

Church Networks Facilitating Entrepreneurship  
among North Korean Defectors in South Korea:  
*A Mixed Method Study*

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## Abstract

North and South Koreans share the same historic and ethno-cultural background. However, North Korean defectors in South Korea are made into a socially marginalized group “other” to South Koreans. A growing number of defectors who settled in South Korea have therefore turned to self-employment to seek economic independence. Literature of sociology explains that immigrant entrepreneurship is facilitated through co-ethnic networks and communities. This article argues that this theoretical concept cannot be used as an explanatory factor in the case of North Korean entrepreneurship in South Korea. Both quantitative and qualitative data suggest that North Korean defectors are highly versatile in recognizing and implementing business opportunities. Based on a mixed-method approach, this article shows that there is no strong North-Korean community used as a strategic resource for self-employment. One resource that stands out is that church communities become centers for comprehensive support of North Korean defectors. North Korean defectors seem to form new social networks among the Protestant church community as source of business opportunities and support. This article thereby contributes to the theorization and the state of art on North Korean defector entrepreneurship.

**Keywords:** immigrant business, ethnic entrepreneurship, North Korea, network ties, church community

# Introduction

Defectors from the Democratic People's Republic Korea (DPRK), who settle in the Republic of Korea (ROK), share a common historic and ethno-cultural background, however, the Korean War (1950–53) and more than 70 years of division between the North and the South, have led to social and cultural alienation to each other. Misunderstandings and difficulties in shared workplaces have often been reported and as a result, North Korean defectors seek self-employment to escape discrimination at the workplace and to seek economic independence.

According to social science, co-ethnic networks and community resources are key elements for establishing a business (Aliaga-Isla and Rialp 2013; Dabić et al. 2020) that help immigrants in mobilizing resources, information and practical help (see also Welter and Kautonen 2005). However, North Korean defectors who arrive in South Korea as refugees, have to start from scratch. What are their networks and communities for becoming self-employed and which kind of networks are important? Where do they get support from? These and other questions will be addressed in this article. Thereby, this article aims at analyzing the social networks and social support from communities to unfold their social embeddedness needed for establishing a business. The main contribution of this article shall thereby be the theorizing of North Korean defectors' entrepreneurial behavior and unfolding their business strategies and opportunities. This will contribute to the body of knowledge of North Korean defector entrepreneurship, which is still in its early stage and will provide suggestions for future research frameworks.

The article is structured as follows. After providing a literature review on North Korean defectors, we will introduce prevailing theories to explain immigrant entrepreneurship. Then, based on these insights, we will show our results that are based on a mixed-method approach. The data for this article has been collected during my doctoral studies (see Jung 2021).

# North Korean Defectors in South Korea

Since Kim Jong-un took office in Pyongyang in 2012, the number of arrivals in South Korea has dropped significantly from 2,000–3,000 to less than 1,500 persons annually in the last few years. Since 2020, the pandemic literally brought a halt to new arrivals and the number of North Korean defectors residing in South Korea stagnates around 30,000 persons.<sup>1</sup>

<sup>1</sup> [https://www.unikorea.go.kr/eng\\_unikorea/](https://www.unikorea.go.kr/eng_unikorea/).

Most of those who seek refuge in the South, origin from the most northern regions in the DPRK, where they cross the Sino-Korea border by passing the Yalu River (*amnokkang*).<sup>2</sup> Even though border crossing is a serious crime according to DPRK laws, North Koreans try to find a source of income and food security in China. However, the government of the People's Republic of China (PRC) does not grant North Koreans asylum, but defectors are repatriated to the DPRK. As a result, illegal immigrants to China, of whom 70% are women, are placed in serious and vulnerable situations for exploitation (M. Kim and Kim 2020). Illegal border crossers must therefore find a foreign embassy in China to apply for refugee status, or leave to neighboring countries such as Mongolia, Thailand, Cambodia, or Laos to seek asylum (Courtland 2010). After successful escape to a third country or a foreign embassy, a safe travel usually by airplane, is organized by South Korean officials. In South Korea, the refugees become naturalized citizens of the Republic of Korea, being accompanied with settlement funds and institutional support. For a period of three months, they receive basic social orientation and re-education at a governmental institution called Hanawon (Lankov 2006). However, social integration and adaption to the South Korean society has been reported as difficult by several authors (Choo 2006; Jeon, Yun, and Ōm 2003; I. Yun and Yi 2006). North Korean defectors are made into a socially marginalized minority “other” to South Koreans<sup>3</sup> (J. Kim and Jang 2007), which results in social discrimination. Additionally, defectors who miss formal qualifications, find it difficult to get a job and to develop a professional career (Jeon, Yun, and Ōm 2003). North Korean defectors are therefore

<sup>2</sup> For romanization, the McCune-Reischauer system will be used for Korean terms and names, except for those Korean authors who provide their own romanized version in their publications.

<sup>3</sup> The national division which was followed by a civil war from 1950-1953, marked the beginning of viewing the other as an enemy (Choo 2006).

prone to frequently change their place of work or view self-employment as a means of escape. In general, the interest of the defectors to become self-employed can be considered as high (Cho 2015; KHF 2019; Lim and Kim 2019). Among 112 survey respondents, it was found that as much as 74% are actually planning a business, or are thinking of self-employment (Cho 2015, 162). The KHF survey (2019) also shows that the most desired occupation among North Koreans is “self-employment” (33.6%), followed by “working in a small- and medium enterprise (21.3%).

However, while personal resources and the motivation of North Korean defectors to become self-employed have been considered in a few research frameworks (Song et al. 2021), explanatory factors are still under-researched. Factors for business success and or business failure have been attributed to personal characteristics such as patience, strong will, sincerity, diligence, and attitude (Hyön 2014). Other sources showed that the main motivation to become self-employed was attributed to the lack of alternative employment options (H. Kim 2015; Y. Kim 2019; Yun 2000). Kim Young Ji (2019) who researched North Korean defector’s entrepreneurship concludes in her dissertation that the lack of personal networks negatively influences their business success but without providing further explanations. What is the quality and the nature of their personal networks? Do they form co-ethnic networks, such as emphasized in sociology?

## Theoretical Background

International migration has become a key feature of our modern society. People move to find new job opportunities or leave their homes for other reasons, such as political or social unrest, natural disasters, or others. As large immigrant communities have formed in global cities, immigrants’ socio-economic integration has become part of the political agenda and research interest, which has been accelerated in the United States from the 1970s onwards, soon followed by Europe and Australia.

The term ethnic entrepreneurship has been defined as “a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences” (Aldrich and Waldinger 1990, 112). Or similarly, according to Zhou (2004, 1040), ethnic-entrepreneurs are often referred to as “simultaneously owners and managers of their own businesses, whose group membership is tied to a common cultural heritage or origin..” This definition includes members of ethnic minority groups who have been living in the country for several centuries such as Afro-Americans in the United States, Jews in Europe, or others. An alternative term is immigrant entrepreneurship, which describes individuals who have immigrated over the past few decades. The latter term seems to fit best for the experience of North Korean defectors who have mostly defected and immigrated to South Korea since the 1990s.

When starting a business, immigrants use other resources and access different opportunities than host-country nationals (Volery 2007, 32) and they often rely on ethnic community resources (Aliaga-Isla and Rialp 2013; Dabić et al. 2020). Prevalent immigrant business theories consider the ethnic minority community and its networks as a principal explanatory factor in immigrant business. The argument is that the ethnic communities not only provide a target market for products or services but also capital, employees, and information for business owners. Therefore, immigrant business theories consider the entrepreneurial strategy of immigrant entrepreneurs based on “cultural, financial, human, political and social resources acquired through networks of solidarity and reciprocity inherent to an ethnic group” (Oliveira 2007, 73).

As mentioned earlier, studies on the personal characteristics and motivations of North Korean defector entrepreneurs exist that emphasize structural problems and limitations of human capital resources. However, studies on their co-ethnic networks of solidarity and reciprocity have not yet been addressed in this context. We therefore hypothesize that the co-ethnic networks of North Korean defectors in South Korea have not been developed for the following reasons. First, the North Korean defector community in South

Korea consists only of about 30,000 people and only grew since the 1990s. Second, North Korean defectors share the same ethnic markers as South Koreans, which means that there is no need of special hairdressers and the food taste is alike, even though there are regional differences. Third, prior research already showed that the lack of networks negatively influences the defectors' business success (Y. Kim 2019; Park 2016). If this is the case, the prevailing research questions for this article are: how do they overcome limitations in networks and communities? and what networks, if any are used for becoming self-employed? Kloosterman and his colleagues argue that in order to understand the social position of immigrant entrepreneurs, we should not only look at their co-ethnic networks but also their embeddedness in the host society (Kloosterman, Van Der Leun, and Rath 1999). Therefore, before turning to primary data analysis, the following chapter provides a literature review on the South Korean culture and affective ties, which affect the social embeddedness of North Korean immigrants in South Korea.

## The Social Embeddedness of North Korean Defectors: A Literature Review

Every adult has to different extents formed social networks that help and provide support in a time of need. In Korea, connections (*yŏn'go* 緣故) are traditionally made and maintained based on blood (*hyŏryŏn* 血緣), regional (*chiyŏn* 地緣), or school ties (*hagyŏn* 學緣). Among these three, kinship ties are considered the archetype of all networks, where togetherness is formed through blood relationships (Scherpinski-Lee 2011, 94). *Chiyŏn* ties are social relationship based on the area where you were born or live in, and *hagyŏn* ties are formed while attending school and university that are later promoted through alumni networks. Such connections (*yŏn'go* 緣故) are not only exclusive and largely closed to outsiders, they also remain intact during life. Such relationships do not only extend to private life but are used in various life situations: "There is a strong tendency of people to

use such ties as a means of doing business, getting information and decision making” (Yee 2000, 326). Some of these ties have such a strong quality that they are even able to transcend institutionalized rules. The (somewhat negatively attributed) term *yŏnjul* for example describes such a strong bond that builds a personal trust relationship. *Yŏnjul* connections are very effective in doing business, but it becomes a barrier to those who do not share the link. Yee has emphasized that in Korea the power of *yŏnjul* is the “strength of strong ties,,” by reversing the famous expression of Granovetter’s “strength of weak ties” (Granovetter 1973). Yee (2000, 339) emphasizes that in East Asia, especially in South Korea, those with strong bonds of networks are “winners” in socio-economic spheres. In contrast, for North Korean immigrants who are cut off from their connections in the North, it is therefore apparent that the lack of such ties in South Korea must negatively affect their social life, but also makes doing business, getting information, and help more difficult than for South Koreans.

At the same time, North Koreans who settle in South Korea are not completely “foreigners.” They are concurrently co-ethnics in a nation divided, who share the same blood (*hyŏl* 血) with South Koreans and belong to one Korean race (*hanminjok* 韓民族). Therefore, it is widely accepted that North Korean defectors receive a citizen status in South Korea, instead of asylum status. On the other hand, the relationship between North and South Koreans is strained and loaded with mixed feelings that have resulted from tragic historical events (and that so often result in misunderstandings and the discriminations that have been reported). Son (2016) tries to describe such reciprocal, but mixed feelings in South Koreans as follows: There is “a single reified pan-Korean national Self. At the same time, this pan-Korean Self has been divided into a South Korean Self and a North Korean Other, over decades of tension and competition in spite of supposed ethnic unity” (Son 2016, 174).

Upon this background, a “positive-negative identity spectrum emerges” between both Koreans. Son furthermore notes, that on the positive spectrum, the common culture and history binds the two Koreas. This includes the shared suffering under Japanese colonial rule: “Since the beginning



of history, we have been a single race (*tongilhan hyöljok*) that has had a common historical life, living in a single territory . . . sharing a common culture, and carrying out countless common national struggles under a common destiny” (emphasis added, Son Jintae 1947; as cited in Son 2016, 175). The quote contains the term *hyöl* (血) with stands for “blood.” The term thereby emphasizes kinship ties to North Koreans that remind us of the importance of blood ties (*hyöryön*) in Korea, as argued in the beginning. On the other side of the spectrum, however, negative emotions are felt by South Koreans, such as mistrust and security concerns. Technically, North and South Korea are still at war, as a peace treaty has never been signed after the Korean War (1950–53). Therefore, negative feelings toward North Koreans are quite common in South Korea. Many years of constant military threat and national narrative of the “enemy state” have instilled a fear which can lead to an outburst of frustration when even talking about North Korea.

The younger generation in South Korea, who were born during or after the 1990s, is more indifferent towards the North Koreans: “the younger generation sees North Korea neither as an enemy nor as part of “us” (Son 2016, 178). Since the mid-1990s, a shift of the narrative towards the “starving and helpless refugee” has taken place (Son 2016, 178). This view considers North Koreans as victims to the North Korean regime that must be helped. In turn, South Koreans demand that the defectors to get rid of the “communist dust” and expect them to become “modern citizens” to South Korea (Choo 2006, 590). Choo criticizes that such “victimization” of North Korean women that “fail to represent North Korean women in their own terms.” More than seventy percent of the defector community is female, but the “victim narrative” describes the situation of all defectors. When North Korean defectors claim their membership in South Korea, they are considered to belong to a certain ethnic group that is different from South Koreans (Choo 2006, 590). In absence of ethnic distinction, most of the differences have been artificially created during the time of division. Thus, the defectors have to deal with all sorts of negative stereotypes, marking them as “poor victims” that are backward and underdeveloped. Accent, clothing,

and self-presentation have therefore become symbolic markers and used in the practices of “Othering”: “By looking at people’s clothing, shoes, make-up, I can tell that they are from North Korea. Look at South Korean women— they dress much more nicely” (Choo 2006, 591). North Korean defectors are expected to become “real” and modern South Koreans by denying their origins, culture, and background. This view is supported by the government, which has a strong interest in influencing the defectors to be “model South Korean citizens” (Torrey 2018, 7). This process begins very early at the institution Hanawon where the defectors live during the first three months. Defectors are requested to suppress their sense of being North Koreans to turn them into “post-socialist” citizens (Won 2020). Won describes that Hanawon teaches the notion of capitalist individualism with a strong focus on employability and self-reliance to reduce potential burdens and dependence on the state (Won 2020, 531). Being confronted with all sorts of stereotypes, certain expectations, most North Korean defectors try to assimilate to South Koreans “living a normal life in South Korea entails disguising and hiding their identities” (Won 2020, 537). While trying to adapt to South Korean society, these circumstances negatively influence the formation of co-North Korean networks and communities. As a result, new and close relationships that are needed to gather resources are difficult to be established with either South and North Koreans, which makes it difficult to secure financial resources and establish business networks (Park and Lee 2016; Yun 2001).

By applying a mixed-method approach, the following chapters will illuminate how the North Korean defectors overcome such difficulties and what networks help them to become self-employed.

# Methodology

Due to the limited access to North Korean defectors, the researcher was confronted with several limitations, which were overcome by applying a mixed-method design. Between 2015 and 2019, several expert interviews were conducted in South-Korea with researchers in the same field as well as social service workers at Hanawon. Furthermore, in-depth qualitative interviews were conducted with five North Korean defectors who run a business in South Korea and a quantitative survey was also included for a broader perspective. Meta-inferences from this data was achieved by connecting and integrating the results of the methods (Ivankova et al. 2006, 4). The first in-depth interviews with North Korean defectors have been conducted in the metropolitan region of Seoul in April 2015. Who are they, what motives did they have and what problems did they face in the process of establishing their businesses? By concentrating on the issues and problems of the defectors, the so-called “problem-centered” interview method by Witzel seemed best to fit the research aims. The strength of this method was that it concentrates on a certain theme, enabling the researcher to unfold individual actions and subjective perceptions of social reality (Witzel 2000). In Jung (2018) separate results have been published as case-study analysis. Potential interview partners were identified using snowball sampling, which is a common practice when conducting research among “hidden” or potentially marginalized communities (Bose 2012, 286). The interviewees were not reluctant to be tape-recorded and their identity is kept confidential, as only their initials are used to refer to them. The interviews have been transcribed in Korean except one, which was conducted in English. The qualitative in-depth study was characterized by exploratory field research using semi-structured interview questions to obtain basic knowledge and to help develop the survey items for the quantitative study. The subsequent survey was conducted online and offline from October 11th to November 1st, 2019 and we collected 70 surveys, but we had to expel those which were not completed or gave misleading information. Online,

the number of useful surveys was 35 while offline we were able to collect another fourteen, equaling 49 surveys useful for data analysis. The data obtained through both methods have first been analyzed separately using content analysis and statistical methods. For coding, the interviews have been transcribed in Korean and translated into English. For content-structuring, the program MAXQDA, a computer assisted qualitative data analysis software, was used (Rädiker and Kuckartz 2019). It is a program for organizing and coding files, which includes audio transcripts, excel tables, and SPSS data files.

## Evidence from Qualitative Interviews

For deep inquire, qualitative research provides us with a closer look than quantitative methods. When talking with the defector entrepreneurs, the importance and the nature of social networks for doing business is evident.

### *Mrs. L, female entrepreneur, age 38*

Mrs. L had arrived in South Korea in 2003. She holds a bachelor's degree in social welfare and used to work at Hanawon as a social worker. Mrs. L told me, that when she still lived in North Korea, she sold “everything” which made money—usually trade products from China. This is a typical sign on the level of private marketization of North Korea (*changmadang* generation)<sup>4</sup>. She said if someone had money, it was easy to do some small trading business in North Korea. In South Korea she established her business with the help of her husband, who is a South Korean born entrepreneur. She now employs six workers at her company of whom two are North Korean defectors. During the business formation phase, her biggest challenge was to find customers she said. She then found the Protestant church as a useful target market. Her company imprints gift articles and other items, such as t-shirts, bags, cups, umbrellas and such, with Christian slogans and pictures, which are then sold within church communities.

<sup>4</sup> North Korean millennials who survived the time of food in-security and famine of the 1990s by forming informal markets (*changmadang*). For interested readers, please refer to Lankov et al. 2017.

Mrs. L therefore overcame the lack of a target market by using the Protestant church community for selling her products. For Mrs. L, it was also important to have an experienced person as mentor to learn from directly and to obtain information. In her case, her South Korean husband who had business connections and knew about common fallacies when doing business has been of much help in this respect. Mrs. L emphasized that North Koreans have to learn that doing business is something difficult in South Korea, and that they must have working experience at least for five years before thinking about self-employment. That is why according to her, more education on capitalism, consulting, market research, accounting, tax law, and other business-related information should be implemented.

### *Ms. Y, female entrepreneur, age 26*

Ms. Y raises livestock and sells organic products with her husband and friends, all originally from North Korea. The group of four chose to sell farm products that are needed on a daily basis, because they were used to conducting farm work when living in North Korea. Y's parents for example used to raise pigs and chickens in their yard and she explained that in North Korea "almost everyone" conducts a small business to secure an income. In her city, there was only one factory and often there was no energy to run it. For survival, most people had to engage in producing and selling farm products. Ms. Y explained the difficulties that she and her friends faced when they decided to go into business in South Korea. First, they didn't have the financial means to start, and second, they didn't have a target market. She complained that South Korean born nationals have friends and family to help them when they want to become self-employed, but she and her friends lacked such networks. They thus found it very difficult to establish their business. She furthermore added, that that in South Korea there is a lack of "social warmth." Even though she emphasized that there was governmental support, the South Korean society was very individualistic, which she wasn't used to in North Korea. To help other North Korean defectors adapt to the South Korean society, Ms. Y plans to

support or employ especially older North Korean defectors, who have the most troubles in adjusting to a new way of life. She told me that as soon as she and the others arrived and settled in South Korea, they became Christians. Finally, a mentor from church helped them to secure a place where they could raise and keep the animals. As she is more outgoing than her colleagues, Ms. Y is responsible for marketing, networking, and delivering goods to the customers. The main target customers are middle-aged women in the Protestant church community, who know the background story of the business, and also value high-quality organic food.

### *Mr. K, male entrepreneur, age 28*

Mr. K arrived in South Korea at the age of 23. Living as an orphaned child (*kkotchebi*), in North Korea he had missed a formal education and tried to obtain such in South Korea. He started to study at a university, but soon he felt that he would never be able to compete with the highly educated South Koreans. When he was living and working in China after his defection from the DPRK, he was used to do all kinds of jobs and he planned to open his own business in South Korea. He arrived in South Korea by 2010 and after four years, he started to do farm work in a province in South Korea. He thought that he only worked diligently, he would earn a lot of money, but he recognized that without the proper education and connections, this was more difficult than he thought it would be: “I knew nobody, and I had only a few North Korean friends. My friends started studying while my life was no different than my *kkotchebi* life in North Korea. While I slept in friends’ homes, I lived day by day only going to church. I think I made it this far only because of the people in church, who helped me during those times.”

He started to trade jams and other products from his farm, like wild roses for example, and then he began to sell products such as beauty creams or syrup. When asking about his business difficulties, he said: “the cultivation of the fruits and roses is particularly difficult. Fortunately, with the institutional support of the government and the help of the church members, I got some land to grow the flowers and a

house to live in, at a cheap price. Back then and even now, I don't have money." That was in 2015, and when I met him again in 2019, he had changed his business to web-design and website development. During this interview, it was evident that relations to church communities were a strong source of support for Mr. K.

### *Mr. P, male entrepreneur, age 33*

Mr. P came to South-Korea when he was 23 and he thought it would be easy to adjust to society. However, he was wrong, he said. He faced prejudice and discrimination from South Korean people, who thought were "brothers" (*hanminjok* 韓民族). He found that other North Korean defectors find themselves in a similar or even worse situation. He said that most of the defectors are between 20-40 years old, but only 50 percent of them are employed, while 40 percent are dependent on the basic living allowance. Mr. P was also very upset to find that the suicide rate among the defectors is three times higher than the South Korean average (which is already the highest among OECD countries). Having an entrepreneurial mind, he wanted to do something about it and started with a social-enterprise coffee shop, to give purpose and economic stability to other North Korean defectors. With the help of an industrial bank, Mr. P found a space where young refugees and South Korean youths would be able to work together. However, North Korean defectors, who were often traumatized from various experiences, had difficulties to serve customers. Therefore, Mr. P thought about a new business model to help North Korean defectors. As most of the defectors still origin from the rural areas in North Korea, he decided to start a farming project. With other defector friends they started to raise pigs and sell organic meat, as well as mushrooms and fruits such as pears and apples. Most of the products were sold in a shopping mall. The owners of the shopping mall belong to a Protestant church community and supported the ideas of Mr. P. He was thus provided with a location for his second social-enterprise coffee shop as well as adjunct land for his community projects. A pastor also helped Mr. P to set up the necessary connections for his business

and frequently visits the site like a friend. At this location, Mr. P envisions a community-like environment, where the defectors would work and live together in a cooperative, similarly to what they were used to in North Korea. Mr. P fears that market capitalism in North Korea would worsen the economic situation instead of betterment and thus believes that cooperatives are a sustainable model after re-unification. Thereby, his project is indented to be a future model for the economic restructuring in North Korea.

### *Ms. O*

Another very interesting and somewhat similar story to Mr. P is that of Ms. O. We met during my second field research in 2019. When she first arrived in South Korea, she felt depressed and lonely with nothing in particular to do. However, one day, she saw a begging person who had no legs. Ms. O said to herself “why am I desperate? I have two healthy legs and arms, but this person has nothing. I have no right to be depressed.” She actually started her own non-profit organization which was created to share lunchboxes for those in need. It also evolved into a place of community where defectors of all ages come together to prepare the lunchboxes that are publicly distributed near the main train station of Seoul. As a quasi-public event that is advertised on social media, anyone is invited to participate and help preparing and distributing the lunch boxes. Through such voluntary community work, new relationships and friendships are formed among the defectors. The content of the lunchboxes are often typical dishes of North Korea, which are then distributed to South Korean homeless persons. The website of the organization reads that the social wall between the two Koreans shall be turned down by communication and love for each other. The location where the lunch boxes are prepared is a local church and other members of the church give helping hands. It is therefore evident that church communities and networks enabled Ms. O to materialize her vision by providing space and support.



## *Expert Interviews at Hanacenter*

The Ministry of Unification initiated Hanacenters from 2010. Throughout the country about 25 of such regional centers are installed who accommodate defectors after their three-month stay in Hanawon. In Seoul, there are four such regional centers, one for each direction. About 60 to 70 percent of the Hanacenters are run by previous welfare centers, while the others are run as public non-profit organizations or by the Red Cross freedom federation. Since the 2000s, in Nowon-gu district in the northern part of Seoul, many defectors started to settle down and the director of its Hanacenter (*sŏul pukpu hana sent'ŏ*) agreed to an interview in 2019. Mrs. Park started to explain that this Hanacenter used to be a normal welfare center for South Korean citizens. She was quite surprised when North Korean defectors started to visit this facility about 20 years ago. The defectors were very unfamiliar with the South Korean society and had no one to talk to. The welfare center officially started to take care of them from 2001 onwards and as the Ministry of Unification saw the increasing numbers of defectors, and how limited their support was, they started to entrust the welfare center officially with this work, and the welfare center officially became “Hanacenter” in 2010. The teachers and the social workers were involved in plans for the new purpose, which formed today's structure.

We spoke about community building, integration, and the quality of networks among the defectors. She started out by explaining that on one hand, when new defectors arrive in South Korea, those defectors who are already here are very excited to meet them. However, when the new arrivals are asked about their hometown in North Korea or where they went to school etc., the new immigrants become nervous and refrain from telling. As a result, many of the relationships between defectors remain superficial. Most of the defectors still have family members in North Korea, and for their safety, the defectors are afraid to give a more detailed account of where they are from.

Mrs. Park mentioned that many new arrivals ask the social workers whether a lot of defectors live in the same area. If there the answer is yes, the social workers would ask

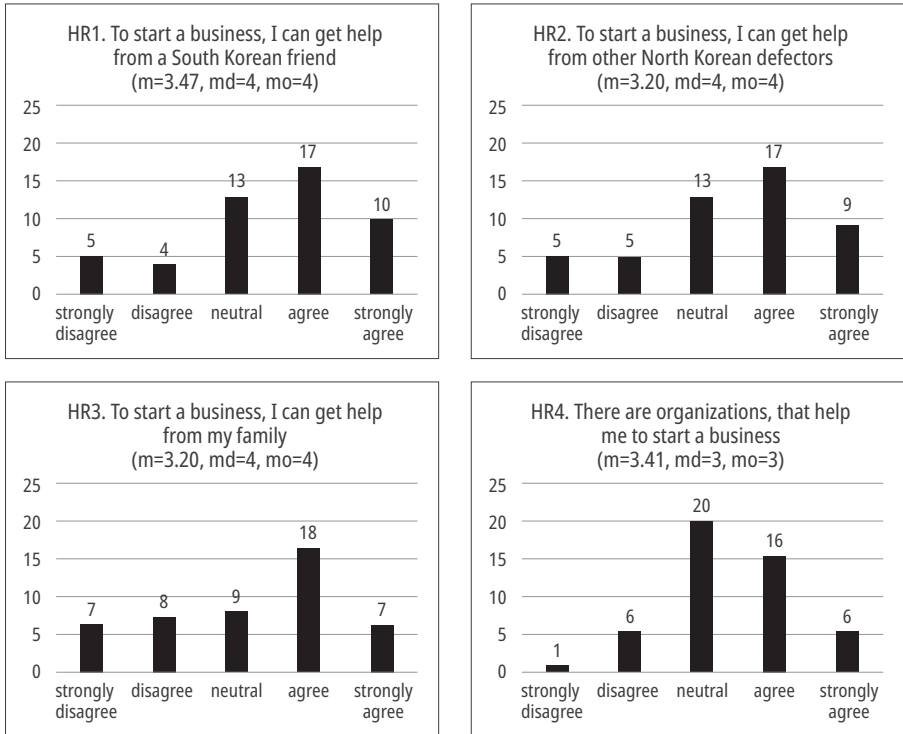
the new arrivals whether they are afraid that would be lonely. The usual answer is “no, I just want to live quietly,” and that is according to Ms. Park their first reaction. Therefore, after their arrival they want to be left alone and prefer not to be exposed to others too much. However, this quietness later becomes loneliness and have troubles in forming a community. When I asked, if that is often the case Mrs. Park emphasized, this is not often the case but “usually the case.” She argued that the most common issue for them is to overcome fear that stems from their suspiciousness. That is why at Hanacenter they place a lot of emphasis on *chŏng* (empathy). The first thing, the Hanacenters organize for newcomers are housewarming parties. In Korean tradition, this includes the preparation of traditional dishes and inviting the neighbors. Also, in North Korea, everyone knows his neighbors, and the more individualistic lifestyle of South Koreans is unfamiliar to the defectors. That is why social workers try to invite the neighbors. The apartments are usually provided by the government but most of the neighbors are South Korean residents. The social workers invite the neighbors and help to prepare food for the party. Because of the anxiety of the newcomers as mentioned before, other defectors are not invited to the welcoming party. Religious organizations also help the social workers from Hanacenter and contribute to the settlement of the defectors. They bring food and sponsor furniture and things for the empty apartment. Mrs. Park said the social workers and volunteers from religious organizations try to be like a family for them. We can therefore realize that religious organizations that are involved at a very early state during the settlement of the defectors may later become a potential source of support for their entrepreneurship.

## Quantitative Survey results

According to immigrant business theories, the ethnic economy provides not only capital and employees for businesses, but

also a target market by offering products or services for the ethnic community. To indicate the “ethnic” community resources of North Korean defectors, we thus collected 49 surveys of North Korean defectors that included questions on their network ties, family and friends, recruitment patterns, and where they receive support from.

When it comes to starting a business, the first question asked whether the defectors could get help from family and friends.



**Figure 1.** Foreign residents in South Korea.

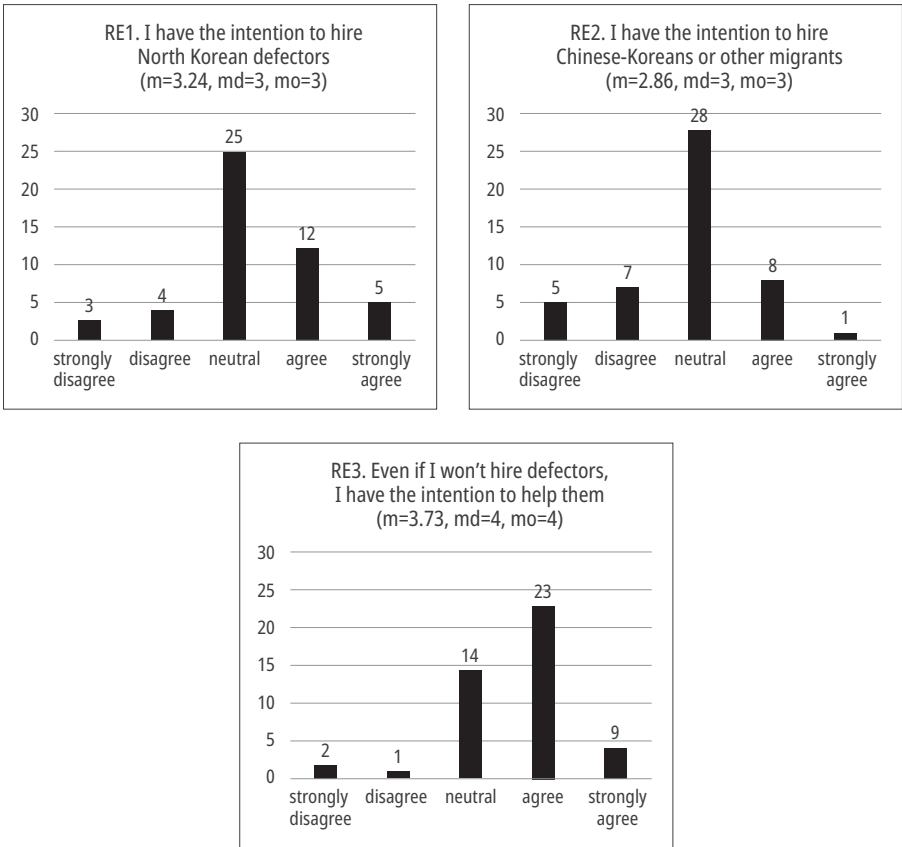
The outcomes shown in the above graphs (Figure 1) reveal that North Korean defectors could almost equally receive help from both South and North Korean friends. A bias towards one or the other side was expected, but there is only an insignificant difference of 0.2 as reflected in the mean outcome. Thus, it does not matter, whether from the North or the South—friends are deemed the most vital when

opening a business (HR1 and HR2). In addition, the help of family is highly appreciated since 51 per cent agreed, with an md=4 and mo=4 (HR3). HRW 4 shows the importance of governmental help, which has a higher median outcome, but is considered less important for establishing a business than friends and family, when looking at the outcome of md=3 and mo=3. Furthermore, two-thirds of the interviewees (60%) would agree that they are working on their personal networks with a high mean, mode and median (HR5). We were also interested in how much solidarity they feel towards other defectors (HR6) and expected it to be high. However, the outcome is neutral with a mean of 3.3, median of 3 and mode of 3.

An unexpected outcome was that foreign networks seems to exist for the majority, since only 6 persons disagreed (HR7). That possibly attributes to the long journeys that defectors go through during their process of defection, crossing several countries or their long stay in China. Only for a quarter of interviewees, it seemed possible to conduct business all alone, with an overall mean of 2.87, md=3 and mo=2 (HR8).

Thus, the question of whether they feel solidarity towards other defectors showed a rather mixed outcome and strong reciprocal relationships could not be discerned. A mixed sentiment is also visible in the following graphs (Figure 2).

In RE1, we asked if they would hire North Korean defectors, which was answered positively by 17 persons, but 25 were neutral and 7 would disagree (mean= 3.24). When asking about their intention to hire other immigrants such as Chinese-Koreans, and 12 would disagree, with a low overall median of 2.86. The last question asked whether our respondents have the intention to help other defectors even if they wouldn't hire them, which was answered positively by 32 interviewees, while only 3 to disagree (m=3.73, md=4, mo=4). According to the above results, we cannot conclude a strong ethnic community or solidarity among the defectors, as suggested by literature. Friends and family are important for any person that wants to establish a business and we could not indicate that the North Korean co-ethnic community is more special, even though they do feel a sense of belonging to each other. We could not discern among them a preference



**Figure 2.** Recruitment of North Korean defectors in South Korea (RE1–RE3).

Source: Own graph based on survey outcomes (m=mean, md=median, mo=mode).

for co-ethnics or other immigrants over South Korean born nationals.

## Conclusion and Discussion

Prevalent immigrant business theories consider the ethnic minority community and their social networks as principal explanatory factor in immigrant business. “Ethnic communities provide a target market for products or services, capital, employees, and sources of information and are acquired through networks of solidarity and

reciprocity inherent to an ethnic group” (Oliveira 2007, 73). However, North Korean defectors do not form strong networks with other defectors for two reasons. First, South and North Koreans share an ethnic and cultural background, which makes ethnic North Korean shops and North Korean hairdressers less needed compared to ethnic communities in Western countries (even though there are North Korean restaurants and shops that offer particular regional food). Second, community building among the defectors is weakened by feelings of insecurity and a lack of trust toward each other.

Looking at the defectors’ networks useful for business, the following can be concluded. Families and friends are equally important for the North Korean defectors as they are South Koreans. There was only an insignificant difference in preference. In the same vein, we could not discern that our respondents would preferably employ North Korean defectors over South Korean-born nationals. Regarding transnational ties, we have seen that foreign networks seem to exist for most of our survey interviewees. We attribute this to the long journey that the defectors go through, by living in China and crossing several countries. However, we could not detect “transnational” business networks as suggested by Bagwell (2018). The question whether the defectors’ foreign network is useful for drawing additional social capital remains open, and is certainly an aspect, which needs future study.

In contrast to prevailing immigrant business theories, the North Korean community was not attributed a higher importance than other social networks. Immigrant business theories, developed in the North American and European context, which emphasize the importance of co-ethnic networks, fall short of explaining North Korean defector entrepreneurship in South Korea. At the lack of co-ethnic networks, North Korean defectors find alternative sources of support for entrepreneurship, like Protestant church networks, which were revealed as a powerful factor. Religious groups were found as strong sources of support for our interview participants.

In-depth interviews, showed the significance of church networks as emotional and practical places of support, by providing information, mentorship, and a sense of belonging.

Practical support was given by providing a business location, opportunities, and farming sites. Additionally, church communities were used as target markets for business products.

In conclusion, this study could not confirm a strong ethnic network that was used as a strategic resource for self-employment of North Korean defectors in South Korea. They use all kinds of resources stemming from social relations, like South or North Korean friends, church networks, and non-profit organizations. As the social networks within the Protestant church community were found to be facilitating business factors, this should be included and considered in future research frameworks for further evidence.

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