
The Economic Status and Role of Ethnic Koreans in China

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China is a multiethnic country officially composed of 56 nationalities, although the number of nationalities may increase if the definition of “nationality” is changed.¹ The absolute majority of the Chinese population are Han nationals, which account for about 92 percent of the total population according to official population data. The remaining 8 percent of the total population, which is still more than 100 million, are composed of the 55 minority nationalities.

Among the 55 ethnic minorities in China, the Zhuang are the most numerous, with more than 15 million, and the Manchu, Hui, Uygur, Mongol, and Tibetan are relatively well known to the outside world. However, these 55 minority nationalities are quite diverse. Some of the ethnic minorities, such as the Zhuang, Manchu, and Hui, are very much similar to the Han, except for a few cultural aspects. However, other

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1. The Chinese government officially recognized 54 minority nationalities among the 183 nationalities that were registered in the 1964 census. At that time, the unrecognized ones were considered to be part of recognized ones or indeterminate. Afterward, 1 nationality was added to the official list. Still, more than 1 million people are classified as “unspecified and unclassified” minorities.

nationalities are clearly distinguished from the Han in many aspects, such as the Tibetan and Uygur. Some of these distinctive nationalities have staged separation or independence movements, which sometimes have led to bloodshed.

Ethnic Koreans can also be regarded as one of the distinct ethnic minorities in China, although they are not as hostile to Han nationals as Tibetans or Uygurs. That is, they have some particular characteristics that distinguish them from most of the other ethnic minorities in China. Although ethnic Koreans ranked just thirteenth among the ethnic minorities of China in population, they attract attention because of two characteristics.

First, ethnic Koreans migrated to China in the relatively recent past, whereas most of the other ethnic minorities have a long history of residing inside the current Chinese territory. The ancestors of the ethnic Koreans in China migrated to China mostly during the period 1850-1945,² particularly from 1910 through 1930s, when the control of the Chinese government (whether it was the Qing Dynasty or the Nationalist Party's Republic of China) over the region was rather weak. They moved to China for diverse reasons, such as to escape famine in their homeland, to stage an independence movement against Japanese invasion and colonial rule, or because of the Japanese regime's policy-induced migration in the late 1930s. In any case, the fact that they have lived in China for a relatively short period implies that they may not have fully assimilated by the Chinese or Han culture.³

Second, ethnic Koreans are one of a few ethnic minorities that also have nationals forming an independent country neighboring their clustered resident areas in China. This type of ethnic minority includes Koreans, Mongols, Uygurs, and Thai. Actually, of course, ethnic Koreans in China have two countries in their homeland, North Korea and South Korea. In particular, South Korea is a relatively prosperous country with a higher living standard than China. Furthermore, interactions between ethnic Koreans in China and South Korean people recently have been increasing significantly, as overall exchanges grow between Korea and China with the establishment of diplomatic relations in 1992. It is conjectured that the Chinese government is watching closely over the potential link between ethnic Koreans in China and the South Korean government or several nationalistic groups within South Korea.

2. They moved into the Northeastern parts of China, which is next to the Korean peninsula across the Yalu River or Tumen River and was mostly barren at that time. This was the area where the Japanese puppet government of Manchuria functioned in the 1930s and 1940s.

3. At the same time, 100 years is long enough for them to assimilate Chinese culture to a certain extent. Their culture is clearly distinguished from that of their homeland. In particular, the distinction is more evident compared with South Korea, because they had been thoroughly separated from South Korea during the Cold War period of nearly four decades.

From the Korean perspective, conversely, ethnic Koreans in China take the major share of overseas Koreans. It is reported that there exist about 5.7 million ethnic Koreans all over the world, which is more than 10 percent of the population of South Korea. Among them, about 2 million—about 40 percent of all overseas Koreans—reside in China. Furthermore, the role of ethnic Koreans in China vis-à-vis South Korea has grown substantially in diverse ways, including as a source of *foreign* labor and as an intermediary in South Korea's contacts with China and even North Korea. Therefore, ethnic Koreans in China have taken on a certain importance from the perspective of the South Korean government—economically, politically, and diplomatically.

Considering these two aspects, we can see that it is worthwhile to examine the ethnic Korean community in China. This chapter looks into this issue, particularly paying attention to their economic status and role. The second section of the chapter describes the demographic conditions of ethnic Koreans in China, mainly before major change occurred in the 1990s. The third section looks at the economic and social situations of ethnic Koreans in China before reform began, paying due attention to China's policy toward ethnic minorities. The fourth section examines the changes that have occurred in ethnic Korean society during China's reform period, particularly as the interactions with South Korea have increased substantially. This major section is divided into three subsections, which look at demographic changes, changes in ethnic Koreans' economic role and status, and their overall social challenges. The fifth section introduces the newly emerging Korean society in China, which is being formed through increasing de facto immigration from South Korea.

The Population of Ethnic Koreans in China

When the first census of the People's Republic of China (PRC) was conducted in 1953, the population of ethnic Koreans in China was 1.11 million, about 0.19 percent of the total Chinese population of 578 million and about 3.1 percent of the total ethnic minority population (State Ethnic Affairs Commission and State Statistical Bureau 1993, 263). But this population size was smaller than its peak of about 1.7 million in 1945, because about 0.6 million people returned to Korea (North or South) after Korea was liberated from Japanese rule in 1945 (Kim 1992, 233-34). In 1945, at most 20 percent of Koreans residing in China had Chinese citizenship (Kim and Oh 2001, 49). However, most of the remaining ethnic Koreans who decided not to return to Korea had obtained Chinese citizenship by 1952, under the comprehensive policy of the Chinese Communist Party (CCP) toward ethnic Koreans.

The population of ethnic Koreans in China has been growing relatively slowly, so that the share of ethnic Koreans in the total Chinese population has been steadily declining over time. Table 6.1 shows the change of the ethnic Korean population in China and its geographical distribution over time, based on the official PRC censuses of 1953, 1964, 1982, and 1990.⁴

As table 6.1 shows, the population of ethnic Koreans in China increased from 1.11 million in 1953 to 1.92 million in 1990. The population increased 72.8 percent during the 37 years, implying that the annual growth rate was 1.49 percent. This growth rate of the ethnic Korean population was lower than that of Han nationals as well as that of all ethnic minorities, which respectively were 1.78 and 2.62 percent. Although each ethnic Korean family, as a member of an ethnic minority, has been allowed to have two children—in contrast to the compulsory one-child family for Han nationals since the 1970s—most ethnic Korean families have opted to have just one child. Therefore, the share of ethnic Koreans in the total Chinese population decreased from 0.19 percent in 1953 to 0.17 percent in 1990, and the share of ethnic Koreans in the total ethnic minority population decreased from 3.1 percent in 1953 to 2.1 percent in 1990.

There is much evidence that this trend of slow population growth continued or even accelerated during the 1990s. For example, the ethnic Korean population in the Yanbian region, which has the greatest concentration of ethnic Koreans in China, even decreased throughout the late 1990s. There are many reasons for the recent population decrease in the ethnic Korean population in Yanbian or in China as a whole. The key reason for the decrease in Yanbian's ethnic Korean population is that many people migrated out of the region, particularly out of the rural villages, to other regions in China or to South Korea to seek nonagricultural work. The low birth rate of ethnic Korean couples was also a factor. One of the reasons for the decrease in the overall ethnic Korean population in China is that many females of reproductive age migrated to South Korea for marriage or for work.

As is shown in table 6.1, ethnic Koreans lived mostly in three Northeastern provinces, Jilin, Heilongjiang, and Liaoning. This geographical distribution of ethnic Koreans in China had shown a minor but clear direction of change, with the concentration ratio somewhat decreasing over time. Still, the three provinces combined accounted for more than 97 percent of ethnic Koreans in China in 1990. The share of Jilin Province continued to decline, from 68 percent in 1953 to 62 percent in 1990, whereas the respective shares of Heilongjiang and Liaoning increased by 3 and 2 percentage points during the 37-year period.

4. The fifth census was conducted in 2000. However, the outcome of the census has not yet been made public, except for some aggregated data. It is regrettable that this chapter should depend on data from the 1990 census and previous ones, even though population mobility increased significantly during the 1990s.

Table 6.1 China's ethnic Korean population (thousands) and geographical distribution (percentage of total ethnic Korean population), by province, 1953-90

Census year	Total population	Jilin		Heilongjiang	Liaoning	Inner Mongolia	Other provinces
		Total population	Yanbian Prefecture				
1953	1,111 (100)	756 (68)	551 (50)	232 (21)	116 (10)	7 (1)	1 (0)
1964	1,349 (100)	867 (64)	623 (46)	308 (23)	147 (11)	11 (1)	16 (1)
1982	1,765 (100)	1,104 (63)	755 (43)	432 (24)	198 (11)	18 (1)	14 (1)
1990	1,921 (100)	1,182 (62)	821 (43)	452 (24)	230 (12)	23 (1)	33 (2)

Note: Figures in parentheses are in percent.

Source: Yun (1993, 26); based on the official Chinese census.

Outside the three Northeastern provinces, Inner Mongolia and Beijing had nonnegligible ethnic Korean populations, respectively 17,600 and 3,900 in 1982 and 22,600 and 7,700 in 1990. One notable change between 1982 and 1990 was that the population increase outside the Northeastern provinces was remarkable, from 14,000 to 33,000. This increase mostly occurred in Beijing, Hebei, Shandong, and Tianjin (see table 6.2).

Within the three Northeastern provinces, ethnic Koreans tend to cluster in areas by themselves. In particular, the Yanbian region of Jilin Province has been the largest clustered area of ethnic Koreans in China,⁵ with more than 40 percent of the country's total ethnic Korean population. Yanbian has been designated as an ethnic Korean autonomous prefecture since 1952, on the basis of the minority policy of the PRC, which allows regional autonomy for ethnic minorities in their clustered region. At lower administrative levels, there is 1 ethnic Korean autonomous county within Jilin (namely, Changbai autonomous county), and there are 43 ethnic Korean townships (or towns) throughout the three Northeastern provinces. These lower-level Korean autonomous areas, excluding Yanbian, account for a little more than 10 percent of the ethnic Korean population. Furthermore, even when ethnic Koreans live outside Korean-cluster areas, they tend to form a village of their own within the Han-dominated townships or towns.

5. Yanbian Prefecture is located at the Northeastern border of China, adjacent to North Korea across the Tumen River and Russia to the north. Yanbian is 42,700 square kilometers in size, which is about a fourth of Jilin Province, or about 40 percent of the size of South Korea.

Table 6.2 Ethnic Korean population of major Chinese cities, 1982 and 1990

City	1982	1990	Percent change
Beijing	3,905	7,689	96.9
Changchun	18,324	27,241	48.7
Dalian	2,042	4,816	135.8
Harbin	30,514	36,562	19.8
Qingdao	83	355	327.7
Qinhuangdao	108	869	704.6
Shanghai	462	734	58.9
Shenyang	69,460	80,539	16.0
Tianjin	816	1,788	119.1
Yanji	100,337	177,547	77.0

Sources: Chinese census, 1982, 1990.

The number of counties (or cities), whose ethnic Korean population exceeds 10,000, was 21 in Jilin Province, 14 in Heilongjiang Province, and 3 in Liaoning Province as of 1990. Eleven cities (or counties) had ethnic Korean populations exceeding 50,000: Yanji City, Longjing City, Hualong County, Hunchun City, Wangqing County, Tumen City, and Antu County, which are within Yanbian Prefecture; Jilin City and Tonghua City, which are within Jilin Province but outside Yanbian; and Mudanjiang City in Heilongjiang Province and Shenyang City in Liaoning Province.

The above description of the regional distribution of the ethnic Korean population is mainly based on the 1990 census. Since then, substantial change must have occurred in the demographic situation of ethnic Koreans in China, because overall population mobility has increased significantly as market-oriented reform has proceeded in China. The mobility of the ethnic Korean population has increased as well, particularly because of increased interaction with South Korean people. However, no official data are available on the size and geographical distribution of the ethnic Korean population in China after 1990, because the 2000 census data have not yet been made public. Nevertheless, an analysis of the ethnic Korean population after 1990 will be attempted below, on the basis of diverse and fragmented documents and evidence.

The Condition of Ethnic Korean Society in China in the Prereform Period

This section looks at the situation of ethnic Koreans in China, before substantial change occurred during its reform period. The section begins with a brief introduction of China's policy toward ethnic minorities and then examines the socio-economic conditions of ethnic Koreans in China in the prereform period.

China's Policy toward Ethnic Minorities

China has a long history of assimilating neighboring nationalities into the Han culture. Even Manchu nationals, who once invaded and ruled the Han people during the Qing Dynasty, have been almost fully assimilated, losing even their languages. A similar appraisal can be applied to Mongols to a certain extent, which also ruled China during the Yuan Dynasty. That is, the Han nationals' dominant population size and advanced culture were powerful enough to assimilate other ethnic groups involved in Chinese history.

The Republic of China's Nationalist Party, led first by Sun Zhongshan and later by Zhang Jieshi, implemented a rather aggressive assimilation policy toward ethnic minorities, which was based on a crude Han nationalism. This might reflect the fact that Han nationals had recovered the ruling position, after more than two centuries of being ruled by an ethnic minority, the Manchu. However, the Chinese Communist Party's (CCP's) policy toward ethnic minorities was much softer from the start, probably because it needed the support and help of minorities in its struggle against the Nationalist Party. It proclaimed equality across nationalities and promised ethnic autonomy in a unified country. In fact, the CCP did absorb many ethnic minorities in its struggle against Japan and later in the civil war against Nationalist Party forces.

This policy line was officially adopted after the PRC was established in 1949, and has been maintained, except for the Cultural Revolution period (1966-76).⁶ The Constitution of the PRC explicitly proclaims equality and unity across nationalities, banning discrimination against or persecution of any ethnic group. In principle, it negates both Han nationalism and the nationalism of minorities. That is, on the basis of the same principle, China does not explicitly promote Han nationalism and at the same time does not allow separation movements by any ethnic minority. However, the PRC strongly promotes Chinese (*zhonghua*) nationalism, which it claims includes all 56 nationalities. Chinese nationalism has emerged as the main PRC ideology in recent years, as the socialist ideology has waned in Chinese society.

The PRC's specific policies toward ethnic minorities have three main aspects. First, ethnic minorities have been given certain political rights to represent their interests. For example, the National People's Congress should have at least one representative of each ethnic minority, and it allots more seats to ethnic minorities than their population shares allow. Also, the State Commission of Ethnic Affairs was established at the ministry level under the State Council, and similar organizations at provincial and local levels of

6. During the Cultural Revolution, all the ethnic cultures, including that of Koreans, were criticized as antirevolutionary, and many ethnic minority leaders, including ethnic Koreans, were severely persecuted.

government administer ethnic minorities' affairs. The CCP and the Chinese government also gave importance to fostering the cadres of ethnic minorities that are loyal to the CCP's leadership. They expect these minority cadres to mediate between the government and members of ethnic minorities.

Second, regional autonomy is being implemented for minority-cluster regions. Currently, China has 5 minority autonomous regions at the province level, 30 minority autonomous prefectures, and 120 minority autonomous counties. Forty-four out of 55 ethnic minorities have at least 1 autonomous area at a certain level. The autonomous area, in principle headed by personnel from the corresponding ethnic minority, is allowed certain privileges to self-govern some of its internal affairs within the area. Within these autonomous areas, special consideration is given to the ethnic language, education, and culture.

Third, governments at several levels provide special subsidies for the economic development of ethnic minority regions. The central government and relatively well-off provinces allocate fiscal subsidies for minority regions, which are in fact underdeveloped areas. This type of subsidy for ethnic minority regions is most conspicuous in Tibet. The recent policy for developing China's western regions is partially intended to improve the economic conditions of ethnic minorities, because most ethnic minorities live in the western areas. Also, subsidies to preserve ethnic culture and foster the education of ethnic minorities are also allocated by governments at various levels.

Although these Chinese policies toward ethnic minorities seem to be quite generous, all of them have a limit. That is, they are implemented subject to the condition that they should not lead to separation movements by minorities. In particular, any potentially political link with foreign countries is under close surveillance. Ultimately, China's policies toward ethnic minorities are assessed to be aiming for the assimilation of ethnic minorities into mainstream Chinese culture, namely, Han culture. But these policies are being pursued for the long term, avoiding trouble as much as possible during the interim period.

Ethnic Korean Society in China during the Prereform Period

When Japan surrendered to the Allied Forces in 1945, Koreans in China had to choose whether to stay in China or to return to Korea—North or South. A few more than 1 million people, which then was more than 60 percent of the Korean population, opted to stay.⁷ Most of them, who were

7. Han and Kwon (1993, 36) estimate that the ratio of ethnic Koreans returning to South Korea was much lower in Yanbian (about 25 percent) compared with other regions (more than 50 percent). They conjectured that the lives of Yanbian's ethnic Koreans were more deeply rooted in the area due to their longer period of settlement there than those of other regions.

landless or poor peasants, supported the CCP over the Nationalist Party. In particular, the ethnic Koreans enthusiastically welcomed land reform, which was implemented in Northeast China by the CCP even before 1949. Subsequently, during the 1949-52 period, most of them received Chinese citizenship without much difficulty, because they were welcomed by the CCP as well. Finally, ethnic Korean people constituted a stable part of Chinese society with the establishment of the PRC in 1949. They have remained so since then, even though some people returned to North Korea during or just after the 1950-53 Korean War and during the Cultural Revolution.

Ethnic Koreans were welcomed by the CCP mainly because of their contributions to the CCP and to the economy of Northeastern China. The officially recognized contributions of ethnic Koreans in China can be summarized as follows. First, many ethnic Koreans collaborated with the CCP in its war of liberation against Japan, its civil war against Nationalist Party forces, and later in the Korean War (Kim and Oh 2001, 59-77). Most ethnic Koreans then seemed to be sympathetic to the CCP's ideology and policies, having the background of poor peasants and people colonized by Japan. Many ethnic Korean people were sacrificed as they struggled in alliance with the CCP against Japan and the Nationalist forces, and this was well recognized by CCP leaders. Although some Korean revolutionaries returned to North Korea, many remained in China and went on to have successful careers in the military or government.

Second, ethnic Koreans were the people who reclaimed the then barren land in Northeastern China during the late 19th and early 20th centuries. They succeeded in cultivating rice paddies for the first time in these areas, which have rather long and cold winters (Kim and Oh 2001, 81-84). Once the wasted land was developed by Koreans, many Han people migrated to this region from more populous regions of China, such as Shandong Province.

That is, Koreans as an ethnic group were recognized for their contributions in the formation and development of the PRC. Due to these recognized contributions of ethnic Koreans—in combination with the Chinese government's generous policy toward ethnic minorities—ethnic Koreans formed a rather stable minority society under the PRC regime in the pre-reform period. They formed some large ethnic communities, such as the Yanbian Autonomous Prefecture, and many small communities within many rural villages in Heilongjiang or Liaoning Provinces.⁸ Because most of them lived in these clustered communities, they were able to maintain their language and culture to a certain extent.

8. The ethnic Koreans who lived in scattered villages in Heilongjiang and Liaoning Provinces tend to be from the same region back in South Korea, because their ancestors migrated to China in groups organized by the Japanese authorities, mainly in the 1930s.

Moreover, ethnic Koreans could maintain their identity because the Chinese government under the CCP implemented a generous policy toward ethnic minorities, allowing autonomous administrative regions and fostering ethnic education and culture, except during the Cultural Revolution. This was in sharp contrast to the fate of ethnic Koreans in the then-Soviet Union. Like the ethnic Koreans migrating to China, Russian ethnic Koreans had migrated mostly to the Russian Far East during the late 19th and early 20th centuries. However, Russian ethnic Koreans have almost lost their ethnic language and culture, particularly when compared with their counterparts in China. The main reason was that they were severely persecuted by the Soviet regime and were forced to resettle in Central Asia in the late 1930s.

The economic lives of ethnic Koreans in China in the prereform period were rather monolithic. Most of them resided in rural communities in the Northeastern provinces, concentrating on agriculture, particularly cultivating rice paddies. Mainly on the basis of this rice cultivation, they enjoyed a relatively high living standard for rural China, because rice was a relatively highly valued agricultural product. However, it did not mean that the average living standard of ethnic Koreans was higher than that of Chinese urban residents. This could not be true, because the urban living standard was much higher than the rural one, given the strict control over rural-urban migration.⁹

Another characteristic of ethnic Koreans worth mentioning is that they highly valued the education of their offspring. They mainly held the Confucian belief in the great importance of education, even though they were peasants and their ancestors had mostly been landless people back in their homeland. Their ancestors had already established many schools for ethnic and general education in the early 20th century. As of 1982, the illiteracy rate of ethnic Koreans 12 years of age and above was 10.5 percent, the lowest of the 56 Chinese nationalities and one-third the national average of 32 percent (Yun 1993, 33).

In addition, the share of ethnic Korean people with a college-level education was 19.6 out of 1,000, which was the highest of the 56 nationalities and more than three times that of the national average of 6 out of 1,000 (Yun 1993, 34). Their emphasis on education was one factor in helping ethnic Koreans maintain their language and high culture, such as literature, music, and dance. Their higher level of education also was reflected in their job structure. The share of both specialist-technician and adminis-

9. The share of urban population was only about 20 percent until reform began in the late 1970s. The per capita income and consumption of urban residents were respectively 2.4 and 2.9 times as large as those of rural residents in 1978, under strictly controlled population mobility (*China Statistical Yearbook 1998*, 325).

trative workers among ethnic Korean workers was about twice as large as the national average in 1982 (Yun 1993, 35). Along with their higher level of education, some ethnic Korean government officials achieved their positions on the basis of their military service in the war of liberation and/or the Korean War.

The relationship of ethnic Koreans in China with their home country was drastically skewed toward North Korea during the prereform period, which overlaps with the Cold War. Ethnic Korean society in China was thoroughly isolated from South Korea, with any bilateral contact being forbidden by both sides. But ethnic Koreans had relatively close relations and diverse interactions with North Korea, on the basis of geographical closeness and family relations.¹⁰ Therefore, they accepted the North Korean standard in language and culture until the late 1980s, because they had little information on South Korea. However, even relations between the PRC and North Korea showed some fluctuations, going sour particularly during the Cultural Revolution. At that time, some ethnic Koreans returned to North Korea permanently to escape the persecution and famine in China.

To summarize the above discussion, ethnic Koreans formed stable communities in the Northeastern border regions of China. They engaged mostly in agriculture, earning a relatively higher income than the Chinese rural standard by cultivating rice paddies. Some of them entered government or academic careers, with higher education or military experience as a background. They could maintain their language and culture mainly because they formed several geographical clusters, where they emphasized ethnic education for their offspring. Also, they were helped by the Chinese government's rather generous policy toward them.

However, ethnic Koreans were essentially an ethnic minority living mostly in remote border regions. They were too small in number and lived too far away from the center of China to play a major role in Chinese society. Even highly educated ethnic Koreans had difficulty entering the leading group of mainstream Chinese society. One of the main reasons for this may be that they were members of a minority group. That is, they had lived in ethnic Korean communities without much experience of mainstream society and culture, namely, Han society and culture. Also, they had a rather inadequate command of the Chinese language, because most of them received bilingual education that focused on their own language.

10. The majority of ethnic Koreans in China, particularly in Yanbian, are originally from North Korean regions, so many of them have relatives in North Korea. In contrast, a substantial portion of ethnic Koreans in Heilongjiang and Liaoning Provinces are originally from the southern part of the Korean peninsula.

Changes in Ethnic Korean Society during the Reform Period

This section looks at the major changes that occurred in the ethnic Korean society in China during the reform period. The section is divided into three parts. The first part examines the population movement of ethnic Koreans in China in the 1980s and 1990s, which has increased remarkably. The second part examines the changes in their economic role and appraises the consequent change in their economic status. The third part examines the emerging challenges faced by the ethnic Korean society in China for maintaining their ethnic identity.

Demographic Changes

The most visible change in ethnic Korean society during China's reform period was the increased mobility of population. Although this was true of Chinese society as a whole, the extent of population movement was more conspicuous for ethnic Korean society. During the first stage until the late 1980s, before their contacts with South Korean people fully materialized, the extent and characteristics of the movement of the ethnic Korean population was similar to that of the other ethnic groups in China. However, as contacts with South Korea increased substantially during the 1990s, there were some particular changes in ethnic Korean society.

The first wave of population movement in the 1980s was mainly toward coastal urban areas or large cities in Northeastern China. That is, rural-urban migration began to materialize as migration control weakened with market reform proceeding in China.¹¹ Table 6.2 shows the migration of ethnic Koreans to major cities between 1982 and 1990, on the basis of official census data. It shows first that the growth rate of ethnic Korean migration to major coastal cities was remarkable. The ethnic Korean populations of such cities as Beijing, Tianjin, Dalian, and Qinghuangdao, where it used to be rather small, increased by substantial percentages.

Second, table 6.2 shows that Shenyang, Changchun, Harbin, and Yanji, the major cities in Northeastern China, substantially added to their already large ethnic Korean communities. Even within Yanbian Prefecture, movement to Yanji, the capital city of Yanbian, was observed. That is, rural-urban migration within the ethnic Korean communities also began during this period.

The motive for this migration was mainly to take advantage of new opportunities that emerged as China's economic reform proceeded. That is,

11. The household registration (*hukou*) system, which distinguishes the rural or urban status of each individual, has been maintained. However, abolition of food rationing and market transactions for housing made rural-urban migration much easier than in the prereform period.

many people left the ethnic community in rural areas of Northeastern China, looking for new nonagricultural activities mostly in urban areas. Some of them had accumulated a certain amount of capital for starting small businesses, with China's successful rural reform as a background. They set up individual businesses (*getihu*, in Chinese terminology) with fewer than eight employees, mostly in the cities.¹² Initially, many of them were engaged in retailing kimchi, Korean-style pickled cabbage. But many other people without the minimum capital needed to start their own business sought work opportunities in those cities, where the demand for unskilled labor was increasing.

The second wave of massive migration occurred with the reopening of contact between China and South Korea. The first momentum came in 1988, when South Korea was publicized in China for the first time because it hosted the Olympic Games. Ethnic Koreans in China were exposed to diverse types of information about South Korea, which were quite different from Chinese government or North Korean propaganda. Some ethnic Koreans were able to visit South Korea to see relatives, even though the two countries did not yet have formal diplomatic relations.

Economic transactions between South Korea and China also began to increase—a substantial portion of which then was made through a third economy (mainly Hong Kong). The second and major momentum came when the two countries established formal diplomatic relations in August 1992. Since then, bilateral economic exchanges between South Korea and China have increased very rapidly in diverse forms, including commodity trade, direct investment, and tourism.

First, bilateral trade has increased by almost 20 percent a year since 1992, reaching \$31.5 billion in 2001, with South Korean exports being \$18.2 billion and imports being \$13.3 billion, according to Korea's trade statistics (see appendix table 6A.1). According to China's customs statistics, the volume of bilateral trade was even larger, reaching \$36.0 billion in 2001, with China's imports from Korea being \$23.4 billion and China's exports to Korea being \$12.5 billion. Consequently, either economy has become the other's third largest trading partner, if Hong Kong is excluded as one of China's trading partners.

Second, South Korean direct investment in China has been growing steadily, albeit with some fluctuations. Currently, the second boom is in full swing; the first boom was in the period 1993-96. The cumulative number of Korean direct investment projects in China reached 6,600 with an investment value of \$6 billion by July 2002, according to Korean official statistics compiled by the Korea Export-Import Bank (see appendix tables 6A.2 and 6A.3 for details). However, according to Chinese statistics, Korean direct investment in China reached \$12 billion by

12. The new businesses were opened not just in urban areas but also in rural ones. Rural residents set up many township and village enterprises during the 1980s.

2001—more than double the Korean statistics.¹³ According to the Chinese statistics, South Korea has become China's fifth largest source of foreign direct investment, following the United States, Japan, Taiwan, and Singapore.¹⁴

The number of South Korean visits to China, including business trips, tourist visits, and student visits, also increased substantially throughout the 1990s, surpassing 1 million in 2000 and reaching 1.3 million in 2001. At last, China became the number one foreign country chosen by Korean travelers during the first five months of 2002, surpassing Japan for the first time. The number of South Korean visitors to the PRC is estimated to reach 1.6 million in 2002, extrapolating the data for the first five months. Furthermore, the number of Korean people staying long term has increased to a substantial degree; it is estimated to reach 130,000 in mid-2002 (Embassy of the Republic of Korea in China 2002). The number of Chinese visiting Korea has been gradually growing as well, reaching 482,000 in 2001.

As bilateral economic transactions increase, the demand in China for ethnic Korean residents of China who are needed to help with these transactions also has visibly increased. They have played the roles of translator, tourist guide, information provider, and even business partner for South Korean people, particularly during the early period of bilateral contact. This phenomenon has been accompanied by a massive migration of ethnic Koreans within China toward the areas where the activities of South Korean people are concentrated. Consequently, the ethnic Korean population of such cities as Beijing and Tianjin, of several coastal cities on the Shandong peninsula (Qingdao, Weihai, and Yantai), of Dalian and Shenyang in Liaoning Province, and even of Shanghai has increased substantially. Although we do not have formal data on ethnic Korean populations in China after 1990, we can provide several types of data from scattered sources on this recent population movement.

According to the State Ethnic Affairs Commission (2001, 171), the ethnic Korean population of Beijing was reported to reach more than 60,000 in 1998, which was almost eight times that of 1990. The same source reported that the ethnic Korean population of Shanghai increased by 60 percent from 1990 to 1995. In Tianjin, the ethnic Korean population was reported to be more than 15,000 in 1996, which was more than eight times that of 1990 (Cho and Park 1997, 1073). Also, many ethnic Koreans moved to coastal areas of Shandong Province, where Korean direct investment,

13. The discrepancy between the two statistics reflects the investment of many small-scale investment projects not reported to the Korean authorities, investment via a third economy, and locally financed investment.

14. This ranking excludes Hong Kong.

particularly by the small and medium-sized enterprises, is heavily concentrated.¹⁵ That is, following the massive inflow of South Korean investments to Shandong, ethnic Koreans moved to Shandong from Northeastern areas as well. According to Pan and Huang (2002, 758), the ethnic Korean population of Shandong reached about 70,000 in 2000 (including temporary residents).

Within the Northeastern provinces, the ethnic Korean population increased in major cities in such Liaoning Province cities as Dalian and Shenyang, as Koreans firms' investment was concentrated in these areas. An ethnic Korean newspaper published in Shenyang reports that the ethnic Korean population of Dalian reached 15,000, tripling the number in 1990 (*Liaoning Chosun Wenbao*, May 29, 1997). Shenyang's ethnic Korean population was reported to have reached 120,000 in 1999, an increase of 50 percent from about 80,000 in 1990.

Conversely, the ethnic Korean population in rural areas all over Northeastern China has decreased substantially. Even the official ethnic Korean population of Yanbian Prefecture reached its peak of 860,000 in 1995, steadily decreasing afterward to reach 842,000 in 2000 (*Yanbian Statistical Yearbook* 2001, 66). However, the ethnic Korean population of Yanji City, the capital of Yanbian, continued to increase throughout the 1990s from 171,000 in 1990 to 228,000 in 2000 (*Yanji Statistical Yearbook* 2001, 85). Also, there are many reports that the ethnic Korean population of rural villages in Jilin and Heilongjiang Provinces decreased substantially during the 1990s (Huh 2001, 262).

Another major destination of ethnic Korean population movement has been South Korea. At first, starting in late 1980s, ethnic Koreans in China visited relatives in South Korea, also selling miscellaneous products from China on the street. Subsequently, they made diverse kinds of visits to South Korea. The major type was official or unofficial labor export. That is, many ethnic Korean residents of China came to South Korea seeking work, which pays much higher than in China.

Because foreigners by law are allowed to work only on limited occasions in South Korea, most of the ethnic Koreans from China work there illegally. Actually, most of them entered Korea legally as official industrial trainees, or for visits to relatives, study, or even tourism. But many of them have become illegal workers by seeking jobs, which is not allowed under their entry conditions. And these illegal *foreign* workers get jobs

15. According to the Korea Export-Import Bank, which publishes official data on Korea's overseas direct investment, Korean firms had invested in 2,230 projects with a value of \$1.74 billion in Shandong Province as of July 2002 (<http://www.koreaexim.co.kr>). This is more than one-third the total number of projects with Korean investment in China (6,641), and the share in the total invested amount was 28.7 percent. According to Chinese statistics, about 3,000 enterprises with Korean investment were registered in Shandong Province by the end of 2000 (Pan and Huang 2002, 742).

mostly in “3-D” (dirty, difficult, and dangerous) positions, which average Korean people avoid.

Another type of migration of ethnic Koreans from China to South Korea has been through marriage, typically with the female coming from China. Some of the marriages have been real, whereas others have been fakes used as a channel to enter Korea. The number of visas issued for marriage by the Korean consular offices in China has been about 6,000 to 7,000 a year since the mid-1990s.¹⁶ Even this type of an immigrant cannot get South Korean citizenship right away, because the Korean government has set a 2-year probation period due to many fake marriages. In any case, Huang (2002) points out that such a massive outflow of young ethnic Korean women of reproductive age will jeopardize the reproduction and long-term survival of the ethnic Korean society in China.

As of March 2002, there were officially 116,000 ethnic Koreans from China residing in South Korea, among whom 76,000 were staying illegally (*Kookmin Daily*, May 26, 2002). However, these statistics are only for the ethnic Koreans who entered South Korea legally, and many entered Korea illegally, mainly on smuggling ships. Although the number of these illegal immigrants is difficult to estimate, it is not negligible; the total number of ethnic Koreans from China currently in South Korea ranges from 150,000 to 200,000, according to some media reports.

To summarize the above discussions, we can see that a substantial number of ethnic Koreans migrated from rural Northeastern China to South Korea and many Chinese coastal cities during the 1990s. Besides, many ethnic Koreans of China actually migrated to Japan through diverse channels, such as tourist visits, student programs, and trade. According to Pan and Huang (2002, 72), about a quarter of ethnic Koreans have left their hometowns during the reform period. This has been a major shock to the ethnic Korean society in China, changing lives across the board—mainly from rural to urban, from closed to open, from static to dynamic.

Changes in Economic Role and Status

The population movement of ethnic Koreans in China examined above was closely linked with the changes in their economic activities. That is, both migration within China and migration to South Korea have been associated with a shift in the economic activities of the ethnic Koreans involved. Broadly speaking, they were moving out of agricultural

16. The number of marriage visas issued by the Korean consulate in Beijing was 7,693 in 1995, 6,139 in 1997, 6,555 in 1998, and 7,543 in 2001. In 1999 and 2000, the visa-issuing job was shared with the consular office in Shenyang, whose data cannot be obtained. (Data obtained from the Embassy of the Republic of Korea, Beijing.)

production, mainly toward industry and service sectors. This shift, in turn, entailed higher income for them and their family back home. Let us look at these issues more closely.

The intra-China migration of ethnic Koreans has been associated with at least three types of economic activities. The first type is working directly for South Korean companies or the people in China. That is, ethnic Korean people have become employees of enterprises with Korean investment or of branch offices of Korean companies in China, as translators, regular workers, or occasionally business partners.¹⁷ The business sectors of the Korean or Korean-invested companies in China are diverse, comprising manufacturing and services.

The second type of economic activity is ethnic Koreans' having their own businesses or being employed in businesses run by other ethnic Koreans. They are mostly service-sector businesses, such as restaurants, tourism-related business, nightclubs, and motels. Most of them have at least indirect relations with South Korean people or companies. But the business sectors of ethnic Koreans in China have recently diversified, to include information technology ventures and real estate development. The third type is that some ethnic Koreans have found jobs with major Chinese companies or public agencies of diverse levels, on the basis of their ability to help with Korea-related activities.

That is, ethnic Koreans in China have been playing the role of intermediary between South Korea and China in diverse ways for the past 15 years. In particular, their ability to speak both Korean and Chinese has been their main asset. However, the assessment on their performance for this role has not always been positive. Although there have been many success stories, there have also been many failures ending in serious conflict between South Koreans and ethnic Korean-Chinese residents. The key problem in these failures seems to have been the differences between expectation and reality. Often, South Korean businesspeople expected quite high levels of performance from their ethnic Korean workers or partners which were not met—such as a high proficiency in the Chinese language, sufficient understanding of Chinese government and laws, and even loyalty to the South Korean firm.

Conversely, many ethnic Korean-Chinese residents working for South Koreans expected to receive a special reward for their contributions at a similar level as did South Koreans, which was not possible. Also, the subtle differences between the two forms of the Korean language—particularly the use of foreign-language terminology by South Korean people

17. According to my interview with professors at Yanbian University of Science and Technology, which is a private university founded by a Korean-American in Yanbian Prefecture to educate ethnic Koreans, about 80 percent of their graduates are recruited by Korea-related companies.

that ethnic Koreans mostly do not understand—became a source of miscommunication and/or mistranslation.

As many conflicts arise between the “two” Korean languages and South Korean people’s understanding of Chinese language and society improves, South Korean people and companies tend to depend less on ethnic Korean residents of China. In particular, some large Korean companies strategically employ Chinese of Han nationality rather than Korean nationality as part of their localization effort. That is, they think employing Han nationals with strong credentials would be beneficial for them to do business with major Chinese companies or deal with Chinese bureaucrats. In that sense, the role of intermediaries between China and South Korea as played by ethnic Koreans in China recently has been seriously challenged.¹⁸ However, the demand for capable ethnic Koreans by Korean companies is still strong, but under the condition that they compete with other Chinese workers. Also, many small and medium-sized Korean companies still urgently need ethnic Koreans’ help to do business in the Chinese market.

Yet ethnic Korean migrants from China are engaged mostly in 3-D jobs in South Korea, such as that of construction worker for men and waitress or factory worker in labor-intensive industries for women. That is, most of them are filling the positions that most domestic workers avoid. Actually, many ethnic Korean workers from China have experienced industrial accidents in Korea leading to serious injury or even death, reflecting their poor working conditions. Also, their employers often treat them unfairly, taking advantage of their status as illegal immigrants.

Under normal conditions, however, these workers earn an income almost 10 times higher than they would earn in China. At the same time, many of them learn the know-how to operate small businesses or industrial techniques for small-scale workshops while they are working in South Korea. Actually, many of them set up their own business after returning to China, using the capital they accumulated in Korea and following the business model they learned from their Korean experiences.

We can cite another role ethnic Koreans in China have played for the past decade, namely, as intermediaries between South and North Korea. Though there are many barriers for South Koreans to contact North Koreans, ethnic Koreans in China can access North Korea rather easily. Therefore, there is demand from South Korean people or companies for ethnic Koreans to provide information on North Korea or to link them with North Korean counterparts. The demand from the South Korean side is very diverse, including the search for the whereabouts of separated family members, information on tradable goods between the two Koreas, and

18. Both South Korean business circles and ethnic Korean leaders in China agree that the potential role of ethnic Koreans in linking China and South Korea has not been fully realized. But each side tends to think that the main blame should go to the other side.

the situation of the North Korean economy. Sometimes, ethnic Koreans play a critical role in helping separated family members to meet somewhere in China or in providing up-to-date information on North Korea.

As the economic activities of ethnic Korean residents of China change as described above, ethnic Korean entrepreneurs have appeared. The first generation of ethnic Korean entrepreneurs, who began their business in the 1980s, had mostly rural backgrounds, without much formal education. They grasped business opportunities arising from China's reform process, particularly founding and managing township-village enterprises under freer conditions than state-owned enterprises. Some of them entered the business circle, taking advantage of opportunities arising from the rapidly increasing contacts between South Korea and China in the early 1990s. Some of them were successful enough to have large-scale enterprises by the early 1990s. However, most of them did not have the ability to manage a large business organization, and soon sank. Currently, only a fraction of the first generation of businesspeople has achieved modest success managing medium-sized enterprises.

However, a new generation of ethnic Korean entrepreneurs has emerged since the late 1990s. They are distinguished from the earlier generation of entrepreneurs in several aspects. First, they tend to have more formal education, with most of them having at least a bachelor's degree. Second, many of them have worked as government officials or visited foreign countries, typically South Korea or Japan as students, before starting their businesses. Currently, their business sectors are centered on trading, developing and/or managing real estate, construction, and information technology ventures. It seems that this new generation has a better understanding of how markets function, how modern enterprises operate, and how the outside world is changing. They might have more of a potential to manage their current businesses as large-scale modern enterprises than the previous generation.

However, not even one business run by ethnic Koreans is successful enough to enter the list of the 500 largest private enterprises in China. According to my interviews with ethnic Korean entrepreneurs and academicians, at most 1 or 2 ethnic Korean businesses belong to the top 100 private enterprises in some municipalities, such as Dalian and Shenyang. That is, ethnic Korean businesses could not yet enter China's national private business circle. Even the most successful ethnic Korean business is just a local trader. Also, no one with an ethnic Korean background is the chief executive of any of the large-scale state-owned enterprises that account for the lion's share of China's large enterprises.

We can conclude that ethnic Koreans are at the periphery of the Chinese economy. They are engaged mostly in the consumption-oriented services sector, though they have come out of their closed ethnic communities in Northeastern China during the past more than 20 years of China's reform.

The question then is: why could they not enter the main stage of the Chinese economy? According to the ethnic Korean academicians and entrepreneurs I interviewed, there are several reasons. First, they point to the lack of business talent among ethnic Koreans in China. Although ethnic Koreans put great emphasis on education, they have used their top talents to enter academic or government careers reflecting their traditional Confucian values. They have produced some top-level scientists, many professors and researchers, and even a few high-ranking officials in the party or government hierarchy. However, they have not produced chief executives of either state-owned or private enterprises. Recently, though, some of their top talents have begun to enter the business circle, suggesting that they may have some successful businesses in the future.

Second, ethnic minorities have many hurdles to success in China's mainstream business circle. It is widely known that the network of connections (*guanxi*) with government or bank officials is a key factor in doing successful business in China. Ethnic minorities, including ethnic Koreans, are relatively weak in establishing networks of connections in China, compared with Han nationals. Additionally, ethnic Koreans' command of the Chinese language in general does not reach a high level, because most of them were brought up under bilingual environments until high school. However, fluency in the Chinese language and a shared Han culture would be key factors for establishing connections with mainstream Chinese communities.

We have already seen that contacts with South Korea, which began in the late 1980s, were a major shock to the ethnic Korean society in China. How, then, should the influence of South Korea on the ethnic Korean economy in China be assessed? There are two contrasting evaluations. The overall evaluation is very positive, in the sense that ethnic Koreans in China could have opportunities to earn income and intangible know-how for diverse economic activities through their contacts with South Korean people, directly or indirectly. By utilizing these favorable conditions, ethnic Koreans could have achieved a relatively higher living standard in China on average,¹⁹ and many of them have accumulated a certain level of wealth. Therefore, it is difficult to deny the economic benefits of South Korea and its people for ethnic Koreans in China.²⁰

According to another evaluation, however, in the long run South Korea might constitute a serious barrier for ethnic Koreans in China seeking to

19. There are no publicly available data showing average incomes of diverse nationalities in China. However, we can get several types of anecdotal and indirect evidence, which suggest that ethnic Koreans' average income is higher than the overall average income of Chinese people. This is mainly due to the extra opportunities related to South Korea, which are only accessible to ethnic Koreans.

20. It may be compared with the contribution of overseas Chinese to the economy of their hometowns in southern China, although the extent of their contribution might be less.

become an independent and affluent ethnic group. That is, ethnic Koreans have become much too dependent upon South Korea, thereby making themselves vulnerable to shocks from South Korea. Actually, when the South Korean economy went through a financial crisis in the period 1997-98, the ethnic Korean economy in China had a difficult time as well. At the microeconomic level, some ethnic Korean elders worry that many talented ethnic Koreans choose a relatively easier career connected with Korean companies rather than seeking a risky but potentially much more rewarding career in mainstream Chinese society. This concern seems to be legitimate to a certain extent, although it should not be exaggerated.

Can Ethnic Identity Be Maintained?

As we have seen in the above descriptions, China's deepening economic reform and increasing contacts with South Korea have brought major changes to the ethnic Korean society in China during the past 20 years. These changes have been and will become even larger challenges to ethnic Koreans in China as they seek to survive as a distinct ethnic group. The changes are very serious in the sense that the ethnic Koreans' ethnic identity, which they have kept for the past century under highly unfavorable conditions, may be in jeopardy in the long run.

The key question is whether ethnic Koreans will be able to keep their ethnic language and culture in the long run, even when many of them leave their rather isolated ethnic communities and mix with and are outnumbered by Han people in scattered cities all around China. Many rural ethnic Korean villages in the three northeastern provinces have already been hollowed out, with only the elderly and some children remaining. Subsequently, many ethnic elementary and intermediate schools have been closed due to decreasing enrollment and/or a lack of qualified teachers.²¹ There are also many broken families, with a family member living far away in South Korea or somewhere in China. After all, the traditional rural ethnic Korean communities in northeastern China have disintegrated to a certain degree, and this disintegration is impossible to reverse.

Yet ethnic Koreans have moved to many cities all around China. Some cities where ethnic Koreans are clustered, particularly in Northeastern

21. According to Huang (2002, 29), the number of ethnic Korean elementary schools in Yanbian Prefecture decreased from 419 in 1985 to 177 in 1995, and the number of ethnic middle and high schools decreased from 118 in 1985 to 49 in 1995. The situation is even worse in other regions. The number of ethnic Korean elementary schools in Heilongjiang Province decreased from 382 in 1990 to 51 in 1997, and the number of ethnic middle and high schools decreased from 77 to 15 during the same period.

China (e.g., Yanji, Shenyang, and Changchun), will be able to maintain ethnic Korean education and culture even under these rapidly changing situations. For example, in Shenyang, where the ethnic Korean population has been increasing, there has been a movement to construct new ethnic Korean towns in the suburbs. It is likely that these northeastern urban areas with relatively large ethnic Korean populations will continue to constitute centers for maintaining the ethnic Korean identity.

However, many ethnic Koreans are now living in rather small numbers in many other cities, where many are separated from their families. The governments of these cities with a small number of *temporary* ethnic Korean populations do not provide any preferential treatment for them.²² Therefore, these scattered ethnic Koreans face difficulties in forming communities or establishing schools to teach their language and culture. Some leaders of the ethnic Korean communities in these cities are making efforts to establish such private schools.²³ However, they lack the funds and labor to foster these unofficial schools as systematic educational institutions. Therefore, it is uncertain whether ethnic Koreans can form communities to maintain their language and culture in the cities where they have moved in recent years, such as Beijing, Tianjin, Shanghai, and Indio.

Furthermore, more fundamental questions arise as to what constitutes ethnic Koreans' ethnic identity and how it will be maintained. Actually, it has become a trend for some ethnic Korean parents to send their children to Han national schools rather than ethnic schools, seeking a better education, particularly in the Chinese language. Thus, some ethnic Koreans are opting to assimilate the Chinese majority culture by identifying themselves as Chinese citizens rather than emphasizing their ethnic minority identity. But some others are attempting to learn and copy the culture of South Korea as much as possible, giving up many peculiar aspects of ethnic Koreans in China.

Some others, however, still claim the necessity of their peculiar culture and the worth of their potential role. Actually, in China there is a big debate among ethnic Korean intellectuals on the real identity of ethnic Koreans in China (Kim and Oh 2001; Huh 2001; Cho and Park 1997, 397-420). The ethnic Koreans in China, not just common people but also their leaders, seem to be confused about their identity. Therefore, it is quite uncertain how ethnic Koreans will be changing over time. But it is at least quite evident that they are in the midst of a major upheaval.

22. Most of the ethnic Korean people living in major Chinese cities are officially temporary migrants or illegal migrants who have not had their household registration (*hukou*) transferred to these cities.

23. E.g., the ethnic Korean community in Beijing was established in an ethnic school open on weekends and managed mostly by volunteers.

The Emerging Korean Society in China: Immigrants from South Korea

As bilateral contacts have increased between South Korea and China (briefly described in the previous section), a growing number of South Koreans has actually migrated to China. Although official migration is not allowed, a substantial number of South Koreans stay in China for a prolonged period. The reasons for these long-term stays are very diverse, including business, social service, and study. Consequently, in many parts of China, new Korean communities are emerging, which are distinct from the traditional ethnic Korean communities.

A majority of the *de facto* immigrants has come to China for business purposes. In particular, each direct investment by South Korean companies requires that a certain number of expatriate managers and technicians come to China. Actually, there are more than 10,000 Korean direct investment projects in China—many more than the official Korean number of more than 6,000. Assuming that each investment project needs 5 expatriate workers on average, the number of Koreans in China associated with direct investment would only reach 50,000.

The Embassy of the Republic of Korea in China (2002) indicates that as of June 30, 2002, about 35,000 South Koreans were issued official residential permits by the Chinese public security authorities. The Korean Embassy estimates that the total number of long-term residents in China with Korean citizenship had reached 130,000,²⁴ including more than 35,000 with residential permits (table 6.3). This aggregated estimate was based on the regional estimates made by associations of Korean people established in many localities in China. Further, it estimates that the number of long-term residents has been growing about 40 percent annually since 1998, on the basis of the same sources.

The regional distribution of South Korean *de facto* immigrants is closely related to the locations of Korean businesses in China. Table 6.3 shows the regional distribution of South Koreans in China. Let us first look at the distribution of Koreans with official residential permits, as shown in the first column of table 6.3. Beijing leads, with 7,995 people, followed by Shandong (6,947), Tianjin (4,850), Liaoning (3,637), Jilin (2,893), Shanghai (2,676), Jiangsu (2,232), and Heilongjiang (1,034). Among the 31 provincial-level regions of China, 30 regions (except Tibet) have a certain number of South Koreans with an official residential permit. The regional distribution of the long-term residents from Korea shows a shape similar to that of the people with residential permit. Some visible differences are that Shanghai's Korean population (7,500) was estimated to be larger than

24. In my interview at the Korean Embassy in Beijing, the consul said that this estimate is a conservative one, suggesting that the real number of Koreans in China might be higher.

Table 6.3 Regional distribution of South Korean residents in China, June 2001

City	People with residential permit	Percentage share	Long-term residents (estimate)	Percentage share
Beijing	7,995	22.7	30,000	23.1
Shandong	6,497	18.5	30,000	23.1
Tianjin	4,850	13.8	20,000	15.4
Liaoning	3,637	10.3	11,200	8.6
Jilin	2,893	8.2	6,600	5.1
Shanghai	2,676	7.6	7,500	5.8
Jiangsu	2,232	6.3	4,000	3.1
Heilongjiang	1,034	2.9	1,600	1.2
Zhejiang	696	2.0	2,000	1.5
Guangdong	568	1.6	5,700	4.4
Fujian	315	0.9	500	0.4
Shaanxi	302	0.9	n.a.	n.a.
Sichuan	289	0.8	n.a.	n.a.
Hunan	223	0.6	n.a.	n.a.
Other cities	969	2.8	11,000	8.5
Total	35,176	100	130,100	100

n.a. = not available

Source: Embassy of the Republic of Korea in China (2002).

that of Jilin (6,600), and Guangdong's share (4.4 percent) was much larger than that of people with a residential permit (1.6 percent).

This regional distribution is quite different from that of ethnic Koreans of China. The number of Korean long-term residents in northeastern China, particularly in Jilin and Heilongjiang Provinces, is relatively much smaller compared with the ethnic minority Koreans of China. In contrast, the new de facto immigrants from South Korea tend to cluster in Shandong Province and in the major cities, namely, Beijing, Tianjin, and Shanghai. Among the Northeastern provinces, Liaoning attracted the largest number of Koreans, mainly because it has a better environment for business, being located in the coastal area. As is shown above, ethnic Koreans are moving toward those areas where people from South Korea cluster.

Also, "Koreatowns"—which are similar to Koreatowns in Los Angeles and New York—have been emerging in several cities in China with substantial Korean populations. For example, Wangjing, which is in the northeastern suburbs of Beijing, has become a major Koreatown with more than 10,000 residents, many Korean-style stores, and prevalent Korean ways of life. These Koreatowns around China attract ethnic Korean-Chinese people as well, because they can find many business opportunities there, mostly in service sectors.

Considering the current trend of economic exchanges between South Korea and China, we can easily predict that the number of Korean residents in China will continue to rise. They will certainly form *new* Korean communities in many cities of China, with their own characteristics being

established over time. They will play the key role in Korea-China economic exchanges, which are expected to increase further in the future. They will interact with the *old* ethnic Korean society in China through diverse channels, sometimes helping each other and sometimes conflicting.

Conclusions

This chapter has looked at the situation of ethnic Koreans as a minority group in China, mainly from an economic perspective. We have found that ethnic Korean society in China has been undergoing major changes for more than 10 years. China's economic reform set the stage for these changes, and increasing contacts with South Korea have provided major impetus.

Ethnic Koreans have been migrating out of the rural ethnic communities in northeastern China to many of the urban areas in China and South Korea. Consequently, traditional ethnic Korean villages have been hollowing out, while the ethnic Korean populations of major Chinese and South Korean cities have increased significantly. At the same time, ethnic Koreans' economic activities have been diversifying into secondary and tertiary sectors out of agriculture. Consequently, their average income level has been rising along with the overall income strata in China.

South Korea has contributed much to the transition process of these ethnic Koreans in China by providing many economic opportunities. However, some conflicts have arisen between the two "Koreans" in this process, thereby constraining the full realization of the potential role of the ethnic Koreans. Furthermore, the ethnic Koreans have not been able to enter the main stage of the Chinese economy, which has shown remarkable success as well for more than 20 years. Some researchers suggest that the existence of South Korea might be a factor hindering the ethnic Koreans from entering mainstream Chinese society.

Yet, it is questioned whether the ethnic Korean society in China can maintain its identity in the long run. That is, as ethnic Koreans migrate from the rural ethnic villages in northeastern China, they are mixing with and being outnumbered by the Han population of major Chinese cities—or by South Koreans in that country. Their ethnic education has been collapsing in rural northeastern China, signaling the loss of their language and the shrinking of their culture in the future. Furthermore, some ethnic Koreans are even raising questions about their identity itself. Therefore, the future of the ethnic Korean society seems to be quite uncertain.

Finally, a growing number of South Korean people have settled in China. As China achieves rapid economic growth, Koreans are moving to China, regarding China as a land of opportunity adjacent to the Korean peninsula. This trend will certainly continue in the near future. Consequently, new Korean communities—which have characteristics dis-

tinct from ethnic Korean society—are emerging in many Chinese cities. It is certain that the role of this new Korean society in China will be increasing. The relationship between the *new* Korean society and the *old* ethnic Korean-Chinese people will be complementary to a certain extent but competitive in some aspects.

Appendix 6.1: Tables

Table 6A.1 South Korea's trade with China (millions of dollars; percent of Korea's total exports or imports)

Year	Exports to China		Imports from China		Trade balance
	Millions of dollars	Percent of total exports	Millions of dollars	Percent of total exports	
1980	15	0.09	26	0.12	-11
1985	40	0.15	478	1.8	-438
1988	372	0.6	1,387	2.9	-1,015
1990	585	0.9	2,268	3.2	-1,683
1992	2,654	3.5	3,725	4.6	-1,071
1993	5,151	6.2	3,929	4.7	1,222
1995	9,144	7.3	7,401	5.5	1,743
1996	11,377	8.8	8,539	5.7	2,838
1997	13,572	10.0	9,975	6.9	3,597
1998	1,944	9.0	6,484	7.0	5,460
1999	13,685	9.5	8,667	7.2	5,018
2000	18,455	10.7	12,799	8.0	5,656
2001	18,190	12.1	13,302	9.4	4,888

Source: Korea Trade Association KOTIS Database.

Table 6A.2 The flow of South Korean direct investment in China, 1992-2002

Year	Approval		Implementation	
	Number of projects	Amount (millions of dollars)	Number of projects	Amount (millions of dollars)
1992	269	221.5	171	141.2
1993	630	622.7	378	264.0
1994	1,065	820.5	841	632.1
1995	880	1,239.8	740	823.5
1996	917	1,678.9	730	835.6
1997	742	906.4	623	633.2
1998	308	802.9	242	619.8
1999	541	482.6	431	308.1
2000	850	667.2	668	310.2
2001	1,068	885.1	990	466.1
2002 ^a	714	790.5	610	356.6
Cumulative balance	7,573	9,188.5	6,641	6,045.9

a. January through July 2002 only.

Sources: Ministry of Finance and Economy (up to 1998); Korea Export-Import Bank (from 1999 and cumulative balance).

Table 6A.3 Regional distribution of South Korean investment in China, 2002

Province	Number of projects	Investment amount (millions of dollars)
Shandong	2,230	1,735.8
Tianjin	610	782.5
Liaoning	1,172	593.3
Jiangsu	365	715.5
Shanghai	299	519.1
Beijing	375	454.6
Guangdong	159	240.5
Zhejiang	166	232.8
Jilin	625	187.3
Heilongjiang	259	171.3
Hunan	10	102.2
Hebei	166	78.4

Note: Cumulative balance as of July 2002.

Source: Korea Export-Import Bank.

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Comments on Chapter 6

BYONG HYON KWON

Si Joong Kim's chapter basically describes the evolution of the economic status and role of ethnic Koreans in China. Because there have not been many studies on ethnic Koreans from an economic perspective, we could name his essay as one of the pioneering works on this subject. He makes three main points.

First, Kim points out that the Chinese Economic Reform and Open Door policy in the late 1970s had been working as a dynamic force changing the community of ethnic Koreans. Many rural ethnic Koreans started to migrate unofficially to urban areas, seeking economic profits from the new policy. And in the late 1980s, many of them even migrated to remote areas of large cities, such as Beijing, Shandong, Shanghai, and Tianjin, to help local governments promote economic interactions between China and South Korea.

Second, this trend was reinforced by the diplomatic normalization between China and South Korea in 1992. Many qualified ethnic Koreans now migrated to focal points of Korean direct investment. Qingdao, Weihai, and Yantai in Shandong Province are three key cities that have absorbed many of these ethnic Koreans to work as facilitators between Korean and Chinese business activities.

Third, though Kim emphasized the new Chinese policy and diplomatic normalization as key factors for change vis-à-vis the ethnic Korean community in China, his overall evaluation of ethnic Koreans is that they are still relatively low in economic status—they are outside the mainstream Chinese society, which is dominated by people of Han nationality. He mentions—as key clues supporting his arguments—that no ethnic Korean company is in the top 500 Chinese companies and that no chief executive of a major Chinese state-owned enterprise is an ethnic Korean. Though it is not vividly described, his prediction for the future of ethnic Koreans seems to be a gloomy one, as they possibly gradually lose their identity.

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Basically, I agree with Kim's three major points. Yet his chapter has gaps in a couple of interesting areas—to be investigated in his follow-up research. First, he does not mention much about the origin of ethnic Koreans in China, which would have explained their later economic status. Most diasporas start with turbulence in the source country; many overseas Chinese left China in the midst of extreme instability during the late Qing Dynasty. Likewise, ethnic Koreans in China left the Korean peninsula to escape famine and colonial Japanese dictatorship—and even because of a Japanese “Migration Project” that was intended to reclaim a barren area so that it could be run more efficiently by the Japanese puppet regime in Manchuria.

As such, ethnic Koreans are more interested in sectors related to food production than to manufacturing ones. In this regard, ethnic Koreans selected to remain in China would have tried to stay in peasant communities rather than move to areas oriented toward industry, even after the end of World War II. In addition, the deep-rooted Confucianism of ethnic Koreans reinforced their desire to remain in the less productive agricultural sector.

Second, though general education was stressed by ethnic Koreans in China, it is doubtful whether it included the type of practical technical and professional training that stresses the importance of businesses and manufacturing. It could also be surmised that most education would have been handled not at the advanced national level but by mediocre local administrations lacking an understanding of the importance of business skills and modernization.

This situation raises the fundamental question of the quality of education. Many data show a high ratio of ethnic Koreans concentrated in administrative and public service jobs. Conversely, it would be very rare to find talented and promising ethnic Koreans serving as government officials at the national level, except in a couple of symbolic positions. In my interviews, many ethnic Korean businesspeople in China who had originally been government officials confided that they had turned to small and medium-sized businesses rather than continue seeking careers in government because they had become frustrated by invisible discrimination from the core group of Han people.

Judging from these examples, I agree that ethnic Koreans in China have gloomy future prospects. It might be true that minorities are useful coalition groups in the midst of internal conflicts like civil war. But after stabilization, the role of minorities diminishes with the stronger role of mainstream, dominant nationalities. As a matter of fact, ethnic Korean celebrities made strong contributions to the initial stage of the founding of the People's Republic of China and afterward were promoted to membership in Chinese high society; examples include General Zhao Nanqi and Minister Li Dezhu.

There are really few options for ethnic Koreans to elevate their economic status in the context of China's rapid economic development, which is mostly dominated by the majority of Han people. Key activities are observed in the coastal south, where many overseas Chinese millionaires seize most economic opportunities. These phenomena could not be corrected when we investigated personnel mobility between China and South Korea. Most ethnic Koreans working in Korea have their jobs in the so-called 3-D—dirty, difficult, and dangerous—occupations in which it is difficult to accumulate capital.

If the situation is like this, it would be easy to forecast ethnic Koreans losing their identity, either by being fully assimilated into Chinese society or through increasing intermarriage with the Chinese in future. In recent years, the South Korean government seems to have paid much more attention to taking better care of ethnic Koreans in China. Legally speaking, however, those ethnic Koreans already have adopted China as their mother country, and the Korean government has no option to support them directly without infringing on the sovereignty of China. More seriously, many ethnic Koreans who originated in North Korea rather than South Korea have sympathy for North Korea.

Another interesting situation that Kim examines is that of new Korean residents in China. He uses Korean investment in China as a starting point for estimating this population. If 50,000 Koreans are assumed to work in China, their total population should be at least 150,000, assuming an average family size of about 3. In addition, if we add 20,000 students studying in China, then the population of new Korean residents in China would be estimated at up to 200,000, which means that they will become a more critical factor than expected in changing ethnic Korean society in diverse ways in the future.

Kim's research could be developed further with more clear-cut explanations of various aspects of the subject, such as why many ethnic Korean women marry Koreans, whether the relatively slower population growth of ethnic Koreans will continue, how ethnic Koreans are less talented in business, and why new ethnic Koreans do not create another cluster in the cities of Chengdu, Kunming, and Wuhan, which have direct flights from South Korea. Though, as was mentioned above, Kim's chapter has a couple of shortcomings, its overall contribution to the study of the ethnic Korean diaspora cannot be underestimated.