A THEORY OF MIDDLEMAN MINORITIES *

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Starting with the concept of "middleman minorities" developed by Blalock (1967:79–84), encompassing such groups as the Chinese in Southeast Asia, Jews in Europe, and Indians in East Africa, this paper presents a model which tries to explain the development and persistence of the form. A key variable is the orientation of immigrants towards their place of residence, with sojourning at first, and later a "stranger" orientation affecting the solidarity and economic activity of the ethnic group. These in turn arouse the hostility of the host society, which perpetuates a reluctance to assimilate completely, or "stranger" status.

RELATIONS between groups of different race or ethnicity have taken a variety of forms. One role an ethnic group can play is that of a "middleman minority" (Blalock, 1967:79–84). Although the form has not been precisely defined, nor clearly labelled (other apellations include "middleman trading peoples," Becker, 1956:225–37, "migrant intermediation," Schermerhorn, 1970:74–6, "marginal trading peoples," and "permanent minorities," Stryker, 1959) there is a general consensus that a number of ethnic groups around the world have occupied a similar position in the social structure. Among these are the Jews in Europe (perhaps the epitome of the form), the Chinese in Southeast Asia, Asians in East Africa, Armenians in Turkey, Syrians in West Africa, Parsis in India, Japanese and Greeks in the United States, and so on. The parallel between such groups has been noted not only by social scientists, but in some instances by the people among whom they live, as shown in such designations as "the Jews of the East," and "the Jews of India."

One of the principal peculiarities of these groups is the economic role they play. In contrast to most ethnic minorities, they occupy an intermediate rather than low-status position. They tend to concentrate in certain occupations, notably trade and commerce, but also other "middleman" lines such as agent, labor contractor, rent collector, money lender, and broker. They play the role of middleman between producer and consumer, employer and employee, owner and renter, elite and masses. This accounts for Blalock's name for them; and although I shall question its applicability during the course of this paper, for ease of reference, I shall continue to use it.

The literature is not unanimous on the causes of this form. Most writers take the role as "given" and concentrate on the consequences of playing it. However, two prominent themes recur. The first sees the source of the pattern in the hostile reaction of the surrounding society to the cultural (including religious) and/or racial distinctiveness of these groups. They are pushed out of desirable occupations and forced to make a living in marginal lines. That they manage to escape the lowest rungs of the economic order, and sometimes acquire considerable wealth, is explained by their response to discrimination: a closing of ranks, the formation of solidary communities with considerable pride in group membership, and a special exertion to overcome handicaps (e.g. Kurokawa, 1970:131–3).

A second theme stresses the nature of the societies in which middleman groups are found. These are characterized by a "status gap" or marked division between elites and masses (Rinder, 1958–9). Examples include feudal societies with a gap between peasantry and landed aristocracy, or colonial societies with a gap between representatives of the imperial power and the "natives." Distinct ethnic minorities are seen to serve a number

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of functions in such societies.[1] First, since they are not involved in the status hang-ups of the surrounding society, they are free to trade or deal with anyone. In contrast, elites may feel that they lose status by dealing with the "masses" (Rinder, 1958–9:254). Second, their foreignness enables them to be "objective" in the marketplace; they do not have familistic ties with the rest of the society which can intrude on, and destroy business (Park, 1939:14). And third, they act as a buffer for elites, bearing the brunt of mass hostility because they deal directly with the latter. In a word, middleman minorities plug the status gap between elites and masses, acting as middlemen between the two.

This paper will present an alternative approach to middleman minorities. It develops a model which incorporates some of these ideas, but as part of a larger framework. The prevalent themes are found to be inadequate for two chief reasons. First, discrimination and hostility against minorities usually has the effect of hurting group solidarity and pride, driving a group to the bottom rather than the middle of the social structure. How then can we explain the closing of ranks reaction of these particular groups, and their peculiar ability to create success out of hatred? (Or to cite cases, why Japanese Americans been able to overcome racism, while Blacks have not?)

Second, the argument that middleman minorities arise in response to functional requisites may have merit. But it is clear these groups persist beyond the status gap. One finds them in post-colonial societies, after the elites have gone (e.g. the Chinese in Southeast Asia, Asians in East Africa, Parsis in India). And one finds them in modern industrial societies (e.g. the Indians in Britain, Jews in 20th century Germany, Chinese in New Zealand, Japanese in the United States).

Figure 1. Schematic Representation of the Development and Perpetuation of the Middleman Minority Position

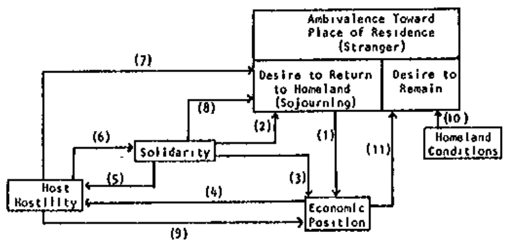

Figure 1 outlines the relationship between the major variables of our theory. We shall follow the links of this diagram through the remainder of the paper.

The Effects of Sojourning

An empirical generalization can be formed about all the middleman groups we have examined: they begin as sojourners in the territories to which they move. They are immigrants who do not plan to settle permanently. In contrast, other ethnic minorities include indigenous peoples of colonized territories, and immigrants who are forced to sever ties with a homeland (e.g. Blacks in the new world) or choose to do so (e.g. most of the "old" European immigration to the United States, see Garis, 1927:204). While individuals may vary in initial orientation, it appears there is a general "group" orientation, undoubtedly a product of conditions in the country of emigration. Thus Loewen (1971:26–7) generalizes about an entire group:

> The early Chinese in Mississippi were not true immigrants, intending to become permanent settlers in a new homeland, but were sojourners, temporary residents in a strange country, planning to return to their homeland when their task was accomplished.

Statements of this sort abound for other middleman groups (e.g. Cator, 1936:55 on the Chinese in Indonesia; Miyamoto, 1939:85 on the Japanese in America; Mahajani, 1960:xix on the Indians in Malaya and Burma; Dotson and Dotson, 1967:81–2 on Indians in Central Africa).

The orientation of groups like Jews, Armenians, and Parsis is a bit more complicated. Certainly Jewish immigrants to the United States had no plan to return to East-

[1] Note that Blalock extends the concept to include groups of mixed ancestry such as the Eurasians of Indonesia and mestizos of Brazil. This is an unusual usage, most writers reserving the comparison to distinct immigrant minorities. Clearly the "functional" advantages of foreignness are lost in the case of mixed-bloods. In addition, there is little evidence that Eurasians, for example, have concentrated in "middleman" occupations like trade (see van der Kroef, 1953:486–7).

ern Europe. But in all three cases there is an unusual attachment to an ancestral homeland; in the Jewish case, to Palestine. Stryker (1959:350) refers to the "continued attachment of the Parsis for their ancestral Persian home," for example. These groups are at a later stage in the cycle described by Figure 1, and their orientation toward place of residence will be taken up again later.

Sojourning is not a sufficient condition of the middleman form in that there are sojourners who do not become middlemen; but it is a necessary one, with important economic and social consequences directly related to the pattern. The economic effects (link 1) included a tendency toward thrift, and a concentration in certain occupations.

Thrift is the product of a willingness to suffer short-term deprivation to hasten the long-term objective of returning to the homeland. It is shown in excessively long hours of work, an emphasis on saving (often sending part of these savings to the homeland), and very little time or money spent on consumption. Sojourners are there to make money, not spend it, and this "future time orientation" enables them to accumulate capital. This orientation contrasts with that of settlers and "natives," who generally wish to live more rounded lives since they do not aim to live elsewhere.

Sojourning also leads the individual to select occupations which do not tie him to the territory for long periods. The sojourner wants a portable or easily liquidated livelihood. "Middleman" occupations (in the economic sense) have this characteristic, as Hoselitz points out (1963:23–4):

> [T]he capital employed by a trader or money lender turns over much faster than that used in industrial establishments. A trader may carry on his business without ever attaining property rights in the objects he deals with. If he is a broker or commission agent, he may merely lose his earnings from a transaction, but not the capital invested in it. Moreover, a money lender or banker deals in that commodity that has the widest currency, that is accepted by anyone, that can easily be transported or hidden. . . . An industrial entrepreneur usually has more property tied up in his plant for a longer time than either merchant or banker.

Middleman minorities are noteworthy for their absence from industrial entrepreneurship and investment in the kind of agriculture (e.g. cattle raising, orchards) that ties up capital. But there are other easily liquidated or transportable occupations besides trade, and these are also found among so-called "middleman" groups. Among them are the independent professions, prevalent among American Jews (Glazer and Moynihan, 1963:147); truck farming specializing in crops that have a rapid turnover, found among such diverse groups as the Chinese in New Zealand (Fong, 1959:85), Indians in Natal (Dept. of Economics, 1961:Chapter 2), and the Japanese in California (Ichihashi, 1932:178–206); and various skilled trades, such as barbers, shoemakers, goldsmiths, jewellers, restaurant-owners, tailors, launderers, and the like, found among Armenians in Syria (Sanjian, 1965:52), Jews in Poland (Eitzen, 1971:123), and Chinese and Japanese in this country. In other words, the term "middleman minorities" is really a misnomer. The more general occupational characteristic of these groups is liquidity.[2]

The Chinese in Southeast Asia illustrate the effect of sojourning on occupational preference:

> [T]he intent of every emigrant was to work abroad in order to remit to China sums of money that would enrich his lineage when invested in land in his home village. He also intended to return home to enjoy during his old age the fruits of his arduous labours in exile. Although only a small proportion ever succeeded in this ambition, nevertheless the desire to return to China motivated the emigrants, at least at the outset, to enter a profession that would involve a minimum of fixed investment in the host country, and a maximum of liquid assets that could be returned to China (Wilmott, 1966:254).

That many sojourners do not achieve their goal of return is important, and will be dealt with later.

The principal non-economic result of sojourning is a high degree of internal solidar-

[2] Determining the liquidity or transportability of a particular occupation may, in fact, be problematic. Undoubtedly an occupational label can encompass a variety of firms which differ in the degree to which they tie up capital. However, there is a gross difference between professionals and skilled artisans who can carry their source of income with them, and a factory owner with a major investment in heavy machinery.

ity (link 2). Since they plan to return, sojourners have little reason to develop lasting relationships with members of the surrounding host society. But they have every reason to keep deeply alive the regional and broader ethnic tie, for these relationships will persist in the future towards which the sojourner points (see Siu, 1952, for an explication of this point). Thus ethnic and regional associations are strong, mutual assistance is prevalent, and trust retained among members from the same general area. (This is not to say that sojourner communities are completely unified. On the contrary, they are often riddled with division and conflict, based on regional, linguistic, political or religious differences found in the homeland. But in relation to the host society, these differences fade before an overriding "national" unity).

In contrast, settlers have much less reason to perpetuate such ties. As Garis (1927:204) points out for the "old" immigration to the United States:

> Even though those already here objected at times to others coming in, yet once in they soon become Americans, so assimilated as to be indistinguishable from the natives; for this old immigration has consisted almost wholly of families who have come to this country with the full intention of making it their home.

Ethnic enclaves may develop among settlers out of convenience of common language; but the community tie tends to be much weaker and more likely to dissipate over time. The settler has reason to orient outwards and mix with his neighbors, while the sojourner "has no desire for full participation in the community life of his adopted land" (Siu, 1952:36).

Middleman minorities typically evince the following traits: a resistance to out-marriage, residential self-segregation, the establishment of language and cultural schools for their children, the maintenance of distinctive cultural traits (including, often, a distinctive religion), and a tendency to avoid involvement in local politics except in affairs that directly affect their group. They form highly organized communities which resist assimilation. These features, I contend, are related to an orientation toward a homeland.

Communal solidarity plays an important role in the economic position of middleman groups (link 3). Family, regional, dialect, sect, and ultimately ethnic ties are used for preferential economic treatment. The "primordial tie" of blood provides a basis for trust, and is reinforced by multi-purpose formal and informal associations. Solidarity is interjected into economic affairs in two ways: it plays a part in the efficient distribution of resources, and helps to control internal competition. Resources distributed within the ethnic community include capital (through the use of partnerships, low interest loans, and rotating credit associations; see Desai, 1963:44–5 on Indians in Britain, and Light, 1972:23–30 on Chinese and Japanese in the United States), credit and easier terms to purchasers, information and training, and jobs and labor.

Let us concentrate on one area, the distribution of jobs and labor, for illustrative purposes. The typical middleman minority business is a family store (or truck farm), resting heavily on the use of unpaid family labor. If wage labor is needed, members of the extended family or of regional associations are preferred, and are treated like kin, sometimes living with the family behind the store. Employees work excessively long hours for low or no wages and are loyal to the owners. In exchange they are likely to become partners or to receive training and aid in setting up their own business in the same line. The middleman firm is labor-intensive but able to cut labor costs drastically through ethnically-based paternalism and thrift.

The effect of such arrangements on labor costs is shown for Japanese American laundries in San Francisco in 1909 (see Table 1). Not only did employees of Japanese firms work longer hours at less pay, but white laundry owners had to deal with a unionized work force.

The epitome of efficient distribution of resources is found in the vertical organization of a particular line, where one set of firms feeds another, within the ethnic community. Such was found in the clothing business among Jews in New York, where Jewish manufacturers sold to Jewish wholesalers who used Jewish retail outlets. Vertical integration exists between Indian wholesaler and retail grocers in Britain (Desai,

Table 1. Comparison of Labor Conditions in White, French, and Japanese Laundries, in San Francisco, 1909[a]

	White	French	Japanese
Hours per week	49	50-63	60-72
Average wage with board and lodging per month	--	$37.69	$28.90[b]
Average wage without board and lodging per month	$69.74	$48.56	--

[a]Adapted from Millis (1915:65-6).

[b]Estimated cost of room and board for Japanese owners was $8 to $10 per month.

1963:57), and between Japanese growers, wholesalers and retailers of fruits and vegetables in Southern California before World War II (Bloom and Riemer, 1949:92–6). Such arrangements are common among middleman minorities, and depend, in part, on the easier extension of credit within the group.[3]

Internal competition is sometimes controlled by the development of guild-like structures. Light (1972:68–70) describes a shoemakers' guild among Japanese Americans in the early part of this century which determined prices and controlled the location of shops, among other things. In the 18th century, Constantinople had seventy-two Armenian guilds (Stryker, 1959:345), while Eitzen (1971:131) records their prominence among Jewish merchants and artisans in Poland after World War I. Chinese Chambers of Commerce serve some of the same multiple functions as guilds (e.g., Eitzen, 1971:128–9 on the Chinese in the Philippines), and both trade guilds and such chambers of commerce are found among Indians in Malaya (Sandhu, 1969:289).

In sum, middleman community organization combined with thrift, enables middleman firms to cut costs at every turn, so that they can compete effectively with other enterprises in the same line. Add to this a preference for liquidable occupations, and the result is a tremendous degree of concentration in, and domination of, certain lines of endeavor. Concentration is shown in Miyamoto's (1939:70–1) description of the Japanese in Seattle before World War II. He finds that 74 percent were in a "small shop" type of enterprise, while the community lacked a capitalist or true working class. An example of domination is provided in Table 2. In 1938 the Jews made up only five percent of the Stamford population, yet clearly dominated several business lines. Table 3 shows both concentration and domination. The degree of Chinese concentration in the "commercial" class is underestimated, in that "working class" includes employees of commercial establishments.

Indeed this pattern of concentration and domination may be seen as the hallmark of "middleman minorities," and examples of it are found at various times around the world.[4] Thus in 1943, 63.6 percent of the Chinese in Jamaica were in trade compared to 2.2 percent of the total population. The Chinese made up 0.75 percent of the male wage-earning population but 22 percent of those in trade (Lind, 1958:154). In 1925, 49.3 percent of the Jews in Germany engaged in trade, commerce and peddling, compared to 9.8 percent of the rest of the population

[3] Efficient distribution of resources plus thrift have enabled middleman groups to avoid a pattern often found among disprivileged ethnic groups, i.e. debt peonage. In the early development of farming among the Japanese in California, for example, loans and credit were easily granted by suppliers of equipment, distributors of Japanese produce, and land owners, all of whom were non-Japanese (Bloom and Riemer, 1949:74). Similar arrangements have been found among black cotton farmers in the deep south (Davis, Gardner and Gardner, 1941:Chapter 15), and among the natives of Burma (Furnivall, 1956:293–4); undoubtedly crop mortgage is common around the world. Blacks and Burmans soon fell heavily into debt, the land became alienated from them, and they were reduced to a sort of serfdom. But the Japanese were able to turn the same arrangement to profit, and show a rapidly rising rate of land acquisition (Ichihashi, 1932:184, 193).

[4] A problem of definition can be raised: to what degree must an ethnic group be concentrated in, and dominate, certain lines before we term it a "middleman minority?" In other words, is it a discrete category or a continuum? I shall not try to deal with this problem here; but we should note that, if there is a continuum, our examples fall near the end of it.

Table 2. Comparison of Total Number of Trading and Commercial Establishments with Number Owned by Jews, for Selected Businesses, Stamford, Connecticut, 1938[a]

	Total Number	Jewish Owned
Retail wearing apparel:		
Men's clothing stores	16	15
Children's and infants' wear	5	5
Dry goods	17	10
Women's and misses' clothing	30	22
Men's furnishings	15	13
Millineries	10	6
Corset shops	6	3
Shoe stores	19	10
Food distribution:		
Largest nonchain markets	5	5
Wholesale cattle slaughter	1	1
Wholesale produce dealers	2	2
Wholesale grocers	2	1
Butter, egg, and cheese dealers	3	2
Retail produce dealers	6	3
Wholesale meat firms	7	3
Delicatessens	9	3
Retail grocery stores	188	23
Retail package stores	51	18
Wholesale liquor dealers	7	2
Other businesses:		
Jewelry	15	13
Wholesale drug	2	2
Cut-rate cosmetics	3	2
Druggists	26	9
Furniture	25	14
Electrical supply	11	6
Hardware	11	4
Paint stores	11	3
Plumbing	5	3
Lumberyards	3	1
Department stores	7	3

[a]Adapted from Koenig (1942:210-11).

(Stryker, 1959:342). In 1954, Hollingsworth (1960:1) reports that Asians in East Africa comprised one percent of the population but dominated trade. Loewen (1971:36) finds that 97 percent of the Chinese in Mississippi run grocery stores and hold a near-monopoly over the business. The list could be greatly extended. (It should be understood that domination by the group as a whole does not mean that there are no poverty-stricken members; often individuals and families do not "succeed.")

Table 3. Estimate of Chinese Economic Position in Cambodia, 1962-3[a]

Economic Class:	Chinese No. (000s)	%	All Cambodia No. (000s)	%	Chinese as % of Total
Peasant and fisherman	0	0	4950	86	0
Working	64	15½	209	4	31
Commercial	395	84	379	6½	95
Professional and Gov't.	2	½	202	3½	1
Total	425	100	5740	100	7.4

[a]Adapted from Wilmott (1966:255).

Sojourning is clearly not the only cause of the middleman form; many groups of sojourning migrant laborers do not enter small business. Almost all that do derive from Asia and the Near East. In addition, these same groups become middlemen wherever they go. Chinese, Indians, Jews, in every country show a similar occupational concentration (thus, a status gap in the receiving country cannot explain the pattern). This regularity suggests that culture of origin is an important contributory factor.

Nevertheless, sojourning is necessary to this form, as two facts demonstrate. First, the bulk of middleman minority members are not small businessmen in their homelands; they usually emanate from more deprived classes. Only in the diaspora can they improve their economic condition, a factor which prompted them to leave their homeland in the first place. Second, some of the "source" countries themselves have sojourning immigrants who dominate "middleman" lines, such as Parsis and Armenians in India (on the latter see Basil, 1969), Koreans in Japan, and Armenians in Syria. Sojourning is important in that it creates a preference for liquidity, encourages thrift, and fosters a solidary community that is cooperative internally and "free" to compete with the surrounding society.

Middleman economic behavior is closely akin to preindustrial capitalism. As described by Sjoberg (1960:Chapter 7), the multipurpose guild of the preindustrial city maintained a monopoly over a particular economic activity, stressed particularistic (especially kinship) rather than universalistic bases of recruitment into the occupation, apprenticed extended kin with a view to setting them up on their own, controlled internal competition, pooled resources to develop capital, and performed ceremonial functions.[5] Max Weber (1958) contrasts pre-modern capitalistic forms (including the economic behavior of Jews and Parsis) with modern industrial capitalism. The distinguishing feature of the latter is "the rational capitalistic organization of (formally) free labour" (1958:21). The modern industrial capitalist treats his workers impartially as economic instruments; he is as willing to exploit his own son as he is a stranger. This universalism, the isolation of each competitor, is absent in middleman economic activity, where primordial ties of family, region, sect, and ethnicity unite people against the surrounding, often individualistic economy.

Host Hostility

Middleman minorities are noteworthy for the acute hostility they have faced, including efforts to cut off their means of livelihood, riots and pogroms, exclusion movements and expulsion, removal to concentration camps, and "final solutions." While their treatment has varied to some extent, certain themes recur in the accusations leveled at these groups.

The middleman and the host society come in conflict because elements in each group have incompatible goals. To say this is to deny the viewpoint common in the sociological literature that host hostility is self-generated (from psychological problems or cultural traditions). Each party to the conflict has a "reasonable" point of view which arises from the interaction. I shall concentrate on the host perspective primarily because the middleman viewpoint is more commonly aired.

In middleman-host conflicts, the host society does not usually have a united set of interests. Rather, different interest groups come into conflict with the middleman group for different reasons. Indeed, in some cases the middleman's presence adversely affects the relationship or conflict between two host interest groups. That elements in the host society may form a temporary coalition against the middleman group should not obscure the fact that they do so for different reasons. This uniting of old foes has led some observers to define the hatred of middleman groups as scapegoating. It is as if some politician, trying to unite the nation, seized an innocent victim for all to hate. Such a view, I would contend, is based on a surface impression.

Conflict between the middleman and the host society arises over economic matters (link 4) and solidarity (link 5). In the first case, middleman minorities conflict with three classes: their clientele, business, and labor.

1. Conflict with Clientele—There is an inevitable conflict of interest between buyer and seller, renter and landlord, client and professional, to which middleman minorities, because they cluster in these occupations, become heir. The Indian riots in Durban in 1949, in which Africans attacked Indian stores, homes, and persons, are an illustration. Palmer (1957:156) describes the pre-riot situation:

> [Many Africans] are forced on to land on the outskirts of town which is mostly owned by Indians. Here they erect wretched shacks made of old timbers and corrugated iron without any means of sanitation. Consequently they live in filth and overcrowded conditions. . . . Their landlords are Indians who frequently exact rack rent for the wretched little pieces of land on which the Natives build their miserable huts. The post-war years were a time of hardship in many other respects. Prices were rising and the Africans found that the Indian storekeepers with whom they dealt were demanding greatly increased prices for the flour, mealie meal, sugar, condensed milk, etc., which were

[5] In describing commercial activity in an "economically developing" Indonesian town, Geertz (1963:Chapter 3) sees a number of the characteristics we have noted in middleman groups, including a preference for liquidity. However it is interesting that most of the traders (apart from the Chinese) hail from northern Java, and are not natives of the town. "A culturally homogeneous group, they formed a well-defined, sharply set-apart minority—*wong danang,* the Javanese word for trader, still also means 'foreigner' as well as 'wanderer' or 'tramp'—whose values deviated in major respects from those embraced by both the gentry and peasantry" (Geertz, 1963:43–4).

so important in their diet. Therefore, there grew up among the Africans, not unnaturally, profound irritation against the Indians.

It could be argued that this is a "status gap" conflict in which Indians are merely scapegoats for the real villains, the whites. Yet the same hostility is found toward the Chinese in Thailand where there is no dominant white group:

> The Thai see the Chinese as exploiting unmercifully their advantageous economic position: the Thai are obligated to pay high prices to the Chinese for the very necessities of life, and on the other hand are forced to accept the lowest price for the rice they grow. Through deliberate profiteering, according to standard Thai thinking, this minority has driven up living costs (Coughlin, 1960:2).

2. Conflict with Business—Middleman minorities conflict with competing business groups in the settled population. These business groups may have predated the middleman's immigration, and may feel threatened by their lower-priced firms. Or they may be composed of potential businessmen who cannot compete against the entrenched middleman monopoly. This conflict occurs with both members of the superordinate group in society, as in white opposition to Indian business in South Africa, and members of subordinate groups as in African business competition with Indians. (Here is an instance where two otherwise conflicting groups unite in opposition to the middleman minority. Both whites and Africans are "settled" in South Africa, and for this reason are at a disadvantage in competing with Indian firms. If whites and Africans can agree on anything in South Africa, it is on their antagonism to the Indians.)

An example of superordinate business competition is found in white relations with the Japanese on the U.S. Pacific coast. Since farming (market gardening) was an important Japanese business activity, it became an area of conflict. Competition with white farmers is described in a report prepared for the California legislature of 1919, entitled *California and the Oriental* (State Board of Control of California, 1922), with a view to passing an amended Alien Land Law (the first, enacted in 1913, having left many loopholes) which would force the Japanese off the land. The same document was submitted by the governor of California to members of the federal government in an effort to restrict further Japanese immigration:

> The working and living conditions of the Japanese farmer and farm laborer make successful competition by American farmers almost impossible. The Japanese farmers and every member in the family, physically able to do so, including the wife and little children, work in the field long hours, practically from daylight to dark, on Sundays and holidays, and, in the majority of cases, live in shacks or under conditions far below the standards required and desired by Americans. . . . American farmers can not successfully compete with Japanese farmers if the Americans adhere to the American principles so universally approved in America, including clean and wholesome living quarters, reasonable working hours, the usual Sunday rest and holiday recreation and, above all, refraining from working the women and children in the fields (State Board of Control of California, 1922:116–17).

The Chinese in Jamaica illustrate business competition with a subordinate group. According to Lind (1958:156), "The establishment of Chinese grocery shops had extended throughout the island prior to 1911 and had thus brought vividly to the attention of the entire population that these once humble laborers were displacing the native Jamaicans as the shopkeepers of the country."

Business conflict with emerging subordinate groups has increased in post-colonial times. As liberated nations try to gain control of their economies, they come into conflict with middleman groups. In Southeast Asia and East Africa attempts have been made to curb Chinese and Indian business, to establish native peoples in lines long dominated by these groups. The efficient organization of the middleman economy makes it virtually impossible for the native population to compete in the open market; hence, discriminatory government measures (restrictions on the issuance of business licenses, special taxes, and the like) have been widely introduced.

3. Conflict with Labor—The presence of a middleman minority creates a variation of the "split labor market" (Bonacich, 1972), that is, conflict between cheap and higher priced labor. In the middleman family firm,

the interests of employer and employee are not clearly distinct. Employers are paternalistic, employees willing to work long hours at low pay. The result is a cheap and loyal workforce, which threatens to disrupt the relationship between business and labor in the host society; for the latter, in trying to improve its position viz-a-viz management (with whom it has a recognized conflict), could price the business out of the market.

Host management has some interest in opposing middleman cheap labor, as we have seen. But management can use this as a weapon against labor by arguing that, if labor insists on higher wages and better work conditions, both will lose. Labor is caught in a bind: either improve its position and accept the possibility of losing the job altogether, or accept a low standard of living and middleman work conditions.[6]

Host workers can, of course, try to get middleman workers to join their unions. But the latter often resist, feeling more closely tied to their co-ethnic employers than to the working class of a country of impermanent residence. Besides, most see their position in the "working class" as a temporary status; a gateway to a business of their own.

Modell (1969) describes a 1937 attempt by the Retail Food Clerks, Local 770, in Los Angeles to organize the sales force in the grocery business. "Since white-run concerns could not concede a substantial advantage in labor costs to their Japanese competitors without suffering losses in trade, Local 770 believed that, if it was to organize the white portion of the industry, it could not ignore the Japanese" (Modell, 1969: 198). The local appealed to Japanese workers to stand up to their employers and "fight for the American standard of living"; but the appeal was rejected, and Japanese-owned firms were black-listed and picketed by organized labor.

The host society can unite on one issue concerning middleman minorities: the solidarity of the middleman community (link 5). In all our examples, middleman groups are charged with being clannish, alien, and unassimilable. They are seen as holding themselves aloof, believing they are superior to those around them (a "chosen people"), and insisting on remaining different.

The charge of unassimilability can be broken down into at least two substantive accusations. First, middleman minorities are disloyal to the countries in which they reside. They are accused of having "dual loyalties," a familiar cry against the Jews, but also raised against others. One indicator of dual loyalty is a resistance to becoming citizens of the host country. Most works on the Chinese in Southeast Asia devote a section to the "citizenship problem," the Chinese tending not to become citizens. The same is true for Indians in East Africa, and was one of the grounds for complaint raised by President Amin in expelling the Indians from Uganda. Even when middlemen become citizens, people suspect they are acting out of expedience. Coughlin (1960:11) describes this attitude in Thailand, where the Chinese are seen as adopting Thai ways for "protective coloration." In post-colonial societies this distrust was probably exacerbated by the fact that middleman minorities tended to be allied with the colonial masters. Indeed they have an interest in "law and order" for continued trade, hence tend to oppose disruptive political movements.

A second charge is that middleman groups drain the host country of its resources. This is epitomized by their sending money to the homeland, a point prominent in complaints against the Indians in South Africa collected by the Lange Commission in 1921 (Palmer, 1957:81). Other charges of drainage include land mining, not engaging in productive industry, and not contributing to local industries by importing necessities from the homeland. In a word, middleman groups are seen as parasites. As Amin said to the Indians of Uganda, "Some members of your community have no interest in this country beyond the aim of making as much profit as possible, and at all costs" (cited in the Los Angeles Times, August 14, 1972).

The resistance to assimilation of sojourning middleman communities would be no problem for the host society if these groups were economically isolated. Groups like the

[6] A similar competition is found with firms in other countries which use "cheap" labor. The fact of a political border can enable governments to set up import duties, currency devaluations, and the like, to curb this competition, moves which cannot be used against firms in the same country.

Amish, who preserve cultural distinctiveness but combine it with economic self-sufficiency, do not provoke the same concern. However middleman minorities develop great economic power in a country toward which they feel essentially alien. Such power appears devastating to host members, who believe their country is being "taken over" by an alien group.

I hope the reader is convinced that host members have reason for feeling hostile toward middleman groups. Perhaps you are saying, "Yes, there is a rational component, but the extremity of the host reaction reveals a strong irrational force at work. Middlemen may be felt to compete unfairly, they may even appear dangerously disloyal, but surely the reactions to them are out of proportion to the offense? Usually these groups are tiny minorities with little or no political power. Is it necessary to incarcerate them, as were the Japanese Americans in World War II; to expel them, as were the Asians of Uganda; or to dislocate them, as occurred in the Group Areas Act of South Africa? Surely these acts mark hysteria and deep-seated hatred?"

While some irrational elements are probably at work, even the extremity of the host reaction can be understood as "conflict" behavior. The reason is that the economic and organizational power of middleman groups makes them extremely difficult to dislodge. For example, their wealth enables them to use bribery when necessary, another charge often leveled against these groups. The Chinese in Southeast Asia illustrate the point:

> Attempts to control the Chinese have almost everywhere run into the bewildering maze of overlapping Chinese organizations which exist in every country of the area, and they have been frustrated by Chinese evasion, ability and indispensability. . . . Licensing systems have been thwarted by the willingness of inexperienced indigenous businessmen, whom they were intended to benefit, to sell their import and export permits to the Chinese who possessed what they lacked—organization, contacts, experience and capital (Thompson and Adloff, 1955:6–7).

The difficulty of breaking entrenched middleman monopolies, the difficulty of controlling the growth and extension of their economic power, pushes host countries to ever more extreme reactions. One finds increasingly harsh measures, piled on one another, until, when all else fails, "final solutions" are enacted.

Effects of Host Hostility

Briefly, the host reaction solidifies and isolates the middleman community (link 6). Voluntary segregation gives way to forced segregation. The hostility also nurtures a love of the homeland (link 7), a sentiment reinforced by communal organization (link 8) through such institutions as language and cultural schools. In addition, host efforts to undermine the group's economic influence (link 9) by laws prohibiting ownership of land, for example, restrict their alternatives and increase their occupational concentration.

Ambivalence Towards Place of Residence

Some sojourners save enough and return to their homeland. Others, however, do not return; and it is these that come to form lasting middleman minorities. The typical middleman minority is the remnant (in some cases the majority) of a temporary movement.

The desire to remain overseas has two roots. First, political conditions in the homeland (link 10) may make an imminent return impossible. The conquest of their homeland by a foreign power has kept Jews, Armenians and Parsis in an involuntary diaspora, in two cases, for centuries. Second, sojourning produces a dialectic: it aids in business success, and that very success makes returning difficult (link 11). According to Miyamoto (1939:85) many Japanese in America did go home, but returned to America "after they failed in their native land, and found that life in Japan was harder than life over here." And doubtless failure was not required for many to realize they could not do as well in the homeland. For obvious economic reasons, removing the political barrier to a Jewish return to Israel has not led to an exodus from "Anglo-Saxon" countries.

Remaining in the land of one's sojourn can take two forms. One may relinquish his dream of the homeland and settle in the new country. This would entail engaging in more non-economic activities, joining non-ethnic organizations, intermarrying with one's neighbors, employing and being employed by persons of different ethnicity, and the like. In other words, it would mean economic and social integration; the middleman form would disappear. Such has been the fate of many individual Jews, Chinese, Indians, Japanese, and such may be the fate of whole communities.

Or, the sojourner may keep alive the desire to return.[7] His desire may appear to be mythical, finding expression in pious statements like "Next Year in Jerusalem." He may not intend to leave. Yet this orientation retains some substance in the sending of funds to the homeland, occasional visits, and continued solidarity and resistance to assimilation. Love of the homeland is kept alive by host hostility; one supports the homeland in part to have somewhere to go if things get too bad in the host country. And it helps keep that hostility alive through its economic and social consequences. The cycle is self-perpetuating, and the group becomes a permanent minority.

This ambivalence toward place of residence is captured by Simmel in his discussion of the stranger (Wolff, 1950:402–8), whom he describes "as the person who comes today and stays tomorrow. He is, so to speak, the *potential* wanderer: although he has not moved on, he has not quite overcome the freedom of coming and going." The classic example of the stranger, according to Simmel, is the Jew. Weber discusses some of the effects of a stranger or "pariah" status (1963:250):

> The legally and factually precarious position of the Jews hardly permitted continuous, systematic, and rationalized industrial enterprise with fixed capital, but only trade and above all dealing in money. . . . As a pariah people, they retained the double standard of morals which is characteristic of primordial economic practice in all communities: what is prohibited in relation to one's brothers is permitted in relation to strangers.

Middleman minorities are strangers. They keep themselves apart from the societies in which they dwell, engage in liquidable occupations, are thrifty and organized economically. Hence, they come into conflict with the surrounding society yet are bound to it by economic success.

Conclusion

In concentrating on the host point of view, I have not sought to justify their acts against middleman minorities, but to explain them. Indeed, the pattern we have been examining often concludes tragically. The recent Indian expulsion from Uganda has meant great personal loss. And other middleman groups have suffered worse fates. Lacking numbers and political power, in the long run they are likely to lose in their conflict with the host society.

[7] The factors that determine the choice between these two alternatives will be dealt with in another paper. But briefly, one important factor seems to be changing economic conditions (the development of chain stores, super markets, etc.), making the family firm less viable, and driving the younger generations to seek employment in higher-paying non-ethnic firms.

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