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Cut Out of Her Own Cloth

Entrepreneurship, Gender and Minority Status in
China

A RESEARCH PAPER

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Abstract

The flourishing of private enterprise throughout China following economic liberalization has been one of the key factors raising the standard of living. At the same time, the living standards of minorities have not increased as much as the living standard of the majority Han population, while the gender wage gap has increased. However, China still has one of the highest female labor force participation rates in the world. This paper combines a case study of an ethnic minority female entrepreneur with a study of the research on female entrepreneurship and the economic impact of being a member of a minority group in China. I have combined these two areas of investigation to gain a more nuanced understanding of several factors impacting entrepreneurship: party membership, urban vs. rural location, family involvement in business, motivation for entrepreneurship, and government support for minority enterprise. I conclude that the type of person to be an entrepreneur in China has changed dramatically over the last 19 years, and that the categories used in many survey studies are too rigid to capture the dynamism and complexity of the Chinese environment.

Introduction

China¹ has gone from an industrial backwater to the country with the 3rd largest economy worldwide in the space of a mere 30 years. The major policy shift that led to this rapid change was announced in 1978 under the leadership of Deng Xiaoping and called “reform and opening” (*gaigekaiifang*). Reforms of the Deng era included the permission of private businesses for the first time since the founding of the People’s Republic of China, and continued with the privatization and floatation of many state-owned enterprises after the stock exchange was re-opened in 1990. As a result of these reforms, the balance between state- and private sector enterprise shifted dramatically. For example, from 1991-1999, the contribution of China’s public sector to total national industrial output declined from 80% to 9% (Liu, 2003, p. 6). At the same time, the growth rate of private enterprise took off from 1992-2000, reaching a total of over 312.5 million private businesses by 2000 (Liu, 2003, p. 3). Clearly, the time since the early 1990s has provided many entrepreneurial opportunities for those in the position to take advantage of them, regardless of their gender.

¹ In this paper, I will refer to the Peoples Republic of China as “China,” the Republic of Korea as “South Korea” and the Democratic People’s Republic of Korea as “North Korea.”

Gender equality has been government policy since the founding of the People's Republic. Mao Zedong expressed this ideal in his oft quotes phrase "women hold up half the sky." Indeed, the People's Republic has traditionally done well in various measures of gender equality, such as female employment rate and gender wage gap. However, since the government began loosening its control during the period of reform and opening, several measures of gender equality, such as the female employment rate and the gender wage gap, have increased. Research also indicates that the position of minorities has also been slipping.

The Chinese population consists of 56 officially recognized ethnic groups, or nationalities (*minzu*). The approximately 1.9 million ethnic Koreans (Chinese: *chaoxianzu*, Korean: *joseonjok*) are one such recognized group. China also has 5 minority autonomous regions at the provincial level, and 29 minority autonomous prefectures, of which the Yanbian Korean Autonomous Prefecture is one. Even though the autonomous regions and prefectures are in reality hardly "autonomous" from the central government, they provide certain benefits to the local minority group, such as an official bilingual policy, including minority-language education which, in the case of Yanbian, extends all the way to the tertiary level. The Yanbian Korean Autonomous Prefecture is slightly larger in area than Belgium, and its capital is Yanji, a city of about 133,000.

While studies have been done on female entrepreneurs in China and the economic status of minorities in China has also been researched, there has been no systematic research on minority entrepreneurs or female minority entrepreneurs. Thus, my interview of a female entrepreneur from the Korean minority group in China contributes to this burgeoning area of research by showing how one minority woman narrates her successful entrepreneurial experience, and by suggesting areas for further research. The focus of the case study discussed in this paper

is Ryu Songok, the CEO of Yemi Hanbok, the largest and best-known *hanbok*² manufacturer and retailer in the Autonomous Prefecture. Ryu employs more than 80 people, and manufactures about 18,000 sets of *hanbok* per year.

From September 1-6, 2009, Johanna Kuhn-Osius and Laura Pohl conducted multiple interviews with Ryu in Yanji. Interviews were conducted at the Yanji Yemi Hanbok store, the Yemi Hanbok factory, at 2 restaurants, and at Ryu's country house. We also participated in a company field trip to Jinpo Lake in Heilongjiang Province with factory workers where I had the chance to speak with several of them. We also conducted an additional interview with factory manager Ryu Mihwa, Ryu Songok's niece.

Entrepreneurs in China work in a fluid environment, in which constraints and possibility trajectories are rapidly shifting. Drawing on the work of recent scholars as well as on a biographical case-study, this paper makes two arguments. First, evidence from the past 19 years suggests that who is likely to become an entrepreneur has changed over time from an SOE (State-Owned Enterprise) manager to a laid-off SOE worker to a young person starting their career. Second, that scholarly analysis of Chinese entrepreneurship in reference to the commonly discussed indices of difference—party membership vs. non-membership, urban vs. rural, family vs. individually run business, motivation of financial gain vs. other motivation — fails to consider the dynamism and complexity of the Chinese environment. A person may be simultaneously rural and urban, for example, and the salience of whether or not links to the state

² *Hanbok*, literally meaning “Korean clothes,” is a term that refers to all traditional Korean clothing. *Hanbok* was the exclusive clothing style for all Koreans until contact with the West began to change tastes in the 19th century. These days, in both North and South Korea and in China's Korean Autonomous Prefecture, *hanbok* is mostly reserved for special occasions, though some people wear it on a daily basis, or as a uniform, especially when their work is related to culture, such as food culture.

facilitate entrepreneurship may change significantly in a short space of time. Similarly, although the economic limitations associated with minority status generally outweigh the benefits, minority status can also be a prerequisite for certain kinds of business success, a point made clear in the career of Ryu Songok, the entrepreneur interviewed for this study.

Female entrepreneurs and minority status in China

Research in the field of entrepreneurship has a history of only about 25 years, during which it has emerged from a subject exclusively within the domain of management studies to reach a broader audience and to attract contributions from various academic disciplines, (Cornelius, Landström and Persson, 2006). Internal orientation, where researchers cite the work of other entrepreneurship researchers, the crystallization of a few key research questions and topics, an identifiable research community and an increasing level of specialization among research groups focusing on specific theoretical research areas indicate the increasing maturity of a field (Cornelius, Landström and Persson, p. 376). According to these criteria and data from the Social Sciences Citation Index, the field of entrepreneurship studies is between the early and mature stages. However according to the same criteria, the field of entrepreneurship in China is still at an early stage, since the research is empirically-focused and the literature reveals almost no cross-citation.

The current literature on entrepreneurship in China suggests a few themes. One of the clearest divisions between most of the studies is the division by scale and location of the enterprise. Next, most researchers are interested in whether entrepreneurs were more or less likely to be party members, and what their career trajectory was before entrepreneurship. Most studies also are interested in what motivated the entrepreneurs and finally, many studies

investigate where entrepreneurs raised money to start businesses. The only difference in the general research on entrepreneurship in China and on female entrepreneurship in China is that the research on female entrepreneurship in China was additionally interested in how supportive the spouse was of his partner's entrepreneurial activity. This question was not asked when the entrepreneurs surveyed included both men and women, though family involvement was almost always asked about.

Although the findings in the literature are contradictory, these apparent contradictions can be explained by the fact that, while the studies are static, the nature, and even the definition of entrepreneurship in China has changed dramatically over the past several decades. According to Cornelius Landström and Persson, "Entrepreneurs are people who have a high need to achieve coupled with strong self-confidence and independent problem solving skills, and who prefer situations that are characterized by moderate risk, while accepting individual responsibility" (Cornelius Landström and Persson, p. 375). This definition allows for an entrepreneur to be the politically-appointed head of a government-owned entity, and not just someone who starts his/her own company. In the early literature on entrepreneurship in China, an entrepreneur is implicitly defined as the leader of any type of government-owned enterprise, while later an entrepreneur is someone who founds and manages an independent business. The literature suggests three phases: phase 1: SOE leader, phase 2 ('compulsion' phase): laid-off worker or person not able to gain employment, for example, because of their class background, and phase 3: ('attraction' phase): person able to gain other employment, but choosing entrepreneurship in order to improve income, take advantage of a unique opportunity, etc. Along with these three phases, the nature of the entrepreneurial activity also changed. In phase 1, due to the constraints of the system, entrepreneurial activity was limited to starting new ventures within an existing

government-owned company. In phases 2 and 3 the focus on entrepreneurial research shifted from government-owned companies to start-ups.

General characteristic of entrepreneurs in China

Pistrui et al., 2001 and Yueh, 2007 both constructed surveys of entrepreneurs without using gender as a criterion for selection. Pistrui et al interviewed 56 entrepreneurs in Wuhan, with the goal of determining “a) the psychographic motives and demographic attributes of the entrepreneur and b) types of businesses being started and ownership structure, c) family enterprise relationship” (Pistrui et al., p. 142). Of these entrepreneurs, 25% had aspired to start their business between 1988-1990, but only 5.4% did. 69.6% of the entrepreneurs started their business in the mid to late 1990s (Pistrui et al., p. 146). Pistrui et al found that the primary motivations for starting a business were the need for personal achievement and the desire for high earnings (Pistrui et al., p. 145). Furthermore, they found that 41% of enterprises had at least 1 family member as an investor (Pistrui et al., p. 148).

Based on a nationally representative sample of urban households, Yueh found that social networks were a significant determinant of entrepreneurship, as was a drive to earn money. Her survey also showed that a primary drive for entrepreneurship was belief in oneself (Yueh, 2007, p. 19). Yueh also found that only 5% of entrepreneurs were party members, versus 20% of employed persons. This was very different from the findings of Hisrich and Wang et al, which I have grouped in phase1. Yueh hypothesizes that a reason for the low incidence of Party membership among entrepreneurs compared to employees could be the fact that entrepreneurs were more likely to have experienced being laid off by a SOE, while party members are much less likely than non-members to be laid off from a government-owned enterprise. We should

also consider the possibility that some entrepreneurs may not have been able to get work at an SOE due to their background, and might have gone into business for lack of other options. Yueh also found that entrepreneurs do not worry as much about job stability and dignity.

Zhang et al 2006 studied the characteristics of rural self-employment in China, based on data collected from a random, almost nationally representative sample of households, defining the self-employed as “those individuals ... engaged in running non-agricultural enterprises” (Zhang et al., p. 446). Few of the rural self-employed relied on bank funding. In Zhang et al’s sample, fully 81% of the funds for self-employed enterprise came from within the family (Zhang et al., p. 450). 53% of enterprises were run by the husband, and 25% by the husband and wife together, while 94% of the labor came from the immediate family (Zhang et al., p. 452).

Female entrepreneurs in China

The earliest study of female entrepreneurs in the PRC, Hisrich and Zhang attempted to “describe Chinese female entrepreneurs.” Although Hisrich and Zhang did not define “entrepreneur” in their paper, their implicit definition is one of an enterprise leader, not an enterprise founder. 60% of the interviewees had been running their business for 1-5 years, 26% had run their business for 6-12 years, and 14% had run the business for more than 20 years (Hisrich and Zhang, 1991, p. 10). So, even the women who had been in business for the shortest amount of time started running their business 1984-1990 well before the beginning of high growth in private enterprise. Therefore we can assume that many interviewees must have been political appointees of government-owned enterprises. This is consistent with the finding that 96% of the women were Party members. Hisrich and Zhang found that the typical career path of these women was: basic level technician, assistant engineer, engineer, senior engineer, vice

president; or worker, leader of group, workshop director, department director. The interviewees cited enterprise reform, the reform of government-owned enterprises, as the major problem they currently face in their careers. Most of these characteristics of female entrepreneurs seem to change in phase 2 and phase 3.

Hisrich and Zhang's findings about the political position of female entrepreneurs are consistent with those of Wang et al.,(1995)'s case studies of 10 leaders of town and village enterprises. Wang et al. found that all of the town and village enterprise heads were political appointees. In addition, of the 10 enterprise leaders examined in the case studies, at least 7 had had a previous job in the Chinese Communist Party³ or the People's Liberation Army (PLA). These two studies both fall squarely into phase 1.

Cooke's interviews of 21 owner-managers of companies, is consistent with phase 2. Clearly her sample was different from Hisrich and Zhang's 14 years earlier since 86% of their interviewees had been over 40. Among this younger cohort of women who owned their own company, many stated that they had entered entrepreneurship because of the lack of quality employment opportunities for them and that they were mostly inactive in politics. Almost all stated that they had strong support from their husbands, while 27% jointly managed with their husbands. Cooke also mentions the results of the survey conducted by the China Women Entrepreneurs Association in 2002, which found that more than 33% of female entrepreneurs used their own funding to start their company and about 33% used funding from family and friends (Cooke, 2005, p. 5). In other words, many of them relied on informal types of credit, rather than banks.

The origin of credit is a theme in much of the literature on entrepreneurship in China. Pistrui et al. also found that a significant number of people were in business with family

³ Hereafter the Communist Party of China will be referred to as 'the Party.'

members. Although credit is often discussed in the literature on entrepreneurship in general, and the availability of credit can be especially limited when the entrepreneur is a member of a discriminated group, in China, due to underdeveloped capital markets and restrictive lending practices of banks, credit had to be procured by means other than banks by all first-time business owners in China through the 1990s, regardless.

Jacka investigated rural women running *zhuanyehu*, or “specialized households,” home-based enterprises with less than five employees. Jacka describes a process in which many farming women engaged in the “courtyard economy” by producing some non-agricultural products at home, and that if this sideline was successful, they often developed it further and applied for *zhuanyehu* status. But although women were mostly responsible for these courtyard economies, in 1986 the Women’s Federation found that only 35-40% of *zhuanyehu* were run by women. Jacka hypothesizes that once womens’ supplementary economic activities reached a certain scale and became more profitable than other productive activities available to the family, their management was often taken over by the male head of the family (p.156). Jacka also found that in a survey of 20,000 *zhuanyehu* in 1984, 43% were run by production brigade or team leaders or former cadres. This, combined with Hisrich and Zhang and Wang et al’s findings, provides strong evidence that Party affiliation was extremely important in the 1980s and 1990s (phase 1), and that this significance pervaded the social spectrum from farmer to head of a large enterprise.

Minority economic status in China

Finally, a line of research investigates the economic status of non-Han Chinese in the period after reform and opening. Gustaffson and Li found that the gap in per-capita income

between Han and non-Han increased substantially and quickly between the late 1980s and the mid-1990s, largely due to the concentration of minorities in poorer areas of China, while Hannum and Xie found that, during the 1980s the gap in occupational attainment between the Han and the ethnic minorities increased.

Maurer-Fazio et al expanded on this analysis by carrying out regression analysis on data from the 1999 and 2000 census by gender, age, region, ethnicity and education for the Zhuang, Hui, Uyghur, Korean and Han ethnic groups. With regard to Korean women, they found that although in 2000 Korean women had lower labor force participation than Han women on average, when controlling for marital status, education, age, ethnicity and province, Korean women's labor force participation rate is nearly the same as Han women's (Maurer-Fazio et al, p. 171). Korean men, however, controlling for region and education, show a 1.8% lower labor force participation rate than Han in 1990 and 9.5% lower participation in 2000. Maurer-Fazio et al, hypothesize that Korean men may be facing discrimination (Maurer-Fazio et al, p. 175), however, another possibility that needs to be considered is whether these findings are influenced by the high propensity of Korean men to go to South Korea to work.

So far, the English-language academic discourse does not show much discussion of gender and entrepreneurship among minorities in China, nor have there been any investigations of successful minority entrepreneurs, but a study by Yang and Wall 2008 deals with entrepreneurship as it relates to minority cultural products. Yang and Wall found that entrepreneurs play a powerful role in the development of ethnic tourism in the tourism industry among the Dai minority in Xishuangbanna, Yunnan Province, but that most entrepreneurs in the business are not themselves ethnic minorities. Furthermore, they found that the Han entrepreneurs exploited minority resources for their own benefits.

Summary of Case Study

Ryu narrates her entrepreneurial success as being made possible by her passion for clothing and embroidery, her tenacity and her lack of fear of doing things differently. Her narrative of her experience is a tale of many obstacles, but also of perseverance as a trailblazer and market leader. In her narrative of her life, her business success was simply an outcome of her passion, and not something she necessarily even wished for, though she does show some of the symbols of her financial success, such as an iPhone, a large car, and an apartment residence; she also told us that she was the first in the Autonomous Prefecture to purchase a television.

Ryu had two other businesses before starting Yemi Hanbok, a daily-wear clothing business and a blanket business. According to her narrative, she studied embroidery, cutting, and dressmaking from the best teachers she could find in Ryongjeong and Yanji. In 1984, at age 27, she began her own clothing business. What she emphasized about this time is how she did things differently from other people- created unique designs, started a business no one at the time imagined could succeed, and traveled all over China to learn about different techniques in clothing manufacture at a time when most people in the Autonomous Prefecture had never even once left the prefecture. She describes as her reason for leaving the daily-wear business the fact that so many imitators were moving in that she could no longer turn a profit. This is the same reason she states for her eventual departure from the blanket business, which she entered after leaving the daily wear clothing business.

Ryu started Yemi Hanbok in 1988 with a friend who invested money in the business and managed sales, while Ryu concentrated on design and manufacture. According to Ryu, she and

her business partner were the first to sell *hanbok* from a store front, while everyone in Yanji was still buying *hanbok* from tailors at the market. Although at first everyone told her that it would be impossible to sell *hanbok* from a store, she told us with a considerable sense of vindication that there are now 30 stores that sell *hanbok* in Yanji.

In 1998 Ryu broke up with her business partner. Ryu's stated reason for the end of the relationship was that her only child, a daughter, wanted to take over the sales side of the business. Although she did not dwell on the subject, Ryu indicated that her former business partner had now become a competitor.

Ryu maintains business ties in both North and South Korea. She sources hand-embroidered items in North Korea, and she sells products such as unfinished goods in South Korea. She seemed to understand well the unique position that her identity as an ethnic Korean living in China afforded her, not only in terms of doing business in both countries, but also in terms of her products and her operations. For example, she emphasized to us the uniqueness of the *hanbok* designs favored in China, and how they combine both South and North Korean aspects with some completely unique characteristics. She also told us repeatedly on the factory tour how surprised South Korean visitors in the business were when they saw how many different parts of the value chain she was involved in. For example, she told us that in South Korea, factories that do dying only do dying, factories that make appliqués only make appliqués, and factories that do embossing only do embossing, while her factory is extremely vertically integrated. In line with her narrative of herself as an artist and designer, she said that she was happy to be able to control all of these parts of the process herself.

In 2003, Ryu was chosen by the government to represent the Korean minority in a government-sponsored fashion show in Paris. In the competition, Ryu won the best-in-show award. This was a moment that she was clearly particularly proud of, and which she mentioned several times in her narrative.

Analysis

Through the lens of entrepreneurship in China

Significance of business type and location

The literature suggests a dichotomy between urban and rural businesses, however, Ryu's experience suggests that this may not be an appropriate or real division that entrepreneurs experience. Ryu, for example, began her business by sewing by herself at home in Ryongjeong and selling her clothes in Yanji at the market. The base of production was rural, but the market was urban. In fact, even this understanding may be too simple, since her story of her first very popular outfit indicates that the buyer was from a village, who bought Ryu's clothing wholesale in the urban setting and took it back to his village to sell. It seems that initially the urban environment only provided a physical space for a rural seller and a rural buyer to meet. Eventually, however, Ryu moved her business and her family away from Ryongjeong to Yanji.

Ryu did not mention her business's initial status as a *zhuanyehu* or *getihu*, or its current status as a *siyingqiye*, while the literature on rural entrepreneurialism does devote some degree of attention to this. Ryu started her career by sewing 4,000 outfits for sale in government-owned stores and the market in Yanji in 1984 with the help of 5 other women. At this time, private enterprise would have only been allowed in the form of these types of enterprise categories, and

zhuanyehu or *getihu* were restricted to businesses with 5 employees or less. Indeed, it may well be that this was the reason why Ryu had 5 employees at the time, and that this restriction posed a business challenge, but if so, she did not mention it. Perhaps Ryu did not narrate the transition of the structure or licensing of her company because she believed that we, as outsiders, would not understand this narrative. An alternate explanation for her complete omission of enterprise classifications is that she sees the transition from *zhuanyehu* (which we can infer that her first business must have been) to *siyingqiye* as something that she saw as a formality and not integral to her story.

Capital Constraints, Networks and the Party

Another aspect of note is the question of capital constraint and networks. Ryu mentioned succession planning as the key difficulty she is facing in her company, and did not once mention capital constraints over the course of the interviews. This may be related to the fact that her business is already mature, and that she narrates herself as content to maintain her current market share and focus her energies on new designs and new projects. However, similar to most of the entrepreneurs interviewed by Hisrich, and in agreement with the data analyzed by Zhang et al., Ryu also did not start her large-scale *hanbok* business with a bank loan, but rather with capital invested by her business partner who was also a friend. The business partner provided the capital for the company and managed sales, while Ryu managed the production. Although Ryu does employ numerous family members in her business, her business has reached a size where this is clearly not because she cannot afford to hire outsiders, but because she both wants to help her family members and also wants to have people she trusts in the key management positions in the company.

Networks and relationship management clearly were very important to Ryu's success from the very beginning of her career to the present day, and this finding agrees with Yueh's. Also, although Ryu is not a Party member, she has good relationships with various levels of government, and this has certainly been a significant factor in her business success. When Ryu first sewed 4,000 outfits in 1984, her husband was a purchaser in the government store, and she used this connection to persuade 12 other purchasers to sell 100 outfits each. While we did not ask her about her husband's Party membership status, the fact that he held a relatively desirable position in a state-owned business suggests that, regardless of his exact Party membership status, he certainly had a close relationship with the Party.

Ryu used her sharp business sense to cultivate key political connections. Soon after the opening of Yemi Hanbok, Ryu provided government officials in the Korean Autonomous Prefecture with free *hanbok* for their formal public appearances. This not only must have served to put her on the good side of these important officials, but also was free advertisement for Ryu's product at the same time. Even though Ryu is not a party member, she joined several government committees, such as the Yanbian Women in Business Committee, again providing free *hanbok* for their official portrait. One of Ryu's proudest moments was when Yemi Hanbok was chosen to represent Koreans in a government-sponsored and paid-for fashion show in Paris which featured the traditional clothing of each of China's 56 ethnic groups. Yemi Hanbok won first prize in the competition. Another new business that she has started in the last few years also relies on her relationship with the prefectural government. Ryu has won contracts to supply simplified *hanbok* uniforms to the prefectural government for daily wear by all government employees, and also to supply uniforms for students and teachers in 5 schools in the prefecture, where uniforms were not worn previously.

Motivation for Entrepreneurship

Yueh 2007 found that aside from belief in oneself, having a drive to earn money is a significant determinant of entrepreneurship in China, which agrees with the findings of Pistrui et al that the need for personal achievement and the desire for earnings are the most important motivations for the Chinese entrepreneurs they interviewed. This differs sharply from Ryu's narrative of her own motivation, which is centered on self-expression. She described the reason why at age 24 she thought she could sell 4,000 outfits as: "I was young and very self-confident, and I thought that my design was very beautiful." At the same time, she insisted repeatedly in our interviews that she was only interested in creativity and artistry, and that she worked to have fun. She explained her lack of concern with competitors taking market share in markets she had developed by saying: "The first mover doesn't earn more money. But who remembers the second mover later on?" Clearly, fame is something that motivates her. At the same time, even though Ryu narrated her motivation as being one of passion, an alternate interpretation may be that she was motivated by profit earlier in her career, but that she is now secure enough in the success and very good profitability of her business that she can concentrate on the artistic side of her career and think of herself as an artist.

Ryu exhibits pride in her status as a well-known person in her field. In fact, her attitude towards our interview changed from one of marginal interest to one of great interest only after she found that we came from the United States rather than from South Korea. She expressed how honored she was to have visitors from so far away, but we could not help wonder if she thought that our interview might give her more publicity overseas, even though we told her it was for an academic purpose. Her company webpage also includes photographs of her meetings with famous people from fashion to politics, including among others French fashion designer

Pierre Cardin, leader South Korean hanbok designer Lee Young-Hee, South Korean president Lee Myung Bak, the Head of the State Ethnic Affairs Commission of the PRC, and the Governor of the Korean Autonomous Prefecture. This could be interpreted as a sign of pride in her achievements, or as a way of marketing her company or, a combination of both.

Although Ryu began her first business in a time before SEO layoffs, by the time she began Yemi Hanbok, many other entrepreneurs must have been starting businesses due to unemployment ('compulsion' factors), in what I have called phase 2. Ryu's narrative of her motivation as being out of creative drive (an 'attraction' factor), fits with what I am calling phase 3, and which the literature shows was less common early on after reform and opening, when most people either had Party connections or were laid off or could not get an SOE job. On the other hand, considering the fact that her husband was connected with the government store, depending on how significant this connection actually was for the beginning of Ryu's career, perhaps she could also be classified as phase 1, which would make more sense in the context of the time when she started her business.

Through the lens of gendered entrepreneurship in China

There literature on female entrepreneurship has not focused heavily on gendered topics. The one topic in female entrepreneurship in China that has received academic attention is spousal support. While Cooke's informants stated that they had received strong support from their husbands, Ryu's narrative of her experience was more nuanced. Although his connections helped her sell her very first batch of clothing, Ryu's husband was not to always supportive. For example, according to Ryu's narrative, he did not want to move to Yanji, because he said city

people are dishonest, even though Ryu's work was in Yanji and she was eager to move there. This meant that for years Ryu had to commute a considerable distance on unpaved roads for several hours each day, before he finally agreed to move. Ryu also says that she argued with her husband about work because, she said, "he is more family oriented while I am more extroverted." After a period of some struggle, she says that eventually she became the chief decision maker for both her and her husband's families.

Ryu did not mention her husband often during the days we spent together, and even though we met several of her nieces, her mother-in-law, her grandson, and even her son-in-law's brother, we never met her husband. When I finally asked her what her husband did, her reply was that he used to work with her, but that he wanted to run his own business now, so he was away "conducting market research." She did not provide any more detail than this, and we subsequently changed the subject. Though he helped Ryu through his connection with the government store that allowed Ryu to start her first business, and he had subsequently been involved in the business in some capacity, he was no longer involved. While the exact nature of their struggle is impossible to know from this, what we can say with certainty is that her husband's support was at least ambivalent occasionally. This part of Ryu's narrative also serves to demonstrate that factors such as "family support" can vary greatly, both over time, as well as qualitatively.

The fact that her husband did work with her for quite some time, would put Ryu, at least for some time, in the category of entrepreneurs jointly managing with their husbands, whom Cooke found. It is also interesting to examine Ryu in the context of Jacka's hypothesis that in the rural economy men often take over the courtyard economy when it grows into the main income source for the family. This clearly is not what happened in Ryu's case.

From liability to ethnic capital: how minority identity can be an advantage

Based on Maurer-Fazio et al.'s findings, we can expect that, as a Korean woman in China, Ryu would not be less likely than her Han counterparts to be employed, but nothing in the current literature on minority economic opportunity suggests that Ryu would enjoy any business advantages as a non-Han. In fact, she enjoys advantages both as a non-Han and specifically as an ethnic Korean from China. As a non-Han business-owner, Ryu enjoys some government subsidies for certain business activities, and as an ethnic Korean from China, she enjoys access to both North and South Korea. Finally, since she operates in a relatively small *hanbok* market (1.9 million ethnic Koreans in China are her primary market), she can be more vertically integrated than *hanbok* makers in South Korea, and probably North Korea as well.

Ryu mentioned at least two instances of receiving government subsidies due to her status as a minority entrepreneur. She said that she particularly realized the advantages of doing business in China, rather than South Korea, after the 2003 Paris show. Two of the advantages that she mentioned enjoying were the full government-funded Paris fashion show, as well as funds specially earmarked for minority-owned businesses. She recently purchased a brand-new computerized embroidery machine which the government subsidized to the tune of 400,000 RMB (approximately \$50,000).

Another aspect of working in China that Ryu clearly appreciated was her ability to be active in all the parts of the *hanbok* manufacturing process. As mentioned earlier, this was something that she felt allows her artistic expression as well as use of her expertise in all aspects of *hanbok*, and also is something which she told us that no one would be able to do in South

Korea. While this does not accrue her any financial benefit, it clearly provides personal satisfaction.

The final advantage Ryu enjoys, being able to do both business with North and South Korea, was one which she did not comment on and seemed to consider quite natural, but which from either a South or North Korea perspective is completely unique: the ability to do business on both parts of the Korean peninsula. While North Koreans are heavily restricted in both leaving their country and doing business in general, it is illegal for a South Korean national to so much as speak with a North Korea without prior government approval. As such, for South Koreans, doing business in North Korea is very cumbersome and subject to a great deal of political risk. Ryu faces no such restrictions, as she is a Chinese citizen. Ryu takes advantage of the very large wage gaps in these three countries by having all hand-embroidery done in North Korea, and by selling unfinished goods as well as accessories to a South Korean *hanbok* company.

Several factors suggest that the *hanbok* industry is not necessarily representative of many other industries and that the Korean minority in general may not be very representative of other minorities in China. Significantly, one of the reasons Ryu was able to garner government support is that her product is a cultural good specific to the Korean minority. As for doing business in North Korea and South Korea, the ethnic Koreans are the only minority group in China who are associated with an economically quite powerful country like South Korea that has a large market of wealthy consumers. In this way, the *hanbok* industry may in fact be the perfect industry to take advantage of the Korean “ethnic capital.”

To see how the *hanbok* industry in Yanbian varies greatly from another culture-related industry in a minority region, we can compare it to the situation of tourism in Xishuangbanna where, although the product is also a cultural one, Han entrepreneurs dominated the tourism industry and sidelined the local minority, the Dai. The salient difference between *hanbok* in Yanbian and tourism in Xishuangbanna appears to be that the end-consumer of *hanbok* is Korean, not Han, and that Ryu's competitors are also Koreans, not Han. Tourism in Xishuangbanna is a product enjoyed almost exclusively by Han, and not by the Dai. This observation suggests questions for further research, including whether minority entrepreneurs receive government benefits in industries where they compete with Han entrepreneurs, whether minority entrepreneurs can be competitive in selling non-ethnic products to the Han market.

Conclusion

Although each individual's experience is necessarily more complex than can be conveyed in a survey, this case study illustrates how certain factors influencing entrepreneurship change over time, and how the reality of some factors can be more complex than surveys suggest. Even though party membership is no longer the single best representation of the strength of someone's network in China, as it was in the past, having a strong network is still an important factor in entrepreneurial success. Even though an entrepreneur might report that his or her spouse supports the entrepreneurial venture, this does not necessarily mean that he supported it throughout the history of the business, and also does not indicate the quality of the support. Even though businesses are often classified according to their location in an urban or rural setting, the border between these two can often be fluid and shift over time, especially when the

shift is from a small town to a local city. Even though an entrepreneur might report that money does not motivate him or her as much as his or her desire to express herself, financial success can be a symbol of the success of the business. And finally, even though minorities in general, and ethnic Koreans in particular, have not seen any rise in their employment since the beginning of economic reform, individuals have benefitted from the new environment. At the same time, it is important to remember the issue of representativeness. Some aspects of an interview subjects experience may be representative, while others may not be.

The findings of this paper have several implications for further research. First of all, the suggestion that arises from the changes in literature on entrepreneurship in China over time that the profile of female entrepreneurs in China has been changing rapidly from SOE leader to laid-off worker, to someone seeking an opportunity to work independently despite other available employment options should be substantiated by statistical research on a large group of entrepreneurs divided into cohorts by the time-period of their entrepreneurial activity. Second, the field is open for contributions on entrepreneurship among minorities in China. It would be very useful to find out in which situations, if any, minority entrepreneurs can compete outside of their own communities in China, and whether and how much more likely they are to succeed in businesses in their own community depending on whether or not customers are members of their own community.

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