

This report appeared in the June 6, 1995 issue of The Wall Street Journal. Reprinted by permission of The Wall Street Journal, © 1995, Dow Jones & Company, Inc. All rights reserved.

Help Wanted: No Blacks Need Apply

By Jonathan Kaufman

In the 16 years that he has built his wholesale toy business in downtown Los Angeles, Charles Woo has helped several other Chinese and a number of Vietnamese immigrants start their own small businesses. As his company has grown, he has hired whites and Mexican immigrants.

But one group hasn't benefitted from Mr. Woo's success: American-born blacks.

Early on, Mr. Woo hired some African-Americans. But now his 22-person work force at Megatoys is made up of Chinese and Mexican immigrants and a handful of whites.

Mr. Woo says he isn't prejudiced. But when he has an opening in the warehouse, he says, he is likely to fill it with another Mexican immigrant, probably recruited by his workers. Blacks have a "negative image," he says, and they don't mix well with workers of other backgrounds.

The reluctance of Mr. Woo and other immigrant entrepreneurs to hire American-born blacks represents one of the workplace's great cleavages. As immigrant-owned businesses grow — and shed the image of mom-and-pop stores employing a few relatives — they are recruiting Mexican-Americans, West Indians and other immigrants. But while they are minorities themselves, many immigrant bosses are refusing to employ the nation's largest minority, sometimes invoking troubling stereotypes to explain themselves.

No Experience Available

The impact is serious, according to many blacks and experts who study poverty. These entrepreneurs are creating the very kind of entry-level, low-wage jobs that poor young blacks need to begin their climb out of poverty. Jobs such as bagging tomatoes at the corner store, working on the factory floor, washing dishes and clearing tables at restaurants are where inexperienced workers traditionally learn the unspoken culture of work: the importance of showing up on time, dealing with a boss, interacting with customers.

Anthony Broughton, a 21-year-old black, went on a lengthy job search in New York's Harlem, looking for any minimum-wage job at dozens of Korean-owned stores up and down 125th Street, the main business thoroughfare. He came up empty.

"They Ignored Me"

"They just ignored me, but then they hire Mexicans,

Spanish people — ones that barely speak English," Mr. Broughton says. He finally landed a job for \$4.75 an hour handing out fliers for a black-owned Ben & Jerry's ice-cream franchise.

At a clothing store called 125 Champs, one of the places where Mr. Broughton sought work, owner Seong Hwang says he sometimes hires black workers; he currently employs two blacks, as well as a Korean and an Ecuadorian. But he says black workers sometimes work just two or three months before they announce that they don't like the work and quit. He says immigrants, especially illegal immigrants, are more dependable. "They can't get welfare," he says. "They have no choice."

Indeed, new immigrants, especially if they entered the U.S. illegally, are usually unaware of the labor laws, and may not be inclined to complain about low wages or lousy working conditions for fear of deportation. Some immigrant store owners say they often pay other immigrants \$200, off the books, for six 12-hour days a week — well below minimum wage.

Researchers estimate that immigrant-owned businesses now account for one-quarter of all low-wage jobs in New York and Los Angeles, and as many as one-third of entry-level jobs in these cities.

In Southern California's rapidly growing electronics industry — with a burgeoning number of immigrant-owned companies, some of them approaching \$1 billion in sales — blacks account for just 3.6 percent of factory workers, though they represent 8.5 percent of Southern California's population. Asian immigrants, by contrast, account for 18.4 percent of production workers, while Hispanics, most of them immigrants, account for another 29.3 percent. Hispanics represent 32 percent of the region's population and Asians 9 percent.

"It's Discrimination"

In New York, whose population is 25 percent black, only 5 percent of the employees who work at Korean-owned stores are American blacks, while more than a third are Mexican and Latin American immigrants, according to Pyong Gap Min, a sociologist at New York City's Queens College who studies Korean-Americans and who is one himself. He says that even in black neighborhoods such as Harlem, where Koreans now own many of the stores,

only 30 percent of the employees are black. More than 40 percent are Hispanic immigrants.

"...even in black neighborhoods such as Harlem, where Koreans now own many of the stores, only 30% of the employees are black. More than 40% are Hispanic immigrants."

In Los Angeles, which is 17 percent black, only 2 percent of small Korean-owned businesses hire blacks, whereas 17 percent hire Hispanics, according to researchers at the University of California at Los Angeles's Center for the Study of Urban Poverty.

"It's discrimination and it's prejudice," says Clifford Simmons, an official with Harlem's Abyssinian Baptist Church. Mr. Simmons, 38, got two of his first jobs as a teenager in Harlem more than 20 years ago delivering meat and bagging groceries at stores owned by whites. As immigrants from Korea and the Dominican Republic have bought Harlem businesses, Mr. Simmons has seen many of those jobs disappear, first going to family members of the owners and now to other immigrants.

Ruxton McDougald, a 16-year-old black student from a middle-class family, says he got the cold shoulder when he tried to get an after-school job delivering Chinese food in his all-black neighborhood in Queens. He figured he had a good chance since he owned a bicycle and had work experience at McDonald's and a local drugstore. But the restaurant wouldn't hire him, nor would a fish market run by Asian immigrants.

"They give you the feeling that you can't do the job, that they just want to get you out the door," he says. His mother, Linda McDougald, says it is widely understood that most immigrants won't hire blacks: "It's like an unwritten law."

Even so, immigrant entrepreneurs say they aren't prejudiced. Many of them say job openings are quickly filled by friends and relatives of other workers. And they say some blacks and native-born whites are reluctant to put in the long hours and endure the poor conditions that working for an immigrant employer requires. But immigrants admit to being put off by the image of blacks presented in the media and in the movies.

Cultural Differences

Consider David Sun, a Chinese immigrant and co-founder of Southern California-based Kingston Technology Corp., a fast-growing high-tech company. Of 370 employees, Mr. Sun employs just a handful of blacks. He says he hires half the blacks who apply and works closely with them to help them succeed. But he also says: "Oriental culture is humble — you hide your emotions, you don't brag. When I see Mike Tyson and

all these fighters and singers dress like that, talk like that, with gold all over their bodies — I cannot respect people like that." Dennis Rodman, the flamboyant basketball star, is "weird," Mr. Sun goes on. "I don't see white players acting like that."

Moreover, immigrant entrepreneurs resent the idea that they have a responsibility to hire blacks or that, like large corporations, they should be held to affirmative-action guidelines. Part of the reason: they say they are victims, too. "A lot of immigrants feel underprivileged," says Mr. Woo, who runs the toy company. "It's difficult to preach to immigrants about the obligations of American society when they are trying to survive."

These entrepreneurs voice deep suspicion that black workers make trouble, whereas other immigrants do what they are told — and go quietly if fired.

Blacks don't "do the job right, and then when they get fired they complain" says J. Young Choe, a Korean immigrant who employs six Mexican immigrants but no blacks at his Manhattan restaurant.

"If I hire a black and make a little mistake, what will the government do to me?" Kingston's Mr. Sun asks.

The negative stereotypes about American blacks are passed from business owner to business owner, often fueled by experience with crime and shoplifting endemic to any poor, violence-ridden neighborhood.

Rick Park, a Korean immigrant, runs a soul-food restaurant and fish store in Harlem that employs four South American immigrants and two blacks. Mr. Park has never had any trouble with his black employees. But he says that with some black workers, "you have merchandise stolen — sneakers, clothing."

Exclusionary Rule

In a survey of Korean store owners in Harlem and other black neighborhoods in New York, Mr. Min of Queens College found that a large majority believe that blacks are less intelligent, less honest and more prone to criminal acts than whites. "They haven't met middle-class blacks, so it is easy to generalize," Mr. Min says.

Indeed, even some black immigrants are reluctant to hire native-born blacks. When Harvard sociologist Mary Waters looked at companies that employ large numbers of West Indians, she found that these immigrants, as they rise in management, prefer to hire other West Indians over American-born blacks because they believe the Americans are lazy and complain too much.

Immigrant-owned businesses are able to exclude blacks, poverty analysts say, because those businesses aren't policed by the state and federal civil-rights agencies. "No one has tried to enforce civil-rights laws on immigrant enclave businesses,"

says Philip Kasinitz, a professor of sociology at New York City's Hunter College. "Given the fact that they can't enforce immigration or child-labor laws, that is not surprising."

A spokesman for the Equal Employment Opportunity Commission says the agency isn't aware of any pattern of complaints by blacks against immigrant-owned companies, but it considers refusing to hire blacks on the basis of negative stereotypes illegal.

Fierce Competition

The refusal of many immigrant companies to hire blacks promoted another stereotype: that poor blacks don't want to work. In fact, competition for low-wage jobs in poor, black neighborhoods is fierce.

At a McDonald's on 125th Street in Harlem 300 people, most of them black, apply every month for a handful of openings for jobs that pay \$4.25 an hour, according to store managers. On average, fast-food restaurants in the area have 14 job applicants for every minimum-wage opening, according to a study done by Katherine Newman, an anthropologist at Columbia University. Most blacks seeking work at Harlem fast-food chains have applied for four or five other jobs, Ms. Newman found.

Making matters worse, blacks still face prejudice from white employers when they look for jobs. At white-owned fast-food restaurants in the upper Manhattan neighborhood, Ms. Newman found that immigrants who applied were far more likely to get hired than blacks — even when they had the same educational level and work experience. In the Red Hook section of Brooklyn, white employers across the street from a predominantly black housing project rarely hire blacks even for menial jobs.

"It's easier finding work for Jamaicans and Haitians," says Cesar Claro, a city official who has placed workers with white employers in Brooklyn. In Los Angeles, entire industries that once employed large numbers of blacks, such as hotels and restaurants, now fill their positions with immigrants.

Some blacks acknowledge that it is at times difficult for them to work for immigrants. "I worked for one Korean guy and he treated me like a slave," said one clothing-store worker who found work under a more congenial Korean boss across the street. A single black mother quit her sales job at a Korean-owned shop when she was ordered to clean windows and scrub the bathrooms when business was slow.

Craig Palmer worked as a cook in a Chinese restaurant six days a week for \$5.50 an hour. When he asked for a second day off, he says his boss responded curtly: "We all work six days a week." Mr. Palmer quit, went to college and found a better-paying job.

Some immigrant entrepreneurs acknowledge that they have benefitted from employing blacks. Won Duk Kim, a Korean, employs two blacks at his clothing store on 125th Street, one from Africa, the other an American,

and lines the wall over his cash register with testimonies to interracial harmony and plaques from black community groups. His reason for hiring blacks rather than Korean or Hispanic immigrants is simple, he says: they speak English better than he does and relate well with black customers.

But such views appear to be rare. Many of the new entrepreneurs come from Asia, where societies are racially homogeneous, and some "don't share the ideology we have here in terms of racial tolerance, ethnic tolerance, diversity and egalitarianism," says Elijah Anderson, a sociologist at the University of Pennsylvania. ■