by Local 169 of the Union of Needletrades, Industrial and Textile Employees. A picket line was formed outside a 24-hour greengrocery in Manhattan operated by a Korean immigrant businessman.

It is estimated that about 60 to 70 percent of New York City's roughly 2,000 greengroceries are owned and operated by Koreans, and most of their workers, estimated at over 10,000, are Mexican and other Hispanic immigrants with relatively low level of education and poor command of the English language.7 The labor union in the above case charged the Korean storeowners for paying sub-minimum wages and not properly paying the overtime charges. On the other hand, many Korean merchants claim that the working conditions in their stores – long hours, no vacation time, and no health insurance and other fringe benefits – are the same one they endured while learning the business from earlier generations of Jewish and Italian greengrocers while working for them. Many Korean merchants are also addressing the workers' complaints by raising wages and shortening workdays, but still others are leaving the greengrocery business altogether, complaining about their already slim profit margins despite putting in punishingly long working hours themselves into their business. It is also true that many Korean merchants and shop owners had little knowledge of fair labor practice laws and minimum wage laws until U.S. labor unions start to press them on these issues. Some union and labor officials say that they have found poor working conditions in stores owned by other ethnic groups such as Indians and Arabs, but they contend that they have encountered the most resistance from the Koreans.

Challenges and Opportunities for Korean Immigrant Businesses

Up until now, Korean immigrant businesses in the United States have been mainly in the form of small scale retail stores and family-operated shops catering to a rather limited number of local clients, either other Korean immigrants in the area or a wider local clientele regardless of

7 "Union Drive Collides with Korean Grocers," *The New York Times*, February 15, 2001.

ethnic background through a more generalized service business. One of the distinguishing characteristics of the Korean immigrant businesses has been the fact that such businesses were started and subsequently operated by the Korean immigrants simply as a means for livelihood to support their families that landed in this adopted foreign country called America. Many of the Korean immigrant businessmen started their earlier working life in Korea not as small shop owners or independent business people but as white-collar professionals after earning their college degrees there. Nevertheless, their lack of English proficiency and, even more important, their lack of formal professional education in this country has forced the new Korean immigrants arriving in this country since the 1970s to seek manual jobs requiring only a bare minimum of English and no formal education.

Having been raised until their adulthood in the Korean society, where the societal hierarchy of the so-called Sa Nong Gong Sang (scholar mandarins, farmers, artisans and manufacturers, and lastly merchants and traders) has been an accepted cultural legacy for centuries, the formerly white collar-turned blue collar Korean immigrant businessmen have resented their working life in this country but coped with this humiliation through deepening their religious faith by regular attendance at Sunday church services and with the expectation of a better life for their children in this blessed country. Thus, the hard work ethics of the immigrant parents at stores and the good education at schools for their children have combined to form a distinguishing ethos for most first generation Korean immigrants, especially those third wave immigrants who have arrived in this country since mid 1970s. Naturally, therefore, these Korean immigrants have viewed their businesses as simply an intermediate stepping-stone for a better future for their families through successfully raising their children with first class education at good schools and preferably at Ivy League colleges. Shedding of many tears and back-breaking sacrifices of the Korean immigrant merchants and store owners have always been connected to their noble dream and sure conviction of a better and more decent life to be enjoyed later in this blessed country by their children, who are raised in the most advanced educational system of the richest and most powerful country on earth.

Hence, the first-generation Korean immigrant businesses are mostly to be utilized for earning enough money to raise their families and not regarded as some enterprises to be nurtured and cared for in order to be passed onto their offspring. Most Korean immigrant business owners want their children to pick up different professional careers such as lawyers, medical doctors, engineers, scientists, and even college professors. In this sense, most Korean immigrant businesses lack the depth and durability as business ventures and they tend to be mostly small retail service businesses, owned and operated by transplanted white collar professionals from Korea as simple means to earn a living in their newly adopted country called America. The future challenge for the Korean business community, therefore, is to develop a new breed of Korean businessmen, who are engaged in not small retail businesses tailored to a limited local client base necessarily but in technology-oriented ventures as well as in non-technology businesses such as financial services and trading businesses but still with a global or at least national clientele with the use of Internet and other modern marketing techniques. Fortunately, there are an increasing number of new venture firms founded by the second-generation Korean immigrants who are educated in well-known colleges and universities. Indeed, this new breed of

the second-generation Korean business firms should be the model for successful Korean immigrant businesses. They could benefit from bridging the two markets of the dynamic Korean economy, the thirteenth largest economy and the twelfth largest trading nation of the world on one hand and the biggest free market in the world, the United States, on the other.

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