

Article

From Father to Son:  
1.5- and Second-Generation Korean  
Argentines and Ethnic Entrepreneurship  
in the Argentine Garment Industry

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## Introduction

On May 2, 2014, a grand opening was held for a new retail clothing store in Quilmes, a city in the province of Buenos Aires, Argentina. A group of Koreans gathered to celebrate Mrs. Hyung-Im Park's new shop, called Dawa, located in Quilmes's busy town centre. Reverend Choe, a Korean pastor, was on hand to give the blessing. At the luncheon that followed, Mrs. Park made a speech expressing her joy at opening this new shop, her largest yet. As a first-generation Korean Argentine who immigrated to Argentina in the early 1980s, she had been involved in retail apparel for more than thirty years, making great strides in her progression from running a street stall to several small retail shops to Dawa. She warmly expressed her gratitude to her friends, co-workers, and fellow businesspeople, who were also mostly Koreans in the retail and wholesale apparel business. She stated that along with her own family, these supporters had greatly contributed to the development of her businesses not only by facilitating her access to vital financial injections but also through their moral support as business partners, collaborators, and fellow immigrants on a similar career path in the retail and wholesale apparel industry in Argentina. At the event, Mrs. Park was helped by her son, who was busy taking care of party details, greeting, and bidding farewell to guests on her behalf when she was too engaged to do so herself. Himself the owner of a wholesale clothing store on Avellaneda Avenue in Buenos Aires, he seemed well acquainted with the majority of the guests. He had lived in the USA and studied at a renowned university there, returning to Argentina upon graduation to develop his own business.<sup>1</sup>

Mr. Hyun Namgung, another Korean migrant to Argentina, arrived in 1971. Hearing that the work most easily obtained by Koreans in Argentina was machine sewing and knitting, he stopped in Tokyo, Japan, to buy some sewing machines on his way to Argentina. Soon after arriving in Buenos Aires he secured his first contract to sew garments. He ran his workshop as a subcontractor for several years before becoming a clothing manufacturer in the late 1970s.<sup>2</sup> In the early 1980s, he was able to open his own wholesale clothing

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1. Site observation and interview with Hyung-Im Park, May 2, 2014. Interview with Dani Oh, May 14, 2014.

2. While workshop owners (subcontractors) are involved in garment sewing exclusively, manufacturers engage in garment design and cutting, sending the cut fabrics to sewing workshops

store, in the Once area, once Buenos Aires's busiest wholesale fashion hub.<sup>3</sup> Since among first-generation Korean Argentines becoming an owner of clothing stores was considered a measure of success, he was proud of his achievement as a garment businessman who came to Argentina without any background in the industry. His daughter, Cecilia, studied fashion design at the University of Buenos Aires and had also been a professor there, resigning to work as a garment wholesaler. She, her father, and her sister together run the family's wholesale firm, with Cecilia overseeing clothing design and selection, her sister sales and shop management, and her father production in the cutting factory.<sup>4</sup>

Meanwhile, in Bahía Blanca, a city in southwestern Buenos Aires province, Mrs. Hyo-Soon Park and Mr. Sang-Chul Lee have run a successful retail shop downtown for more than 25 years. Their involvement in the garment business has ranged from machine sewing and wholesale to the retail businesses to which they devote themselves today. The couple are proud of their two sons, both of whom live in Buenos Aires. The older one studied engineering at one of Argentina's renowned universities and then spent several years working in a large company in Buenos Aires. He resigned when he got married and then took over his parents-in-law's retail clothing shop along with his wife, who herself abandoned a career in odontology in favour of the business. Mrs. Park and Mr. Lee's second son is majoring in medicine at a university in Buenos Aires and wants to be a doctor. However, in comparison with many other capitalist societies, pursuing a career in the medical or legal professions in Argentina does not offer good financial prospects. For this reason, he is seriously thinking of emigrating to another country after achieving his medical degree.<sup>5</sup>

These stories are typical of Korean Argentine families. Many Korean immigrants began their lives in Argentina by taking on machine sewing or knitting jobs as self-employed businesspeople, gradually expanding into the commercial apparel sector by opening wholesale or retail shops. Because of the

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for assembly and finishing.

3. This was the case in the 1980s and 1990s. Today wholesale clothing shops are concentrated around Avellaneda Avenue in the Flores area.

4. The interview with Namgung Hyun was conducted April 25, 2014, in the City of Buenos Aires.

5. The interview with Mrs. Hyo-Soon Park and Mr. Sang-Chul Lee was conducted March 15, 2014, in Bahía Blanca.

profits entailed in these commercial activities, this kind of shift has been viewed as a mark of upward social mobility. Many Korean Argentines in the garment industry report similar career paths and business development experiences in Argentina.<sup>6</sup> Often they intend to eventually hand over their businesses to their children, who are 1.5- or second-generation immigrants.<sup>7</sup> Indeed, many of these children view the opportunity of inheriting the family business as an easy pathway to achieving greater economic success. Thus, instead of branching out into a diverse range of professions, younger Korean Argentines tend to be inclined towards working for the family business.

The status and career development patterns among 1.5- and second-generation Korean Argentines greatly contrast with Koreans in the USA. While many first-generation Korean immigrant families in the USA run small or larger businesses within and outside their ethnic enclaves, their children tend to disfavor inheriting their parents' occupation or family business. Dae Young Kim (2004, 156) states, "Despite the success of the strategies of mobility used by their immigrant parents, second-generation Korean Americans have shunned the small-business path." Indeed, the second-generation Korean Americans he interacted with even expressed that they would do anything besides taking over their parents' businesses, disdainful of the sacrifices that the whole family had to make to develop and run them, especially in the initial period after migrating to the USA (Kim 2004, 179; 2013, 48-49).

The corresponding generations of Koreans in Argentina stand in almost complete contrast in that they do not reject the trajectory of their parents' business endeavors. Indeed, they value highly the option of staying in the family business, viewing it as a career opportunity that offers a means of pursuing and sustaining modern capitalist lives in Argentina. Thus, many of them voluntarily engage in the work or aim to develop their own businesses in the same industry. Clearly, in comparison with Koreans in the USA, a far smaller proportion of Korean Argentines—whether of the same or different generations—seek

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6. The Episode 86 of KBS Documentary, "Geullobeol seonggongsidae" (Age of Global Success) on Mr. Kim Hongnyeo was broadcast on March 16, 2013. Accessed October 31, 2016, at <http://goo.gl/xNdfJ6>.

7. In this research, the term "1.5-generation immigrant" refers to a Korean Argentine who was born in Korea and moved to Argentina at a very young age, while the term "second-generation immigrant" refers to a Korean Argentine born in Argentina to a Korean immigrant family.

their success by pursuing professional careers such as those in medicine, law, engineering, finance, and academia. Instead, they tend to remain in ethnic Korean enclave businesses largely represented by a range of garment ventures, from wholesale or retail shops to clothing factories.

Based on ethnographic research on Korean business entrepreneurs in the Argentine garment industry, this study seeks to answer such critical questions as: Why do the successive generations of Korean Argentines follow the entrepreneurial route of their parents or stay within the ethnic economy rather than choosing other paths? What advantages do Korean Argentines perceive in maintaining their dedication to the family business or to work within the ethnic-centered garment industry, and what is their discourse concerning this situation? Also, how have the specific economic and social environments that Korean immigrants have encountered in Argentina led them to follow very different career paths from their counterparts in the USA or elsewhere? By answering these questions, this study hopes to unravel how trends in career paths reflect the social negotiation and adjustment processes undertaken by Koreans in Argentina within the particular socio-economic conditions posed by migration.

For this research, twenty-five individuals who fell into the category of 1.5- and second-generation Koreans in Argentina were interviewed. These relatively young Korean Argentines were asked about their family backgrounds and immigration history, and their parents' settlement experiences and entrepreneurial activities, and strategies for maintaining or developing their own or their family's businesses. In addition, a number of first-generation Korean business owners in garment industry were also invited for an interview. They were asked to share their experiences as Korean immigrants in Argentina and their views and opinions about their children's career pathways in the process of settling down and/or professionally establishing themselves in Argentina. With its focus on individual immigrants and their experiences of migration and settlement, this research sheds light on diasporic Korean lives in Argentina, particularly in terms of why Koreans tie themselves closely to the garment industry and to their family's businesses, what ethnic businesses have signified for both older- and younger-generation Korean Argentines, and finally, what can be extrapolated through these experiences about the relationship Korean immigrants have with the Argentine host society.

## Korean Immigration and Ethnic Entrepreneurship in Argentina

The first Koreans immigrated to Argentina in 1965 as part of a governmental program to increase the country's agricultural production (Jeon 1996, 62). They were settled in the province of Rio Negro in southern Argentina and given previously unworked land to open up (Jeon 1996, 62). However, as the Korean migrants were mostly of a white-collar background, they struggled with the work involved in establishing and running farms. Despite support and encouragement from the Korean government, a lack of sufficient economic resources and experience in agricultural production and business led to feelings of maladjustment, resentment, and unhappiness with their lives in Rio Negro (Park 2013). Consequently, the majority of these early Korean immigrants gave up on farm ownership in southern Argentina and left for the capital, Buenos Aires (Lee 1992, 130-34; Son 2007, 163-64). Their failure to pursue rural agrarian life ended up revealing a new opportunity for them and for those that would follow.

Once in Buenos Aires, the Koreans quickly came to focus their economic activities primarily on the knitting and sewing industry, working as subcontractors for Jewish factories or in self-employment producing apparel in the city's slum areas. Although many early Korean migrants and their sewing workshops were concentrated in Buenos Aires, they gradually spread to most parts of Argentina, opening retail clothing stores in most city and town centres (Lee 1992, 246-47). By the mid-1980s, Koreans had attained a leading position in the mid-range garment market, managing both the production and distribution sides of apparel industry. Currently, over twenty thousand ethnic Koreans reside in Argentina and about eighty percent of them are engaged in the garment industry.<sup>8</sup>

The classical literature on immigrant entrepreneurship suggested that the phenomenon of co-ethnic first-generation immigrants concentrating in particular occupations has been quite prominent in various places around the world. However, this narrow occupational span widens as the immigrant

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8. There are no official data on the number or rate of Koreans in the Argentine apparel industry. However, the main community organisations, such as the Korean Association in Argentina and the Chamber of Korean Entrepreneurs in Argentina, tend to agree that eighty to ninety percent of ethnic Koreans are engaged in that industry in some way.

generation shifts and the following generation expands their business interests into a wider variety of labor markets (Alba 1998; Alba and Nee 1997; Farley and Alba 2002; Lieberson and Waters 1988; Kasinitz et al. 2011). If a high proportion of first-generation immigrants have operated their own businesses, succeeding generations accumulate agency, enabling them to shift and expand their careers as they and their families gain financial affluence and social standing within wider society. This scenario is particularly prominent among Asian immigrants in developed countries (Kim 2004, 2006; Portes and Zhou 1993; Portes and Rumbaut 2001; Rumbaut 1994; Zhou 1997).

Other studies with particular focus on Korean immigrants in the USA (for example, Light and Bonacich 1991; Light and Gold 2000; Light and Rosenstein 1995; Min 1984; Volery 2007; Waldinger et al. 1990; Barrett et al. 2002; Basu 2006) point out that the difficulty for first-generation Korean immigrants in entering into more diversified local labor markets is the language barrier that they face as cultural newcomers. The lack of language proficiency is one of the major factors in their opting to run their own businesses. For recent arrivals, subcontracting work in garment sewing and knitting presented itself as the most viable option for immigrants without significant language skills, while the garment industry offers a range of jobs for Koreans to choose from as they accumulate business experience and social capital in the industry (Morokvasic 1987, 1993; Waldinger 1984, 1986; Green 1997). Korean immigrants in Argentina did not remain confined to the arduous and financially unattractive sewing and knitting jobs. As they accumulated experience and capital and gained a secure foothold in the industry, Koreans managed to move into garment manufacturing and the wholesale and retail sectors, where greater returns beckoned. Certainly, Koreans tapped into their co-ethnic networks to great effect in enlarging their businesses. In the 1980s and 1990s, significant numbers of Korean factories supplying finished articles of clothing exclusively to co-ethnic retailers and wholesalers were not officially registered. Many Korean Argentines in the industry cited these unofficial factories as a significant under-the-table resource for building their businesses. Many also cited *gye*, the informal Korean co-ethnic credit system, as a significant and convenient financial resource for building and expanding their businesses, especially into the larger commercial sectors. Such informal and unofficial ethnically based resources, however, can lead to negative effects as well. For example, economic instability in Argentina, such as the recession and inflation of the 1980s and

1990s, can exacerbate the potential insecurity inherent in such informal credit systems. For example, during periods of high inflation, sometimes *gye* members avoided paying back loans and retailers deliberately dishonored cheques.

The Korean community in Argentina continued to grow steadily into the early twenty-first century. A substantial number of Koreans arrived in Argentina as a new category of immigrant investors in the 1980s and 1990s (Lee 1992, 289).<sup>9</sup> This new group had a significant impact on the existing Korean community in Buenos Aires, providing extensive new capital and entrepreneurial energy (Lee 1992, 342).<sup>10</sup> Nowadays, Koreans primarily operate as garment wholesalers or retailers, subcontracting workshop or factory work or working as employees. A significant number of ethnic Koreans are concentrated in the wholesale sector,<sup>11</sup> while a relatively smaller number operate subcontracted workshops or retail stores.

## 1.5- and Second-Generation Korean Argentine Entrepreneurs

Certainly, the reasons why 1.5- and second-generation Korean Argentines might want to engage in a garment business are quite different from those of their first-generation predecessors. Korean Argentines who grew up in Argentina are native Spanish speakers and understand their social environment like any other Argentine. More than half of the younger interviewees stated that they worked in their family's business in the garment industry before they became independent entrepreneurs. The proportion of young Korean Argentines moving into the garment industry from other sectors is also relatively high. However, unlike the first-generation immigrants, not many of the younger

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9. Lee (1992, 289-92) stated that from 1985 to 1987 the number of Korean community members rose from 10,000 to 36,000, based on a population census conducted by the Korean embassy and the Korean Association in Argentina.

10. These new arrivals were mostly from a middle-class background. They tended to open retail clothing stores or grocery stores rather than engage in garment production (Lee 1992, 342).

11. It is estimated that of the three thousand or so shops in Buenos Aires's Avellaneda Avenue wholesale garment district, around 1,400 are Korean-owned (including small shops or stands in malls). The exact figure is constantly changing, particularly because the number of small shops or stands whose owners are distributors only and do not produce apparel directly is currently increasing (interview with Dr. Park, former president of the Chamber of Korean Entrepreneurs in Argentina).



generation seemed to build up their garment businesses independently of family resources.

Angela is a 34-year-old Korean Argentine. Born in Seoul, she has lived in Buenos Aires since 1993. After high school, she began studying apparel design at an Argentine university. At the same time, she worked as a manager at a wholesale garment shop owned by a first-generation Korean immigrant. After two years at the shop, her parents' business began to falter, and so she quit the job, withdrew from the university program, and, along with her sister, began working with their parents. While she and her sisters took charge of new designs and sales, their parents managed factory production. With Angela and her sisters helping out, the business eventually regained stability. During the interview, Angela said that for younger-generation Korean Argentines, working with in their parents' garment business is common in Buenos Aires: "Parental influence is huge.... We [young Koreans] marry at 25 or 26 years old, and our parents prepare and give us a shop, or we start working in the shop of our husband or wife.... As parents get old, they want to work less or stop altogether. They want their children to help them. They know how to make good money and they want their children to follow" (interview with Angela Cho, May 20, 2014).

Esteban, a 30-year-old second-generation Korean Argentine, ran his own wholesale garment firm. He told a similar story: "Half of it was at my mom's insistence and the other half was my own decision. I am the oldest son. My mom needed help, so I felt responsible. I was a second-year engineering student, but I quit halfway through. After I started working with her, her business did well. I worked with her for ten years and then started my own independent business two years ago, after I got married. It would have been very difficult if I hadn't started working and learning before" (interview with Esteban Moon, June 10, 2014). Esteban admitted during his interview that although at first he didn't relish the garment business, he eventually came to like it.

In order to start a business, entrepreneurs primarily need access to capital and business expertise. Unlike the first generation of Korean immigrants, who were often dependent on ethnic networks to obtain venture capital, the 1.5- and second-generations tend to obtain it from their families or else take over the family firm to continue developing wholesale or retail enterprises. While, there were a few cases in which young Korean Argentines accepted a small amount of credit from friends or others, usually community members, we did not encounter any cases of young Korean Argentines starting wholesale

or retail clothing businesses exclusively on credit, most young interviewees agreed that financial injections from parents are crucial in starting one's own business. If they are unable to obtain economic support from the family, they take on work with other Korean entrepreneurs as employees, usually as shop or factory managers.<sup>12</sup> For Daniel, who ran a retail clothing shop in Buenos Aires, financial injections from his parents were crucial for starting his own business: "We took over my parents-in-law's retail shop in Buenos Aires. My father put up the money to upgrade and improve the building. It is very difficult [to run a garment shop] without parental support. A clothing business requires a lot of money. It is impossible to save money and gather the initial capital to start a business working on your own. For both wholesale and retail shops, the most important thing is to find a good location. To rent well-located premises is really expensive. Shop repairs and improvements also require a lot of money. Without family support, it would be very difficult" (interview with Daniel Lee, May 29, 2014). For Esteban, economic support from the family has also been crucial from the beginning of his wholesale venture: "I accumulated some savings while working with my mom, but it was not enough to start up a wholesale business. She helped me with the money to rent a shop and offered to share her cutting factory and storage space. She also contacted some fabric providers and asked them to provide me with fabrics on credit. Without her help, it would be completely impossible. She continues to help me today" (interview with Esteban Moon, June 10, 2014).

As interviews indicate, young Korean Argentine entrepreneurs usually gain their entrepreneurial skills and industry knowledge, in addition to financing, from their parents. Learning management skills from their parents is particularly important for those starting a wholesale business since wholesale entails more complex processes than retail, as Daniel confirmed: "The reason I didn't start a wholesale clothing business is that my family did not have much experience running wholesale shops. My parents have been running a retail [garment] shop for more than twenty years in Bahía Blanca. For them it is difficult to help me

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12. Many young 1.5- or second-generation Korean interviewees considered working for Korean entrepreneurs as an attractive option because the informal "black" salaries these provide are relatively high; they value better pay more highly than the benefits they would gain from a formal contract. This helps explain why those young Korean Argentines who cannot run their own business tend to work for other Koreans in the garment industry.

here [in Buenos Aires]. I had to manage everything, and I didn't know much [about the wholesale business]. I have relatives running wholesale businesses but I didn't want to bother them. They also have a lot of work to do" (interview with Daniel Lee, May 29, 2014). Most interviews and personal conversations with young Korean Argentines suggest that they obtained both their start-up capital and their business and industry knowledge primarily from their families.

However, in the case of Korean Argentines who cannot or do not obtain adequate business support from the family, the extended community network also functions to provide alternatives. For example, Dani, whose parents ran a successful retail clothing store, learned how to manage a wholesale enterprise from his parents' friends: "My mother has been very successful in running retail garment shops in suburban Buenos Aires. I graduated from high school and university in the US...When I came back, I wanted to run a retail shop because I know a lot about how to do that. However, my parents strongly suggested that I work at their friends' wholesale shop and learn how to manage wholesale. I worked there without pay just to learn the business. After a month a [wholesale] shop came on the market, so I bought it and started my own business" (interview with Dani Oh, May 14, 2014). Marcelo, who ran his own wholesale enterprise for many years, also found that the ethnic network is useful and helpful for many Koreans: "Korean Argentines mainly learn from their families. However, when you run a shop, you can also readily get information from the community because most Koreans work within the garment industry and it is easy to ask other Koreans. It is convenient for us to use the [ethnic] networks" (interview with Marcelo, June 9, 2014).

In their book on ethnic economies, Light and Gold (2000) make a distinction between "class" and "ethnic" resources.<sup>13</sup> Class resources derive primarily from "private property and wealth," as well as from "values, attitudes, knowledge, and skills transmitted in the course of socialization from one generation to another" (Light 1984, 201-02; Light and Gold 2000, 84). Ethnic resources, on the other hand, include "identifiable skills, organizational techniques, reactive solidarity, sojourning orientation, and other characteristics

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13. According to Light and Gold (2000, 105), ethnic resources are the "features of a group that coethnics utilize in economic life or from which they derive economic benefit," whereas class resources are "those cultural and material assets, outlooks, and skills possessed by all the persons of a common class position, regardless of their ethnic background."

based in group tradition and experience” (Light 1984, 201; Light and Gold 2000, 105). My interview data suggest that unlike the first generation of Korean immigrants in Argentina, for second-generation Korean Argentines class resources are viewed as important while ethnic resources constitute a secondary form of support.

More to the point, my interviewees claim that young Korean Argentines are in a position of advantage: the financial support and expertise offered by their families help them to better develop their businesses. The following representative comment from Marisa, who was working with her parents in their wholesale clothing firm, confirms the comparative advantages Korean Argentines have over both majority Argentines and members of other minority ethnic groups in the garment business: “On the basis of what our parents built, we [Korean Argentines] are learning and developing businesses further. Our parents gave us the capital. We learned all the basics from them. More than that, we learned from our parents how to manage a shop and how to manufacture clothing. Young people have a better eye for designs that suit the tastes of the local market. Many of us go overseas to obtain new designs” (interview with Marisa Cho, May 20, 2014). Mr. Lee, a first-generation Korean immigrant who has run a retail shop for more than twenty years, expressed a similar view: “It is difficult [for young people] to start [a garment enterprise] by themselves. However, they have access to all the expertise we have accumulated. For instance, you need a lot of small bits of information and resources [to run a garment business], such as an eye for purchasing garments that meet local tastes. Based on these resources, if parents support them [economically], the chance of being successful is much higher” (interview with Sang-Cheol Lee, March 15, 2014).

The younger generation brings new sources of information and knowledge to the family firm, which can help it adapt to changing market circumstances. In this regard, the intergenerational dynamic permits firms to flourish while remaining family-owned. While in most cases a young Korean Argentine’s involvement in the garment business is not only a family obligation but also a personal choice, there are other social factors involved in their decision to take on a garment business.

## Forging Relationships with Mainstream Society

In fact, the processes at work in Korean Argentines' decision to work with the family business instead of pursuing other job opportunities in mainstream society are not as simple as the strong overall trend would suggest. As they freely admitted in conversations and interviews, many young Korean Argentines agonized over the decision of whether to follow their preferred occupations or take over their parents' company, particularly when it came time to enter the job market. I repeatedly heard statements like, "When I was in university, I talked a lot with my friends about my career and future, about whether to take over our parents' clothing shop or go my own way." In the end, a majority of young Korean Argentines opt to take over their parents' garment business or open their own.

There are several crucial factors that push Korean Argentines to remain in the family business. In recent decades, a high rate of self-employment has characterized Argentines' personal and institutional adaptation strategies to an increasingly hostile economic environment. For every young Argentine, regardless of ethnicity, factors such as un- or underemployment, job dissatisfaction, and blocked opportunities seem to act as factors pushing them towards self-employment (Martínez Pizarro 2000; Esteban 2003).

In interviews, Korean Argentines repeatedly expressed the view that the low salaries in Argentina are the crucial factor inclining them towards the family business. Korean Argentines confront labor market problems typical of a developing country by accessing career opportunities within the businesses of their own families or through ethnically based business networks. At the time of her interview in 2014, Sabrina, who completed an undergraduate degree in business, was at a loss as to which to choose: "I would like to work for a local company, but the salary is too low. In the case of Korean companies like Samsung and LG [in Argentina], the salary is a little bit better, but you have to work very long hours, like in Korea. Because of the [salary] problem, I'd rather have my own business and make money that way" (interview with Sabrina Cho, April 23, 2014).

For younger Korean Argentines, income potential seems to be the main reason for choosing not to continue on a professional career path, as many interviewees confirm:

You can make much more money in the garment [business]. My first son studied for much longer than my second son, but my second son is making much more money [running a wholesale shop] than the first. In Korea you can earn a good salary working for a big company, but here [in Argentina] it is different. The clothing business is much better in economic terms. (interview with Seung-Ja Joo, May 19, 2014)

In the case of Koreans in the USA, if you study hard and graduate from a good university, you can earn a good salary. But Argentina is not like that. In Argentina, even if you graduate from a good university, you will get only 20,000 to 30,000 pesos a month [2,000 to 3,000 USD at the time of the interview]. Running your own garment business has more advantages. (interview with Young-Ah Kim, March 31, 2014)

As the above interviewees pointed out, the younger generation tends to hold the view that studying hard and entering into a big company do not guarantee a high economic return. Furthermore, the difference in Argentina between a salaried person's income and that of a businessperson is generally wide, as many young Korean interviewees argued. Although this depends on the type of job and the scale of the business, the average income in the garment industry is much higher than a typical salary. One possible explanation can be discerned by comparing the scale of Korean businesses in Argentina with that in developed countries. For instance, Korean businesses in the USA are "small, labor-intensive, and vulnerable, but highly diversified in terms of the nature of their markets" (Kim and Hurh 1985, 84). The situation in other developed countries, such as Australia and New Zealand, are relatively similar: Korean businesses tend to be small, such as Japanese restaurants, grocery shops, or liquor stores. On the other hand, Korean garment businesses in Argentina are quite significant in size. In the wholesale sector, which encompasses complex systems of production and distribution, a company may employ at least ten people for the shop and a similar number for the factory. Thus, for many young Korean Argentines, the attraction of a business sector that provides comparatively big profits within easy reach is hard to resist. For instance, Daniel, who studied engineering at a prestigious university in Buenos Aires and worked for several years in large local companies as an engineer, ended up running a garment business with his wife. They chose to start their own business mainly because of the huge difference in income between the professional job market and the garment business:

I worked for La Serenísima, a big local dairy production company, as an engineer for about two years. My boss's salary was around 24,000 pesos. At that time, the [US] dollar was 1:4, so that was approximately \$6,000 [USD]. My own salary was approximately \$2,500 [USD]. I compared my father's income [running a retail shop in Bahía Blanca] to the salary of my boss, who worked more than twenty years as a professional engineer at the company. My father's income was much higher than my boss's... Many of my friends didn't finish their studies. Most of those who really wanted to follow their chosen profession left [Argentina]. My wife, who studied odontology, and I decided to stay here because we wanted to be close to our families. These days we are running the retail shop together in Buenos Aires. (interview with Daniel Lee, May 29, 2014)

Mi-Ae, who studied accounting at the University of Buenos Aires, started a retail clothing store in a high-class neighborhood in Buenos Aires after she got married. Several years ago, her husband and she opened a large-scale wholesale garment company in Buenos Aires, after the success of their retail store. She attributed their choices to the huge income difference between salaried workers and businesspeople, along with the competition among close community members in terms of income and economic situation:

Even if you complete university study, it is very difficult to be salaried in this country. In particular, there is no comparison between the incomes of people on salaries and of those in business. This is the reason why Koreans want to run businesses. Of course young [Korean] professionals could live off of their salaries. All the local people do so just fine. The problem is that Koreans are competitive. They live in close communities, so they compare themselves with others. If half were professionals and the other half businesspeople, the situation would be all right. However, most [Koreans] are concentrated in business; young people are inclined towards business. It is a shame that there are only a few [Korean] professionals. (interview with Mi-Ae Cho, April 23, 2014)

However, not all Korean Argentines are motivated to start a garment business or work for co-ethnic employers. Some, like their young fellow Argentines, feel inclined to leave the country in search of better conditions, as Antonio mentioned:

The main problem is that the second-generation Koreans do not make an effort to behave professionally. There were several successful 1.5-generation professionals, but most of them left for other countries. There were several famous Korean lawyers, but they got job offers from foreign companies to work overseas. We need a leader who can inspire the second-generation, but there is no one to lead us or guide us or show us a better way. (interview with Antonio, May 23, 2014)

Daniel also reflected on this drain overseas:

Normally parents help children start businesses, but not in all cases. There are many parents who can't support their children's businesses. Those young Koreans who can't obtain financial support from their parents usually work as employees in Korean-owned enterprises. Also, there are many young people who finish university and go overseas. In many cases, they go overseas through their companies. My friends who really wanted to continue their careers went overseas. (interview with Daniel Lee, May 29, 2014)

The above interviews suggest that this trend of professionally trained Koreans leaving the country should be understood in the context of economic and social circumstances that are typical of a developing country. Those circumstances, such as low salaries, job dissatisfaction, and blocked opportunities, seem to have acted as push factors for highly educated and skilled professionals to leave Argentina in search of better working opportunities (Martínez Pizarro 2000; Esteban 2003). This is applicable to all young Argentines, not just Korean Argentines.

Granovetter (1995) pointed out that a certain level of discrimination faced by minority groups in Argentina aids not only in the development of ethnic businesses but also in their continuity, since succeeding generations, also exposed to prejudice, would be more likely to stay within the family business. While the topic of racism or outward discrimination did not arise much in interviews and conversations, issues around limited social capital in wider society did, as evidenced by Mi-Ae's comment: "Children need role models in mainstream society to inspire their future plans outside the garment industry, but available role models are very limited. Ninety-five percent of Koreans are in the garment business, so the odds are that ninety-five percent of our children



will run a garment business. I sent my children to the US in order to show them another world. For instance, local Jews have many relatives who have professional jobs, so they can follow those professions naturally. Koreans are too limited” (interview with Mi-Ae Cho, April 23, 2014).

Maria held a similar view that Koreans pursuing professional careers have limited opportunities in wider job market. This is why many young Korean professionals are easily tempted to abandon their career of choice in favor of the garment business: “The problem is that there are too many professionals in Argentina. For instance, there are too many doctors. Their salaries are low and they have to work very hard until they get a good position. The general social context is a problem, but the fact that we are Koreans is another problem. This is the reason why many Korean professionals quit their careers and re-enter the garment business. It’s a faster route towards economic success. The number of Korean professionals is declining and [young Koreans] are more and more concentrated in the garment business. It’s a vicious cycle” (interview with Maria Lee, March 18, 2014).

Family and co-ethnic resources have been used primarily as a form of social capital to provide a foundation for entrepreneurial activities. Wahlbeck (2007, 555) pointed out that ethnic networks provide social capital that can serve efficaciously within the ethnic business community, noting, however, that this may hinder access to social capital that can be utilized within the wider labor market in the host country. Some scholars refer to this secondary effect as “negative social capital” (Portes 1998; Portes and Landolt 2000). As a result of their concentration within a specific sector for several decades, Korean Argentines have had adequate access to certain resources, such as family support for start-up capital, business information based on ethnic networks, and informal access to co-ethnic labor within the garment industry. However, the interview data clearly suggest that they still tend to be lacking in forms of broader social capital, a disadvantage from the perspective of most Korean Argentines.

## The Korean Garment Business and the Limited Integration of Koreans into the Host Society

Researchers in migration studies have pointed out the problematic relationship between immigrant entrepreneurs and socio-economic incorporation into mainstream society (Fong and Ooka 2002; Pécoud 2003; Portes and Sensenbrenner 1993; Zhou 1997). Portes and Sensenbrenner (1993) claimed that through dense ethnic networks, immigrants are able to start businesses that generate jobs for co-ethnics within the host society. In another study, Pécoud (2003, 259) suggested that the impact of self-employment on immigrants' integration into the host society would be at best neutral, and that other solutions should be envisaged to reduce the gap between immigrants and the majority host population.

Nevertheless, such a supportive ethnic structure can lead to negative social consequences (Portes and Rumbaut 2001; Zhou 1997; Fong and Ooka 2002). For example, Fong and Ooka (2002) concluded that individuals participating in ethnic economies have fewer opportunities to interact with individuals outside their group and more difficulties obtaining information about external opportunities, as well as being less likely to experience a high level of participation in the social activities of the wider society.

For many first-generation Korean immigrants in Argentina, the garment business provided an accessible entry point into the host country's economy, and one with distinct rewards. However, interviews with Korean community leaders suggest that the continuing concentration of succeeding generations in the industry has had its negative sides, such as limited integration into mainstream society:

It's not a hundred percent, but most ethnic Koreans are concentrated in the garment business. The main problem is that the second- and third-generation Koreans have not integrated into mainstream society over fifty years. We should support the smart ones to work in diverse areas such as journalism and politics. Because everyone has been in the garment business for so long, there are no Koreans in the public eye. There are some young ones who are trying to get good positions, but it's difficult. We should support them. (interview with one whose name was withheld, March 19, 2014)

Most [young Korean Argentines] take over their parents' business or get engaged in jobs related to the garment industry. They very rarely integrate into mainstream society. Even for [Korean] lawyers or doctors, it is difficult to compete with Argentines. If you are not outstanding, you can't compete in Argentine society. Of course, if you work within the Korean business community, you can make much more money. I don't blame them. It's natural. You have to feed your kids and pay the bills. But we need individuals who can lead the second-generation of our community. (interview with Antonio, May 23, 2014)

As alluded to by these interview excerpts, worries within the community over the failure of young Korean Argentines to integrate into mainstream society are increasing. Consequently, community organizations regularly make efforts to encourage them to continue their studies and pursue university or professional careers. The figure below is an advertisement for a workshop aimed at young Koreans to encourage them to develop professional careers outside the Korean community.<sup>14</sup>

The advertisement is a vertical poster with a white background and a dark grey abstract graphic at the bottom. At the top left, there are logos for '여성가족부 KOWINER' and '교육부'. The KOWIN logo is prominently displayed in the center, with the text 'Korean Women's International Network ARGENTINA' and 'Networking, Mentoring, Empowering' below it. The main title of the workshop is '“El valor de estudiar y ser profesional en la Argentina”' in large, bold, black font. Below the title, the date and time are given as 'Sábado 25.10.2014 de 9hs. a 16hs.' and the location as 'Abasto Hotel Buenos Aires, Salón Auditorio, 1er. Piso. (Av. Corrientes 3190, CABA)'. There are two columns of text: 'DISERTANTES' listing Alejandro Moon and Guillermo Tinari, and '신장방법' listing three methods: KOWIN email, a website, and KOWIN facebook. The bottom of the poster repeats the date, time, and location information.

14. The title of the workshop translates as “The Value of Studying and Being a Professional in Argentina.” It was organized in 2014 by KOWIN (Korean Women’s International Network). For more information on the workshop series, please refer to: <https://www.facebook.com/KOWIN-Argentina-Seminario-de-Jovenes-465999963506962/>.

Although Korean Argentine families usually support their children wanting to join or start up a business in the clothing industry, they frequently feel uneasy about it. This is probably because South Koreans, particularly from the middle classes, have an extremely high consideration for the value of a university education as a means to achieve social standing and economic benefits. This consideration could be attributed to the persistence of older social ideas on class and status (Lee 2006). In traditional (pre-war) Korean society, under a very stratified social system, education was key for differentiating social status. Only the ruling class had access to higher education, an important barrier for subordinate classes. The rapid changes brought about by modernity, with its new kind of assessment of human capital and social achievement, might have fused with traditional perspectives, explaining this attitude (Lee 2006). A view commonly held by Korean Argentines today is that economic achievement in the clothing industry does not guarantee a high social position in the mainstream society.

Despite these increasing concerns within the Korean community, most interviewees presume that it will be difficult for young Korean Argentines to develop alternative careers in the short term and that the current trend is likely to endure. They also expressed that if social integration is to become a widespread and ultimate goal among Korean Argentines, ways must be found for this issue to be addressed.

## **Conclusion**

Unlike second-generation Koreans in the USA or other developed countries who have tended to reject the small-business preferences of their parents and seek to pursue professional careers and achieve mainstream-oriented mobility, Korean Argentines have continued to choose work within the garment industry over succeeding generations. With regard to the specific factors that encourage the concentration of Korean Argentines in the industry, we found that beneficial family and co-ethnic resources were among the key factors in the process. Accumulated expertise and capital provided by kin have created relative path-dependency, motivating young Korean Argentines to continue taking advantage of these whenever possible. Yet, they are also embedded in, and subject to, variables stemming from the wider social, economic, and political environment,

in a more dramatic and complicated way.

Our interview data suggest that the specific situation of the Korean minority in Argentina, as compared to other countries whose Korean immigrant community has also been studied, should be understood as resulting from Argentina's specific economic and social circumstances. Korean Argentines mainly stressed that low professional salaries in Argentina are the crucial factor and the practical reason for the strong preference of successive generations towards business involvement. Furthermore, for Korean Argentine youth, difficult overall conditions in the labor market in Argentina militate against and limit satisfying employment opportunities for, and the economic changes of, young Korean Argentines in mainstream society.

Another possible approach to better understanding these findings is to analyze the different forms of social capital at play. Ethnic minorities are frequently characterized as having tight social networks and privileged access to certain resources (Portes and Sensenbrenner 1993). However, these features can have advantages as well as disadvantages. On one hand, ethnic social networks and resources are often believed to provide security, solidarity, and opportunities within the ethnic business community (Light and Bonacich 1991; Light and Gold 2000). On the other hand, ethnic networks and resources are also viewed as negative in that they can hinder economic integration within the host society (Portes 1998; Portes and Landolt 2000; Portes and Sensenbrenner 1993). The case of second-generation Korean Argentine entrepreneurs demonstrates that favorable class resources (start-up capital and expertise offered by kin) as well as ethnic resources (strong co-ethnic ties and information sharing) are beneficial for advantageous business and employment opportunities within the Korean business community, but that this powerful combination of resources does not necessarily lead to a better socio-economic position within wider society.

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## List of Interviews

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Park, Hyo-Soon. March 15, 2014.

Park, Hyung-Im. May 2, 2014.

Yoo, Pablo\*. March 2, 2014.

[The symbol \* indicates interviewee's preferred name.]

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## **Abstract**

Unlike second-generation Koreans in the USA or other developed countries, who generally rejected the small-business preferences of their parents, pursued professional careers and achieved mainstream-oriented mobility, succeeding generations of Korean Argentines have continued to choose work within the garment industry. Based on ethnographic research conducted in Argentina in 2014, this study discusses why young Korean Argentines opt for these career paths and how such a choice reflects the particular migration experiences and settlement history of Koreans in Argentina. While the economic and practical merits of inheriting family-owned businesses have been major drivers in the career decisions of younger Korean Argentines, their settlement and lives are also structurally shaped, as they are embedded in and subject to shifting socio-economic variables stemming from the wider social, economic, and political conditions of the host society.

**Keywords:** Korean Argentines, 1.5- and second-generation, ethnic entrepreneurship, Argentine garment industry

