

# **What Makes Korean Immigrants in Argentina Remain in the Garment Industry?**

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## **Abstract**

Of the approximately 20,000 ethnic Koreans in Argentina today, more than 80% are engaged in the garment industry, in both the production and the distribution sectors. Since the beginning of Korean migration to Argentina in 1965, the Argentine garment industry has served as a distinctive gateway into the host society for most ethnic Koreans because of a combination of unique socio-cultural characteristics and values these immigrants bring to business and the particularities of the economic and social environments in the host country. Based on the analysis of 20 in-depth interviews with Korean immigrant entrepreneurs in the Argentine garment industry conducted in early 2014, this research demonstrates that various factors were involved in the decision of first-generation Koreans in Argentina to start a garment business. Unlike the traditional views of sociologists, who tend to focus on the pull and push factors and the role of social capital, such as family ties and ethnic networks, the results of this study highlight the importance of the wider structural, social and economic contexts in which ethnic businesses operate in determining an immigrant's entrepreneurial entry decision.

**Key Words:** Argentine garment industry, Korean immigrant entrepreneurship, ethnic network, family ties, structural opportunity, mixed-embeddedness

## **I. Introduction**

Of the approximately 20,000 ethnic Koreans in Argentina today, more than 80% are engaged in the garment industry— both in the production and the distribution sectors.<sup>1</sup> Whereas the local Jewish business community had previously dominated the lower-middle garment wholesale market, post-1960 Argentinean garment businesses were gradually penetrated by Korean entrepreneurs who first began sewing and knitting work as sub-contractors of Jewish-owned factories. In the 1990s, Korean immigrant entrepreneurs attained remarkable upward mobility and achieved a significant position in this sector alongside the Jewish community.

Interestingly, because of the distinct advantages of certain ethnic businesses and the ubiquity of economic and social opportunities in Argentina, the garment industry itself has functioned as a distinctive gateway to integrate within the host society, not only for the first generation of Korean immigrants but also for younger generation Argentine Koreans. Instead of diversifying their economic activities and incorporating themselves into the mainstream society, most ethnic Koreans have remained in this ethno-centric industry. In addition, many of those Koreans who previously ran businesses in other sectors have moved to the garment industry. Although there are similarities between Korean entrepreneurs in Argentina and self-employed immigrants elsewhere, this affinity for the garment industry is the distinguishing characteristic of Korean businesses in Argentina.

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<sup>1</sup> This percentage excludes those Koreans who are working within the Korean community, for example, owners of Korean restaurants or grocery stores, or those who engage in professional work (such as medical doctors, accountants and lawyers). Considering this fact, this percentage is fairly high.

This study aims to investigate why a high percentage of first-generation Korean immigrants have chosen entrepreneurship in the garment industry. One of the consistent themes running through previous academic literature on the motivation for immigrant self-employment focuses on negative or/and positive factors which push or/and pull immigrants to run a business (Light and Bonacich, 1991; Kim, 1981; Min, 1984; 1990; 1996; Yoon, 1997; Phizacklea and Ram 1995; Barrett, Jones and Mc Evoy, 1996; Basu, 2006). Other ethnic entrepreneurship literature has demonstrated that the social capital of an ethnic group, i.e., strong family ties and ethnic networks, may have been a critical factor in favour of immigrant entrepreneurship (Portes and Sensenbrenner, 1993; Portes, 1995; Zhou and Portes, 1996; Deakins et al, 2007). Others argue that ethnic minorities' entry into entrepreneurship is attributable to a complex set of factors or triggers (Basu, 2006; Lassalle, 2008). Because Korean immigrants in Argentina have concentrated almost exclusively in the garment industry, this research provides an explanation of the multiple socio-cultural factors which have interacted to define/affect the motivations and aspirations of ethnic Koreans in the Argentine garment industry. Thus, following the above-mentioned studies, and particularly considering the framework of "opportunity structure" (Waldinger, 1986; 1989; Waldinger et al, 1990), "mixed embeddedness" (Rath, 2000; 2002; Rath and Kloosterman, 2001; 2003; Kloosterman, 2010) theories, I analyse 20 interviews with Korean immigrants and examine the community history book (Lee, 1992) in order to identify the diverse factors that define the interactions between Korean immigrant agents and the social, political and economic structures in Argentina.

This study is based on interviews with 20 first generation Korean immigrants<sup>2</sup> in the garment industry conducted from February to June, 2014. Primarily I used semi-constructed and biographical narrative interviews which encouraged the participants to narrate their life stories freely. The interviews were carried out in Korean; however, Spanish was also used to describe some technical vocabularies of their businesses. For the interviews, persons at various levels and positions within the garment industry were identified: twelve wholesalers, four retailers, one manufacturer, and three sub-contractors. These occupations reflect the current or the last occupation of the interviewees within the garment industry. However, on analysing their interview data, I considered their occupational trajectories, since many of them have changed their work several times.<sup>3</sup> The interviews were subsequently transcribed and translated to facilitate the analysis.

## **II. Socio-historical background: Korean immigration and garment businesses in Argentina**

Despite almost 50 years of Korean immigration history in Argentina,<sup>4</sup> few studies of entrepreneurship have been conducted. In particular, Korean apparel businesses have been

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<sup>2</sup> My interviews also included some individuals of 1.5 generations who when over the age of 15 years started working with their parents immediately after arrival in Argentina.

<sup>3</sup> Most of my interviewees are concentrated in the garment wholesale market presently. In the past, many of them experienced subcontracting of workshops or retail shops.

<sup>4</sup> Principally see, for example, Lee (1992), Mera (1998), Courtis (2000; 2012), Bialogorski (2004; 2005), among others.

overlooked in Korean migration/diaspora literature, although a significant number of ethnic Koreans have been successful in achieving notable economic positions in the apparel industry.

The official Korean immigration into Argentina began in 1965; the intention of the initial immigrants was to engage in agricultural work in the Rio Negro Province in Southern Argentina (Jeon, 1996:62). However, their endeavours failed on account of their lack of experience, insufficient economic resources, and difficulty in adjusting to the rigorous demands of the local farming environment. Ironically, this failure proved to be a crucial turning point for the Korean immigrants; shortly thereafter, they moved to Buenos Aires, the capital, and began their lives anew as unskilled workers in the city's slum areas.

Machine sewing and knitting were among the first tasks that these immigrants undertook. Before the arrival of Korean immigrants into Argentina during the 1960s, the domestic textile and garment industry had been largely dominated by the local Jewish and Arab communities. Managing a family based workshop was usually the first job on the economic ladder, a critical pathway to accumulate capital and move up to another business. Many of my Korean interviewees who immigrated to Argentina in the 1970s and 1980s stated that after hard work for several years, they or their family accumulated adequate capital to start a business in another sector, such as a grocery shop. Alternatively, they moved to larger scaled businesses, such as garment manufacturing factories, or to wholesale/retail shops in the garment sector. Koreans managed or worked in sweatshops during a short period of time, primarily in the 1970 and 1980s. Since the 1990s, the number of Korean sweatshops

has declined, while the number of manufacturers, wholesalers and retailers has increased exponentially.

From 1985 to 1990, the Korean community's numbers escalated dramatically from 10,000 to 36,000 (Mera, 1998:43; Lee, 1992:289). This remarkable wave was the result of the 1985 agreement on entry and exit procedures for Korean immigrants signed between the governments of Argentina and South Korea (Mera, 1998:43; Lee, 1992:288). A condition of the revised act was that Koreans with a minimum of US\$30,000 per family to invest in Argentina were permitted to immigrate (Mera, 1998:43; Lee, 1992:288). This reinvigorated immigration brought both the injection of capital and the increase of immigrant entrepreneurs into the Argentinean garment sector.

According to the best available estimates, currently more than 80% of ethnic Koreans in Argentina are operating garment wholesaler, retail, or sub-contracting sweatshops or working as employees. While a significant number of ethnic Koreans are concentrated in the garment wholesale area,<sup>5</sup> there are approximately 20% of ethnic Koreans who are operating sub-contracting workshops,<sup>6</sup> typically hiring Bolivian workers. Many Korean

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<sup>5</sup> It is estimated that there are 1400 Korean wholesale shops (including small shops or stands in malls) among 3,000 wholesale shops in total in the garment wholesale district (around Av. Avellaneda) in Buenos Aires. However, the number of wholesale shops may vary particularly because many small shops or stands whose owners do not produce apparel directly but re-sell the manufactured apparel is currently increasing (interview with Hanjun Park, the former president of the chamber of Korean entrepreneurs in Argentina).

<sup>6</sup> There is no official data regarding the number of Korean workshops in Buenos Aires. However, many of the Korean community leaders who I interviewed confirmed that around 20% of Koreans are running sub-contracting workshops and factories.

garment wholesale shops are complex production and distribution operations. In other words, these shops not only sell clothing at wholesale to other retailers, but also directly manufacture clothing to sell in their own businesses (Kim, 2014:5).

Two or three times annually, the Korean owners travel to Europe or the US to observe new trends in fashion (Kim, 2014:6). They purchase the preferred styles and hire Argentinean designers to imitate these new models and to create manufacturing patterns. Then they purchase textiles from Jewish or Korean companies and hire people trained to cut the fabric. The size of these wholesale operations varies depending on their production scale. They typically hire 10-30 employees, but in some cases the business can be much larger.

My immigrant interviewees entered Argentina from the 1970s into the 21st century. In this period, the Korean business community has attained remarkable upward mobility and the entrepreneurs have navigated among various sectors of the garment industry; therefore, their experiences and stories vary widely depending upon the period when the immigrant arrived in Argentina.

### **III. Data Analysis**

To examine the motivational and decision making factors of these 20 Korean immigrants, I first classify their trajectories into the garment industry. The interviewees were selected randomly; therefore there is no generalisable significance to the qualitative data. Nevertheless, the pattern of the interviewees' entry into the garment industry aids in the

interpretation of the interview data more broadly. Subsequently, I will analyse the detailed interview data according to the theories previously discussed.

Table 1. Trajectories into garment business (business start-up in the garment industry)

Trajectories into garment business ownership	Numbers
(1) Directly after migrating to Argentina	7
(2) After working as an employee in the garment industry	1
(3) After working with family in the garment industry and becoming independent	4
(4) Move from other business / job to garment business	8
TOTAL	20

Considering the numerous Korean immigrants who started their garment businesses immediately after migrating to Argentina, ethnic networks may have been a critical factor. I am particularly interested in the number who transferred from another sector into the garment business. Thus, I pay particular attention to the motivation of those cross-over entrepreneurs.

For the analysis of this research, the findings have been grouped into the three categories, according to the theoretical frameworks: (1) advantage and disadvantage factors with an emphasis on the language barrier and limited capital investment; (2) social capital focusing

on ethnic networks and family ties; and (3) structural opportunity and social contexts. However, as many of my interviews revealed, there are multiple factors that interacted to result in the Korean immigrant entry into garment entrepreneurship.

### **1. Language barriers and little capital investment**

Within the literature on ethnic entrepreneurs, the study of the “push” and “pull” factors involved in immigrant entrepreneurial decision making, i.e., the reasons for an immigrant to start-up their own business, is fundamental (Light and Bonacich, 1991; Kim, 1981; Min, 1984; 1990; 1996; Yoon, 1997; Phizacklea and Ram 1995; Barrett, Jones and Mc Evoy, 1996; Basu, 2006). An individual immigrant may become an entrepreneur by “necessity” or “opportunity”. Further, the literature refers to both “negative (push)” and “positive (pull)” factors to explain the decision to start-up a business (Deakins and Ram, 1995; Freel, 1998; Basu, 2006).

As many previous studies on immigrant entrepreneurship have demonstrated (Light and Bonacich, 1988; Kim, 1981; Min, 1984; 1996; Yoon, 1997; Phizacklea and Ram 1995; Barrett, Jones and Mc Evoy, 1996; Basu, 2006), earlier arriving immigrants in Argentina encountered many hardships in securing employment. In my interviews, I could clearly see that language is the primary challenge that led the early immigrants in the 1960s and 1970s into garment sewing and knitting work.

- “The main problem was language. It was not English, but Spanish. It was impossible to get a job and work in Argentina! Machine sewing was the job which

does not require any language skill. It was the most suitable job for us.” (male, migrated in 1976)

- “The first work that I started with my family was a sewing job. At the beginning we used the job advertisement section in the newspaper *Clarín*. Using that newspaper, we visited manufacturing factories in Once neighborhood. The main problem was language. I had to find sewing work, using body language, without knowing Spanish, because I was the eldest son.” (male, migrated in 1976)
- “At the beginning my sister and I knew neither how to greet in Spanish nor where factories are located. We just went to Once neighbourhood where many Jewish businessmen worked, entered any building and knocked on doors. We first used body language, learned how to greet and then communicated using non-conjugated verbs and using dictionary.” (male, migrated in 1974)
- “It took almost 10-15 years until the Koreans started to open garment wholesale shops. Language is the reason why the Korean community did sewing and knitting jobs for such a long time. Without knowing the language how could we know the regulations to open any visible business? Language was the most important factor that many Koreans did the sewing and knitting jobs in the 1960s and 1970s.” (male, migrated in 1971)

As most of my interviewees emphasised, the language barrier was the main factor in determining employment entry for those earlier arrival immigrants in the 1960s and 1970s. According to the sociologists who have carried out research on the Koreans in the US (Min, 1984; 1996; Yoon, 1997), the language barrier is also a major reason for their self-

employment. Min found that more than 90% of Korean entrepreneurs mentioned various disadvantages, including language as a major reason for their self-employment (Min, 1984:335). In his opinion, “disadvantage in the American job market” was a principal cause of Korean entrepreneurship in Atlanta (Min, 1984:335).

After the failure of the agricultural immigration project, most Koreans resettled in Buenos Aires. Irrespective of their social and economic backgrounds, most of the Korean immigrants who resettled in the slum areas of Buenos Aires began their new lives in the city doing unskilled jobs, such as tire repair, hair dressing, dishwashing, waiters and street-corner grocers selling vegetable and fruits (Lee, 1992:52).

Machine sewing and knitting were among the first tasks that these immigrants undertook within the garment industry. For those Korean immigrants, living in the slum areas and finding jobs proved difficult and most of them did not have enough money to run a business. Therefore, work in home-based garment workshops as subcontractors came to be seen as an agreeable business. Garment workshops required small work spaces and a few relatively inexpensive machines. Because starting out in the garment sector required little capital investment, it was possible for them to start their own businesses. These businesses aided Korean immigrants in Argentina to steadily improve their economic situations and stabilise their precarious lives.

- “I came to Argentina in 1975 through my sister’s invitation. I spent \$1500 dollars for the air ticket, so I had only \$200 dollars in my hand. Imagine, around that time my mother in law’s house in Korea cost \$1500 dollars. We could not afford to buy a house here at all. It’s the reason why we went to the shanty town. We first lived and

worked in a friend' house where there were 4 sewing machines and then made an independent workshop with the help of a Jewish manufacturer.” (male, migrated in 1975)

Similar stories were presented in other interviews. They lead me to infer that the relatively small capital investment to start-up the garment sweatshops was also an important motivation for many Koreans to engage in the garment industry. After working in humble sewing and knitting jobs for several years, they saved adequate funds to start up their own businesses. In this manner, Korean immigrants in Argentina steadily began to improve their economic situation by becoming independent manufacturers or wholesalers in their own right or by a lateral transfer to another sector to run a different type of business.

## **2. Ethnic networks and family ties**

The concept of social capital developed by Bourdieu (1986) and Coleman (1988, 1990) takes into account the importance of social relations and networks. Bourdieu (1986) envisioned the structure of social capital as existing in social networks or ties and argued that it can be transformed into other forms of capital. Coleman (1988, 1990) argued that social capital exists within the relationships between and among individuals. In Coleman's view, the individual is embedded in a web of social networks that provide connections to the host market. In this framework, social capital is regarded as one of the critical social and cultural resources that an individual immigrant can use to mobilise actual or potential resources for choosing the path of self-employment. Indeed, social capital and networks are frequently viewed as synonymous.

Such social networks, values and relationships may be based on a number of different but complementary (and possibly competing) networks including family, community and organisational business networks (Lassalle, 2008). Thus, social capital links a potential multitude of relationships among entrepreneurs, their families, their friends and their community (Davidsson and Honig, 2003). A number of commentators assume that immigrant entrepreneurs have robust social capital due to strong ties with family and their local ethnic communities and as a result of their exclusion from the host society. Therefore, the role of informal networks and family ties is indeed crucial to explain the entry into and the success of immigrant entrepreneurs.

In the earlier period of Korean immigrant involvement in garment production, co-ethnic solidarity facilitated an extensive reliance on community networks, which in turn aided in the efficient distribution of tasks, materials and opportunities. The more experienced immigrants taught newer arrivals how to operate sewing and knitting machines (Lee, 1992:183). Some of the most experienced Korean immigrants served as job distributors, basically as intermediaries between manufacturers and subcontractors, assigning tasks according to materials, models and colours to improve worker efficiency. For their efforts, they received commissions from subcontractors (Lee, 1992:181). Subcontracting work was sometimes carried out among families and larger kinship groups as well as in cooperation with the local extended Korean immigrant community.

- “We first went to Santiago de Estero with an agricultural project in 1979. After living there for one year and having many hardships, we moved to Buenos Aires. We worked for a Korean lady in her house which offered us food and lodging.

There were five families there. The owner of the house brought the work and distributed it to us. After learning the sewing skill there, we became independent running our own workshop.” (female, migrated in 1979)

Among the 20 first generation interviewees, seven immigrants stated that they started the garment business directly after immigrating to Argentina. This fact clearly demonstrates the important role of ethnic networks in the early stages of immigrant lives, particularly in terms of sharing information. Reliance/Dependence upon the Korean community was the natural or sometimes the necessary path/way to earn a livelihood and to make a life in Argentina. Ethnic networks also facilitated the immigrants’ entry into the garment industry in the later periods, including those who came to Argentina with the investment category in the 1980s and 1990s,

- “When we came here in 1986, there were not many options. Korean immigrants ran subcontracting sweatshops or grocery shops. The other option was to run a business inside the community, such as Korean restaurants. My sister in law started a Korean restaurant and we opened a large scale subcontracting sweatshop with my parents-in-law.” (female, migrated in 1986)
- “We immigrated here in 1993 under the investment category. I took over a retail shop in Buenos Aires city from an earlier arrived Korean immigrant. He taught me where the manufacturing factories were and which items I could get from each factory. At that time we shared information in this way. Reliance on the community was indispensable.” (female, migrated in 1993)

The above interviews suggest that informal ethnic networks are an important factor in entrepreneurial decision-making for these new immigrants. Many earlier scholars claim that strong social capital through strong ties of family and informal networks can be an important determinant of antecedent attitudes to entrepreneurship (Deakins et al, 2007:312). Following are some cases of immigrants who received motivation and encouragement directly from close friends or family. For them, the strong social capital was crucial not only for sharing business information but also for sharing start-up capital.

- “My business failed in Korea. When I came here in 1994, I had only a \$100,000 dollar debt. A friend of mine, who was well settled and who ran a successful garment wholesale business, recommended that I open a retail shop in a suburban Buenos Aires area and he lent me \$100,000 dollars. My new business here was successful, so in two years, I could make \$200,000 dollars and paid back all my debts.” (male, migrated in 1994)
- “After doing sub-contracting work for several years, I could accumulate capital to run a grocery shop in Buenos Aires. At that time, my sister was running a garment wholesale shop. She was doing very well, so she strongly recommended I enter the garment wholesale sector. Since then, I worked in the garment wholesale sector for 30 years.” (male, migrated in 1975)
- “I had a job in Korea, but my husband’s business became bankrupt after IMF. My sister in law and brother in law were living here, so we came to visit and see the possibilities of migrating to Argentina. I didn’t like Argentina and I wanted to go back to Korea with my children. However, they gave us all the information to start

up a garment wholesale shop. They also helped us to borrow some money from their friends to access *Kye*.<sup>7</sup> We started the wholesale business just one month after we arrived in Buenos Aires.” (female, migrated in 1999)

The debate continues about the importance of social capital in influencing nascent entrepreneurs to start up a business. As is demonstrated in these cases, strong bonding and robust social ties are crucial factors that contribute to start-up entrepreneurial decision-making. This is particularly evident in cases of those with close connections such as having family or close friends who own businesses and who can offer active encouragement (Davidsson and Honig, 2003:304).

### **3. Social, structural and economic contexts**

To explain the high rates of self-employment, numerous studies on immigrant entrepreneurship have emphasised the immigrants’ individual or ethnic characteristics, such as the ethno-cultural practices and preferences (Light, 1984; 1995; Light and Bonacich, 1991; Light and Bhachu, 1993; Light and Gold, 2000) and the role of social capital (Portes and Sensenbrenner, 1993; Portes, 1995; Zhou and Portes, 1996; Deakins et al, 2007). However, the existing research literature has paid insufficient attention to two important factors: (1) the conditions of entry, which are affected by the structure of the industry and the number of readily available commercial opportunities (Auster and Aldrich, 1984; Waldinger, 1984; Aldrich and Waldinger, 1990); and (2) the larger social, economic and

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<sup>7</sup> *Kye* is an informal Korean rotating saving and credit system.

political contexts of the host country (Kloosterman et al, 1999; Kloosterman and Rath, 2001; Rath, 2002; Panayiotopoulos, 2006; 2008; 2010; Kloosterman, 2010). In particular, Kloosterman and Rath (2003:5) advanced the concept of “mixed embeddedness” as an interactive approach to encompass both actors (the migrant entrepreneurs) and the opportunity structure in a more comprehensive analytical framework. Therefore, although advantages or disadvantages of immigrant self-employment, ethnic resources and immigrant backgrounds were influential contributing factors for successful entry into the Argentinean garment industry, a closer analysis takes into consideration the available structural opportunities and the larger socio-economic environment.

- “We just started the sewing job only because of language. During that time, we didn’t know how big and potential the market is. However, after getting engaged in this sector more for 30 years, from sewing job to retail shop and finally now wholesale shop, I realised that the garment industry is one of the businesses that we made money easily and fast.” (male, migrated in 1976)
- “Of course, not all the community members obtained upward mobility in the garment industry. There are also some people who failed. It was a steady stream in the history of the Korean community. With that stream of the community, those who usually work hard could achieve better positions within the garment industry.” (male, migrated in 1975)

Previous research (Morokvasic, 1987; 1993) has shown that the structure of the garment industry makes it possible to create various sizes and levels of workshops, a feature that enables new immigrants to start their own businesses easily. However, it is not equally easy

to move up from subcontracting sewing and knitting work to retailer or even more difficult from subcontractors to manufacturers or wholesalers. However, many Korean immigrants have been able to achieve upward mobility within the vertical structure of the Argentine garment industry. Many Koreans who started with humble sewing and knitting jobs still have remained in the same garment sector, but their business skills and scale have grown substantially. Therefore, it is important to pay particular attention to structural opportunity within the Argentine garment industry.

Mariano Kestelboim, an economist in the garment and textile sector in Argentina, explained that the Argentine garment wholesale markets are divided into three sectors: (1) 20% of name brand clothing with high quality design and fabric, and high price with substantial investment in advertising. Retailers with those brands are located in shopping centres or major streets, where the rental price for shops are fairly expensive; (2) the 30% centre of massive commercialisation with middle-lower price and quality of design/fabric such as is produced in Once or Av. Avellaneda where Jewish and Korean wholesalers have concentrated; and (3) 50% is concentrated in the open market with a high percentage of informal production and commercialisation such as *La Salada* market where mostly Bolivian immigrant manufacturers sell brand-imitated or pirated clothing copies (interview with Mariano Kestelboim, 02/06/2014).

According to Kestelboim, that first segment (20%) of brand named clothing in Argentina has contracted sharply, as many Argentines cannot afford to consume those expensive, name-brand clothes. Over the last 30 years Argentine consumers have turned increasingly to the lower price and quality clothing after suffering several economic crises and serious

hyperinflation. Meanwhile the product manufactured by Korean immigrants has been redesigned to adapt to local tastes, quality and affordability. This change led to an increase in the number of customers, i.e., this market was no longer limited only to the low income but advanced to include an impoverished middle-class that had been accustomed to consume branded high quality, high priced garments (Bialogorski, 2005: 295). This increase in the number of consumers may have facilitated Korean immigrant entry into the middle and lower quality range of the wholesale market. Furthermore, many Korean immigrants freely admitted that the market in which Koreans are concentrated is neither too difficult nor too competitive for entry.

- “Compared to Korea or the US, there are many more niches. In the structure of the garment industry and the Argentine society in general, there is much less competition and it facilitates the generation of more niches. The more niches there are the easier to enter. I think it was one of the reasons why we all could enter into the garment wholesale sector.” (male, migrated in 1976)
- “If you made holes for arms and head, you could sell. The quality of garments and textiles in the 1970s and 1980s in Argentina was bad, and the Jewish people operated their garment businesses with 100% profit margin. It was the reason why we could enter into the market easily and succeed in the garment wholesale business.” (male, migrated in 1976)

Therefore, the limited and backward condition of the market where Korean businesses have concentrated also functioned to facilitate Korean immigrant entry into the garment sector. As table 1 demonstrates, many of them transferred from another business to the garment

business. Earlier, the small grocery shop was another business preference for Korean immigrants. However, the small grocery business sector was in decline because of the appearance of big supermarkets in the 1990s. It was difficult to open and to compete with the supermarkets; this may have been another reason why many Koreans moved to the garment sector.

- “Before people are not only concentrated in the garment sector like now. Actually in the 1980s and 1990s, most Korean immigrants had been engaged in two sectors: one is apparel business and the other one is grocery shop. Koreans also ran laundries, electronic shops, photo studios, flower shops, among others.” (female, migrated in 1990)
- “I run a grocery shop from 1984 to 1998 and the size was quite big like a Chinese supermarket these days. However, I decided to close the grocery shop, because it was that time where many supermarkets are entering Argentina, so my profit was getting smaller. Around that time, one of my nephews strongly suggested to start manufacturing sweaters, so we started the new business.” (female, migrated in 1977)

From their point of view, the garment wholesale businesses have more advantages compared to other businesses that Koreans had run, particularly when compared to the grocery stores. These perceived advantages encouraged many Korean immigrants to move into the garment industry from another sector. The following interview demonstrates clearly the perceived advantages of a garment wholesale business compared to businesses in other sectors.

- “Previously I ran a flower shop and then a laundry. Actually, I started the garment wholesale business because of a personal reason. I loaned some money to a friend who was running a textile manufacturing factory, but he became bankrupt. Instead of getting my money back, I got lots of fabric. I started this business without any help from friends or the Korean community. After running the garment business, I finally realised why Korean people increasingly enter this business. You can really make lots of money. It’s a wholesale business. When my business was really good, retailers made a line waiting from the early morning to buy popular models. The amount of money that circulates here is super big! It can’t compare to the flower shops or laundries that I had previously.” (female, migrated in 1983)

In summary, the above interviews indicate that the opportunity structure of the Argentine garment industry with its niches that facilitate entry and upward mobility provides the essential motivation for entrepreneurial Korean immigrants to enter, to remain in and to transfer into the garment sector. Thus a comprehensive explanation of Korean entrepreneurial success in the Argentine garment industry must recognise the wider economic and political contexts of the host country together with the significance of immigrant social capital and their ethnic resources in the inception and operation of immigrant businesses (Kloosterman and Rath, 2001;2003; Rath, 2002; Kloosterman, 2010).

#### **IV. Conclusion and Discussion**

In this research, I have sought to demonstrate why a high percentage of first generation Korean immigrants to Argentina have been motivated to operate a business in the garment industry. As seen in the analysis of the motivation and trajectories of the Korean immigrant entrepreneurs, various factors were involved in the decision making process to start a business in the garment industry.

In the early stage of the Korean immigration in Argentina, language was the main disadvantage that confronted most Korean immigrants. Thus, they started out with the modest sewing and knitting work which did not require language skills. They worked in family and ethnic-based subcontracting workshops which was an agreeable business because it requires little capital investment. With accumulated savings, it was possible for them to start their own businesses and subsequently they succeeded in establishing a significant foothold within the garment industry. As many of my interviews suggest, strong family and informal network ties are an important factor in entrepreneurial decision-making for those new immigrants.

As suggested in the concept of “mixed embeddedness”, the concrete embeddedness of immigrants within social networks that permits access to financial resources is replicated concurrently in a more abstract way in the wider economic and politico-institutional structure (Portes and Sensenbrenner, 1993; Kloosterman et al, 1999; Barrett et al., 2002; Kloosterman and Rath, 2001; Rath, 2002; Panayiotopoulos, 2006; 2008; 2010; Kloosterman, 2010). The comparative advantage of the garment business and other social conditions in the host country are crucial factors that have motivated the Korean immigrants to enter the garment industry and have determined their upward social mobility.

In addition to previous studies that focus exclusively on immigrants' individual or ethnic characteristics, in this case study I examine the macro-level of significant social-structural variables. These variables, along with the micro-level of individual factors, such as social capital and ethnic resources, influence the entry and successful development of immigrant enterprise.

It is important to acknowledge that it is not my intent to generalise to the entire Korean community in Argentina from this research into the motivation of Koreans to enter the garment industry. As I am in the initial stage of this research, the analysis does not permit conclusions vis a vis the motivations of the larger Korean business community in Argentina. The data presented here can be used only in a limited way as a contribution to the interpretation of the motivations of first-generation Korean immigrants. In additional follow-up research, I will gather and analyse other factors that may have affected Korean entry into the garment industry. In particular, the cases of younger generation ethnic Koreans (1.5 and 2<sup>nd</sup> generation) will be examined in a more comprehensive subsequent study. However, in view of the limited extant research regarding Korean immigrants in Argentina and the absence of any official or credible objective data about the Argentine garment sector, this preliminary research contributes to the identification and comprehension of the relevant issues and to the establishment of a foothold in the field for further investigation.

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