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*t*HE ROLE OF KOREAN IMMIGRANTS
IN THE DEVELOPMENT OF THE
WHOLESALE HUB FOR OFF-THE-
SHELF WOMENSWEAR IN THE
DISTRICT OF BOM RETIRO IN SÃO
PAULO, BRAZIL

ABSTRACT

This article describes the role of Korean immigrants in the development of the wholesale hub for off-the-shelf womenswear in the district of Bom Retiro in São Paulo. It demonstrates the historical establishment of the Korean manufacturers in the district and the particular traits of their businesses, with emphasis given to their spatial-urban aspects.

KEYWORDS

Bom Retiro. São Paulo. Korean immigration. Ethnic economy. Garment industry. Cultural diversity.

INMIGRANTES COREANOS EN
LA FORMACIÓN DEL POLO
MAYORISTA DE PRONTA
ENTREGA DE MODA FEMININA
EN EL BARRIO DE BOM
RETIRO, SÃO PAULO, BRASIL

IMIGRANTES COREANOS NA
FORMAÇÃO DO POLO
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ENTREGA NO BAIRRO DO BOM
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RESUMEN

Este artículo trata del papel de los inmigrantes coreanos en la consolidación del polo mayorista de moda femenina de pronta entrega en el barrio de Bom Retiro, São Paulo. Muestra la evolución histórica de los negocios de confección coreanos del bairro e sus características particulares, destacando los aspectos urbanos y espaciales.

PALABRAS CLAVE

Bom Retiro. São Paulo. Inmigración coreana. Economía étnica. Confección. Diversidad cultural.

RESUMO

Este artigo trata do papel dos imigrantes coreanos na consolidação do polo atacadista de moda feminina de pronta-entrega no bairro do Bom Retiro, São Paulo. Mostra a evolução histórica das confecções coreanas do bairro e as características particulares de seus negócios, destacando-se os aspectos urbano-espaciais.

PALAVRAS-CHAVE

Bom Retiro. São Paulo. Imigração coreana. Economia étnica. Confeção. Diversidade cultural.

INTRODUCTION

By observing the spatial constitution of the textile complex in the Bom Retiro district in São Paulo city (Figure 1), – a hub sustained by various ethnic groups based in the area, each with its own modality and as such constituting a complete and self-sufficient chain of garment production and sales – we were able to highlight the business particularities of Korean immigrants in the wholesale environment of off-the-shelf womenswear. The consolidation of this modality of commerce, circumstantiated by the economic changes that occurred in Brazil in the 80s and 90s, accelerated the process of exchange of the ethnic groups that predominated in the garment factories of the textile hub, from Jewish to Korean, and caused a series of economic and spatial rearrangements. This article will show the outcome of this process, relating it to the evolution of the Korean garment manufacturers in Bom Retiro, which led to the formation of the Aimorés-Lombroso wholesale complex, with emphasis on the spatial characteristics of the Korean clothing manufacturers.

In view of the scarcity of organized data published about Koreans in the district of Bom Retiro, we collected our information from interviews and field research, of which the empirical material obtained became the core of this article. In order to complement the empirical material and help to reconstruct the recent history of Koreans in the district, we consulted the collection of the Historical Records Library (*Hemeroteca do Arquivo Histórico*) of São Paulo city, from which we extracted excerpts from newspapers and magazines with relevant information for our study.

¹ *Mapas digitais da Região Metropolitana de São Paulo*. São Paulo, Cesad-FAU-USP. Available at: <http://www.cesadweb.fau.usp.br/index.php?option=com_content&view=article&id=192819&Itemid=1460#current>. Accessed on November 01, 2014.

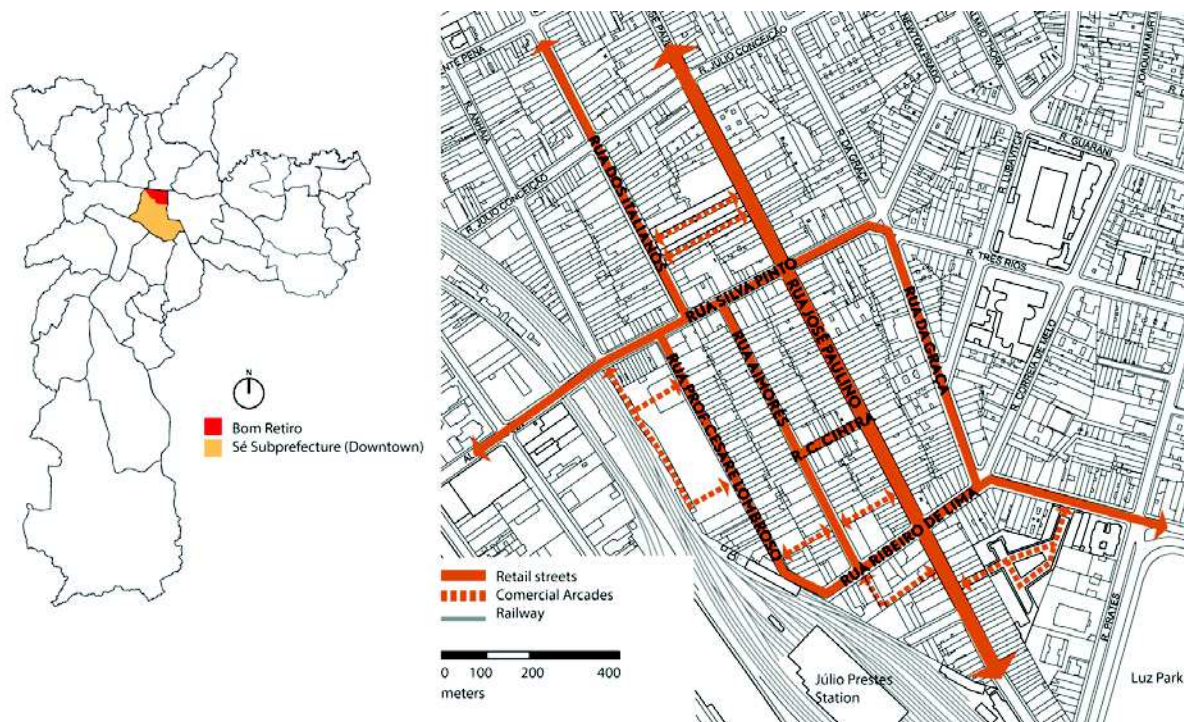


Figure 1: Location of district of Bom Retiro in the São Paulo city map and a detail of the textile complex.
Source: Cesad-FAU-USP¹.

AIMORÉS-LOMBROSO WHOLESALE COMPLEX

Papaya, Manga Doce, Chica Fulô, Sedução – these are the names that grace the signs of the luxurious shopfronts we walk by on the corner of Silva Pinto street on our way to Aimorés street (Figures 2 and 3). Despite the garment trade in Bom Retiro being the mainstay of José Paulino street, considered to be the oldest commercial street in the neighborhood, those who work with women's fashion know that one of the country's largest wholesale centers dedicated to this modality is actually located on Aimorés and Professor Cesare Lombroso streets². Both are narrow streets, each about 300 meters in length, that run parallel to José Paulino street and the old Sorocabana Iron Railway. Despite the fact that the owners of the garment factories located on this street are Korean or Korean descendants, the names of the establishments allude to Brazilian origin and the glamorous shop fronts, which are generic looking, do not give away any sign of their ethnicity to those expecting to see a sign of the Korean culture on these streets.

The customers of the wholesalers of women's fashion in Bom Retiro are mostly women, owners of small retail stores and street vendors from around the country (DINIZ, 2012)³, in other words, professional buyers who come to the stores to stock up on goods for resale. They walk along the sidewalks of Aimorés and Lombroso, each with their own large wheeled holdall, analyzing the clothes displayed in the shop windows. They dress comfortably, albeit elegantly because buying there involves a lot of walking but they also need to look professional in the eyes of the Korean wholesale suppliers.

It is evident that, based on the quality of the products in the shop windows and the way in which they are displayed, the shops on Aimorés and Lombroso streets are making an effort to stand out from the stores on the other streets of the district. In fact, having a point of sale on one of these streets is considered very prestigious among the Koreans of the colony because it is a sign of a garment maker's success. From word-of-mouth information, regardless of how secret it may be, everyone knows what it

²The following streets: Aimorés and Professor Cesare Lombroso were known as red light districts in the 40s. On its urban transformation, cf. Chi (2016) Chap. 4, item 1.4.

³According to an article in the *Folha de São Paulo* newspaper, 95% of the customers of the Bom Retiro stores are women and 60% own boutiques and small shops. The remainder are street vendors.



Figure 2 and 3: Shop fronts on Aimorés street.
Source: Photos by author, 2015.



costs to maintain a business at one of the most expensive points of sale in the city of São Paulo, second only to those located on 25 de Março street in terms of real estate value⁴.

According to a count conducted by the South Korean government in June 2009, the amount of Koreans in Brazil totals 50,523, including illegal and temporary second and third generationers and those naturalized Brazilian (THE OVERSEAS KOREANS FOUNDATIONS⁵ apud IM *et al.*, 2009). According to data from the General Consulate of the Republic of Korea from February 2011, 98% of the Koreans in Brazil live in the city of São Paulo, 60% of which are dedicated to womenswear. It is estimated that what they produce represents 40% of Brazil's textile industry (CHOI, 2011, p. 273). These numbers prove that the involvement of this ethnic minority in the textile sector is significant, and that the textile economy is of great importance in the life of Koreans in São Paulo. Even though the Korean garment manufacturers are divided between the neighborhoods of Brás and Bom Retiro, of which 65% of the garment entrepreneurs are based in Bom Retiro and 33% in Brás (CHOI, 2011, p. 274), it is the district of Bom Retiro where the Korean colony is most well represented, not only in economic terms but also in terms of their collective equipment, and it is where they have formed an ethnic enclave⁶. The arrival of Koreans in Bom Retiro was relatively late considering that the first immigrants set up shop in the region of Glicério in the early 60s, where they were helped by the Koreans arriving in Brazil, as well as the Japanese community based in the colony located in the Liberdade district. The Korean immigrants at the time were fluent in Japanese due to the fact that they were taught the language in school during the time Korea was under Japanese rule, from 1910 to 1945. Before moving into the neighborhood, the immigrants who arrived in Bom Retiro in the 70s found work in the garment factories, where they worked with the hope of day owning their own business.

After the opening of the Brazilian market in the 90s, and the resulting diversification of the textile market, the Koreans began to get involved in importing fabrics and haberdashery, which gave the businesses of the colony more independence and allowed the coethnic groups to compete with others suppliers from other ethnic groups.

The economic rise of the Koreans fueled a closely linked network of social relations based on cooperation, trust and preference, which constitutes an ethnic economy, and triggered a rapid transformation in the textile hub of Bom Retiro, mainly on the streets of Aimorés and Professor Cesare Lombroso. Before looking at the specificities of the spatial evolution of the Aimorés-Lombroso complex, however, we will take a brief look at the history of Koreans in the garment manufacturing market of this district, from their insertion up to the establishment of the wholesale complex for off-the-shelf womenswear that exists there today.

THE 70S: THE PIONEERS

Currently, most Koreans in São Paulo work with wholesale womenswear. In the 70s, however, those who had little capital worked from home or in sewing workshops supplying cheap labor for their countrymen who owned commercial establishments and other garment manufacturers based in Bom

⁴ Data from the Brazilian Heritage Study Company (*Empresa Brasileira de Estudos de Patrimônio - EMBRAESP*) (DANTAS, 2006).

⁵ THE OVERSEAS KOREANS FOUNDATION. Available at: <http://www.korean.net/morgue/status_4.jsp?Code=status&dCode=0105>. Accessed on June 19, 2009. [s/l], [s/d].

⁶ On the formation of the ethnic enclave of the Koreans in Bom Retiro in the 90s, see Chi (2016) Chap. 3, item 2.

Retiro⁷. Those with some funds opened small retail clothing stores, known as boutiques, in the commercial centers of neighborhoods such as Penha, Lapa, Pinheiros and Saúde. The larger Korean clothing manufacturers, who were at the same time retailers and wholesalers and supplied the merchandise for the boutiques, were leaving the district of Glicério to set themselves up in Brás or Bom Retiro.

According to Choi (2011, p. 293), Bom Retiro and Brás housed a few small knitwear and garment manufacturers in the late 60s but the first Korean store, located at the top of José Paulino street, was recorded in 1977. Another two followed, one also at the top of the same street and another inside the gallery that connects the streets of José Paulino and Aimorés. These larger manufacturers became then the primary suppliers of the coethnic boutiques. The Koreans who could sew also sold the garments they produced in their homes to these stores. They increased their competitive edge by employing the cheap labor of illegal immigrants, and those less fortunate within the colony, to drive their prices down. The Koreans of José Paulino street began to be joined by Koreans from other areas that housed workshops based in cheaper locations away from the main shopping street, such as Três Rios street and Ribeiro de Lima street. The growing presence of Koreans in Bom Retiro began to draw attention for its ethnicity but its involvement in the district's commerce was still very discreet.

Before systematizing the wholesale production and commerce process, which resulted in the current business format of Korean garment manufacturing, the organization of the flow of merchandise and communication between those that produced and those that sold was very confusing. The few clothing manufacturers that established themselves in Bom Retiro and in Brás were becoming successful retailers, thanks to the low price of their products, and also as wholesalers, because they dedicated themselves to the output of the home-based workshops and organized distribution. By distributing the merchandise, they ensured supply to only one retailer per neighborhood and, therefore, maintained their clientele's loyalty. The offer, however, was little and the demand great. A retailer at the time describes the difficulty he faced to find goods to sell:

Since there were very few Korean clothing manufacturers, it was difficult to find merchandise. The rule was for every factory to supply one neighborhood supplier. [...] When he couldn't get the goods, he would close his store and walk the streets looking for clothing, sometimes even until the early hours of the morning, knocking on the doors of houses. This was the only way he could find stuff to sell⁸.

THE 80S: THE MASSIVE MOVE OF KOREANS INTO THE GARMENT-MAKING MARKET OF BOM RETIRO AND CONSOLIDATION OF OFF-THE-SHELF SALES

The amount of Korean garment manufacturers rose sharply in Bom Retiro in the early 80s. It was at that time that the Koreans adopted the business structure that they use until today. The arrival of a large number of Koreans into the clothing market of Bom Retiro is the outcome of a few internal, as well as external changes that took place in the colony at that time. The *external* and decisive factors for this were:

⁷ Korean immigration in Brazil in the 70s was characterized by the end of the official immigration process and the arrival of illegal immigrants and this would be the main cause for the social/economic difference between them at the time. For more information, see Chi (2016) Chap. 3, item 1.

⁸ Excerpt from interview given by a Korean garment retailer from José Paulino street.

- Decline of street retail.
- Aging of first-generation Jewish immigrants.

The *internal* factors were mainly:

- Success of pioneering coethnic groups.
- Accumulation of wealth.
- Introduction of off-the-shelf concept.
- Introduction of “1.5 generation”⁹ in the garment manufacturing market.

After malls became the preferred retail venue for shopping in the city of São Paulo, the Koreans who had points of retail sale on city streets reported a drop in their product sales. Encouraged by the success of the pioneering coethnic garment manufacturers, and now with a certain amount of accumulated wealth gained either from garment retail, sewing services or other unrelated commercial activities, many decided to invest in points of sale in Brás and Bom Retiro to open their own garment shop, in a move against economic diversification.

In Bom Retiro, this coincided with the aging of the first generation of Jewish immigrants, who were mostly adults when they first arrived in the neighborhood in the 40s. The social and economic ascension of the Jewish colony caused most of the second-generation Jewish immigrants to leave the trade and the neighborhood. For the few who remained and insisted on maintaining their garment factories, competing with the cheaper products offered by the Koreans was proving difficult and the direct manner in which they approached the negotiations for the transfer of the sales points seemed threatening. But after the initial surprise, the Jews of Bom Retiro did not take long to notice that the rental of their properties was a profitable and stable business, even more so for the Koreans whose businesses were doing well. As such, in general, the transition of business from the Jewish colony to the Korean colony was peaceful and spawned a long-lasting partnership between both immigrant colonies in the district that lasts until today. Since then, the region’s real estate agents are their point of contact and it is where agreements of interests and conflicts are resolved.

The high competitive level of the Korean businesses at the time relied mainly on the low cost of Korean seamstress labor. A newspaper from 1978 describes the precarious dwelling conditions of a family of illegal Korean immigrants who were making a living by working in a sweatshop:

Mr. Lee – not his real name – only opens the door after a few words in Korean are exchanged with the mandatory guide. Once inside, the life of a five-person family who works, eats and sleeps in a 6 x 5m room, is unveiled. The entirety of their household goods are composed of two embroidery machines under a lamp, a sofa and a wardrobe that is used as a divider for the bedroom-living room-workshop and a tiny kitchen, with mattresses piled up against the closet and an infinity of rags spread all over the floor (COREANOS ESCONDIDOS (Hidden Koreans), 1978).

The article goes on to report on child labor and their fear of being deported, which led them to seclusion and subjected them to work exploitation. This situation is similar to that reported by the press from 2010 to 2015 in regard to Bolivian seamsters, which shows that regardless of the exploited ethnic group, the garment manufacturers of Bom Retiro have since then elevated themselves above this type of labor, including those who suffered such abuse themselves at the initial stages of their own immigration.

⁹The expression “1.5 generation” is used by Koreans to describe Korean-born immigrants who immigrated to Brazil as children and concluded their school education in Brazil.

To better understand the reasons behind the willingness of Korean immigrants to work for a pittance, it is interesting to look at the analysis of Light and Bonacich (1991, p. 359-427) about the immigrant Korean colony in Los Angeles, and take into account the differences between both countries but also, and above all, the similarities of the immigration patterns.

According to the analysis, the first reason for the cheap manual labor was the precarious work conditions of the country of origin, where the transition to capitalism was taking shape in the 70s and the country was reestablishing itself after a long period of Japanese rule and war with North America. A South Korean worker made on average one tenth of what a North American made for the same job and, as such, would happily accept hard labor for a meager salary. The second reason lay in the immigrant's inability to speak the language and the lack of opportunity in the traditional labor market made the backbreaking work of small businesses appealing, if not the only option. Lastly, the concentration of immigrants into small businesses encouraged the exploitation of cheap labor by the coethnic groups since it was a prerequisite for later economic success. In this sense, the low remuneration would be doubly the cause and effect of the Korean focus on small businesses.

¹⁰The translation of the Korean expression *pali pali* is "fast, fast!" Since the general perception is that Korean people are always in a hurry and impatient, this term is considered to sum up their temperament.

As such, the flexibility of work in the garment market, initially enabled by employing the labor of the Koreans themselves and exploiting them based on bonds of loyalty and paternalism, paved the way for the introduction of a new production and sale format, known as *off-the-shelf*, in a market dominated by wholesalers who produced everything to order. The following excerpt was taken from an article found in a newspaper of 1987 that accurately describes the effects of this change in the production method.

(The Koreans) have changed their negotiating style. While the firstcomers are manufacturing clothing to be sold two months later, their shop windows are already all set up. Some claim that the orientals make fast fashion, with little research, and at affordable prices, with the clear aim of turning over their inventory. Some of the observers get the feeling that the Koreans work not only 12 hours, but 24 hours a day. [...] This is how they have taken over the main points in Bom Retiro. [...] all of them have weekly launches, renew their shop windows and turn over their inventories rapidly (A INFLUÊNCIA (The Influence), 1987).

The combination of the Korean *pali pali*¹⁰ concept and the hunger for economic success also suited the off-the-shelf solution, which turned out to be a successful and competitive strategy. For retailers, the new possibility of renewing inventories according to the needs of the moment without having to schedule production months in advance was very appealing. But the success of off-the-shelf fashion was not entirely due to the merits of the Korean garment manufacturers nor was it the result of rational and strategic planning. Its use, above all else, seemed to be circumstantial: based on the frailty of previous sales channels, a habit was created to produce first and look later for someone to sell to. In other words, off-the-shelf also represented a survival strategy, a legacy left over from the time when women would knock on doors on the streets to sell the garments that the family had made.

Off-the-shelf can be considered a hybrid product of retail sales and traditional made-to-order wholesale. Likewise to the retailer, the wholesaler of off-the-shelf goods needs to deal with the accumulation of products in

inventory and needs to display the products to attract the buyer, while the traditional wholesaler would have to work more as an industrial producer operating from within his/her workshop through more stable sales channels. In view of this particularity, the adoption of off-the-shelf sales led to a series of spatial changes at an urban and architectural scale, not limited to the district of Bom Retiro, but also to Brás. The changes were:

- The establishment of a wholesale hub - an open-air wholesale shopping mall that could group establishments of the same business area into a single place to attract a clientele with the same profile.
- An increment in sales strategies, with high-end window displays to draw attention to the products.
- Rearranging of sales and product areas.

The rearranging of the sales and production areas was a reflex of the flexibilization of work, an initial and central characteristic of off-the-shelf wholesale. If planning is not a possibility, production has to become more flexible so it can respond rapidly at the speed of the acceptance of the market products because their success can only be confirmed after their launch, while they were still “hanging on the racks”. An efficient garment manufacturer will observe the sales flow closely at the time of the new collection launch to step up the production of garments that are selling fast in order to increase potential profit, and slow down the production of those that are lingering in the inventory, liquidating them to minimize loss, all within the same collection cycle. As such, an off-the-shelf wholesaler will most likely not have a fixed production line, always preferring to outsource the production of the workshop and maintain a minimum fixed structure within the company.

However, if the flexibilization of work is considered the cause of the off-the-shelf strategy and not the contrary, one can see why the Bom Retiro-based garment manufacturers persist on outsourcing today. In addition, according to Souchaud (2011, p. 77) “the organization evolution of the combination of the textile sector within the scope of globalization, the opening of national markets and the development of strong international competition” makes the search for flexible and cheap labor ever greater and this current context also does not leave too many alternatives for the employment of sewing labor in the garment manufacturing industry of the downtown areas of São Paulo. The high level of competition of off-the-shelf products seems to have ultimately been the main reason for survival of the Korean manufacturers after the opening of the national market in the 90s. It was at this time that many of the older clothing manufacturers in the district closed their doors, which indirectly helped to speed up the ethnic succession process of the Jews to the Koreans in the clothing factories of the textile complex of Bom Retiro.

More specifically, the rearranging of the production area caused two developments: the first is the *permanence of old mix-use buildings for industry and commerce* (Figure 4), built by the Jewish colony to shelter their businesses. They suited the program of the Korean garment manufacturers to work with a tight structure that fits into the existing space despite the fact that it deals with a greater production volume. The second is the *spatial proximity between the garment manufacturers and the workshops*. Besides being convenient, it seems to have a close relationship with the current occupation of Bolivian immigrants in downtown areas, such as Bom Retiro, Brás and

Pari. The economic ascension of the Korean colony and the resulting evasion of the workshops, which began to be engulfed by the factories, seems to have attracted immigrants with a new profile to these workshops, mostly Bolivians over the past 20 years. This has caused the downtown areas to be repopulated, reversing the tendency towards desertification (SOUCHAUD, 2011, p. 71). Most of the newcomers seem to be living and working in the same place, in the home-workshops located in these neighborhoods (CYMBALISTA; XAVIER, 2007, p. 126) which offer cheap housing and employment and are also close to the labor market and the collective social circuit of the Bolivians.

It is worthwhile noting that Light and Bhachu (1993¹¹ apud TRUZZI; NETO, 2007, p. 46) pointed out the proliferation of small Korean firms operating in a similar manner in the garment making markets of São Paulo, Los Angeles, Berlin and Paris, despite the need for a more detailed comparative study to underpin this phenomenon. In the case of São Paulo, local circumstances seem to justify the introduction of off-the-shelf strategies in the garment manufacturing market of Bom Retiro and Brás by the Koreans. Another point that can also be made is that, based on the information available, there is much interaction between Bom Retiro and Jobber Market in Los Angeles, where many Korean garment manufacturers of São Paulo opened businesses in the exact same format as those in São Paulo when they immigrated to the United States. There is, however, another similarity between the business formats of the two hubs of the textile economy. Light and Bonacich (1991, p. xii-xiii) claim that the Korean entrepreneurs in Los Angeles have stepped into the role of mediators between the white manufacturers and the Latin American work force and no longer employ their coethnic groups as their primary work force. If one takes into consideration that the clients of Korean wholesalers in Bom Retiro are Brazilian retailers and that they often receive and execute the orders of local large-scale fashion outlets, one can conclude that that they too mediate the relationships between the Brazilian companies and the Bolivian laborers. This work association between ethnic minorities is seen as something fragile by the authors, a kind of social conflict entanglement, probably because the conflict of interests between the classes is potentialized by the ethnic difference.

On another front, Korean immigration was completing 20 years in the country at that time and Koreans with a different profile, the 1.5 generation,

¹¹ LIGHT, Ivan; BHACHU, Parminder. *Immigration and entrepreneurship: culture, capital and ethnic networks*. Transaction Publishers. New Brunswick, NJ, 1993.

Figure 4: Mixed-use buildings for industry and commerce on Prof. Cesare Lombroso street. Source: Photo by author, 2015.



were beginning to gain entry into the fashionwear manufacturing market. They speak fluent Korean and Portuguese, have concluded their academic studies in Brazil and many have college degrees. It is not hard to see why the Korean garment manufacturers of the Aimorés-Lombroso complex were eager to embrace this generation, made up of children of old immigrants, with almost 30 years of experience in clothing manufacture. This phenomenon was widely criticized though by the Korean colony, which claimed that they were not helping to diversify since they were choosing to work with clothing manufacture instead of using their college training to go into other liberal professions. The money that was earned at the time with garment manufacturing, however, did not compare with the income of an employee, and the opportunity to go into one's own business was appealing and spurred many such individuals to set up their own clothing factories after they married and were ready to raise a family (CHOI, 2011, p. 301).

Truzzi (2011, p. 31) points out that the main disadvantage of belonging to a network of ethnic economy is the lack of *"social capital from reciprocity, derived from relations built outside the network with other groups, which is often crucial for social mobility"*. In this aspect, the 1.5 generation has the clear advantage of transiting in Korean, as well as Brazilian social circles, in addition to being fluent in both languages and familiar with both cultures. As such, they were able to respond rapidly to the economic changes caused by the opening of the market in the 90s, and finding new opportunities amidst the economic crisis by restructuring and systematizing the businesses and increasing the competitive edge of the Koreans even further.

The factors of the situation described above, therefore, led to an exchange in the predominant ethnic group in the district: Bom Retiro, which was considered a Jewish neighborhood and began then to be known as the neighborhood of the Koreans. This transformation took shape because of the textile sector. Changes also occurred in the spatial sense. In the 80s, the first blocks of José Paulino street still sheltered the best points of sale of the district but the new Korean fashionwear shops began appearing on the fringes of the textile complex, where the rental prices were lower and availability was greater. This boosted property values on the second stretch of José Paulino street, from Silva Pinto street to the end, from Aimorés street and Professor Cesare Lombroso street.

MAIN CHARACTERISTICS OF KOREAN GARMENT MANUFACTURE

In the 80s, after having going through many different experiences in several stages of garment production and sale, the success of the off-the-shelf strategy and the introduction of the 1.5 generation, the Koreans began to shape and systematize their businesses according to profitability and circumstances, resulting in what they call "manufacture" or *"jepum"* as it is commonly referred to in the Korean language. It is important to define it because Korean manufacturing is different from sewing workshops where only the sewing service is carried out. In fact, a Korean garment manufacturer usually includes all production stages up to wholesale, minus the sewing service. Most Korean garment manufacturers, since the 80s, are characterized as follows:

- Womenswear
- Off-the-shelf strategy
- Wholesalers who operate nationwide
- Outsourcers of sewing services
- Family business

Womenswear is the preferred modality because of the high volume of goods and the fast turnover. The Koreans faced the speed required to accompany women's fashion trends by combining it with the off-the-shelf production method. This was their formula to success. If the Korean garment manufacturers of the previous decade took on the role of mediators between the Korean producer and seller, the new manufacturers, based in the up-and-coming wholesale points within Bom Retiro and Brás, took on the role of working with the public on a nationwide scale attracted by their shop windows.

A small or medium-sized garment manufacturer employs around 20 to 50 people and has internal areas for administration, product design, patterning, cutting, finishing, inventory and a showroom, the latter usually located on the ground floor (Figures 5 and 6). It is rare, however, to see any actual sewing taking place inside these companies. Based on flexible production set up outside the company structure, the garment manufacturers manage to operate a very streamlined organization in terms of floor area, as well as in labor liability relations, which drastically reduces fixed costs.

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Figures 5 and 6: Internal workshops of a garment manufacturer located at Aimorés street.
Source: Photos by author, 2015.



Korean garment manufacturers are also a family business in which the owners participate actively in production. The owner-couple remains at the core of production with the wife usually taking on the central role in the business by designing the clothing and meeting with customers while the husband manages the staff and finances. According to Sung (2012, p. 347-348), the work required in garment manufacturing has caused many families of patriarchal tradition to witness a rapid increase in the role of the women at home and in business, often leading to conflicts. The combination of family and business also caused tension in relations. In fact, many complain of rifts in the couple's relationship or in the relationship with the daughter-in-law, who is trying to take over the business of the in-laws after marriage. It is not unusual to hear in neighborhood chats that: "[Garment manufacturers] are small businesses. They don't usually have room for two women."¹² Or "I once heard someone saying that he was looking for a daughter-in-law that could manage the company well. So I asked him, are you looking for a manager?"¹³

Marriages among Koreans are, above all else, based on cultural affinity and proximity in community living but in a colony whose members work in the same business, they may also become opportunities to create alliances between families, i.e., between businesses, or to raise successors.

¹² In field reports.

¹³ Interview with a garment manufacturer based on José Paulino street.

¹⁴ OS COREANOS (The Koreans), na invasion of the mystery. *O Estado de São Paulo*. Sept. 19, 1982.

THE 90S: THE SHAPING OF THE WHOLESALE COMPLEX OF AIMORÉS-LOMBROSO

Despite the Koreans of Bom Retiro being known for their dazzling window displays, this was not always the case. According to a newspaper of 1982, "[...] more than just the smell (of garlic), the Korean stores are characterized by the complete lack of any type of advertising" (OS COREANOS (The Koreans)¹⁴ apud CHOI, 1991, p. 107), and the clothing shops of that time period were lackluster and haphazard in appearance. Little by little, improvements began to be made in the presentation of the products as a result of the inherent needs of the business.

In the 90s, they faced an economic crisis that forced them to restructure their businesses and led to a qualitative leap. According to Choi (2011, p. 308), the opening of the Brazilian market brought refinement to the products produced by the Korean manufacturers as a result of the immediate need to differentiate their products from the cheap clothing imported from Asia and to explore a market niche that Asian products could not reach, thus avoiding the competition. Therefore, if the clothing manufacturers of the 80s made their profit by selling cheap products on a large scale, the manufacturers of the 90s, on the contrary, made their profit by investing in quality. Since they did not have the professional background to work with fashion design, they made replicas of what was in existence and since then Koreans travel periodically to Europe and New York to fill their bags with the latest catwalk designs, taking advantage of the fact that the fashion trends in Brazil show up six months after their initial launch in the Northern Hemisphere. Upon returning to Brazil, the clothes are pulled apart, the cuts are analyzed and the fit is tailored to suit Brazilian body shape and taste. In Bom Retiro, tourist agencies offer international excursions to those who travel specifically for this purpose.

This new work habit directly influenced the spatial transformation of the neighborhood. After having traveled abroad, the Koreans brought back not only the clothes of the new collections but also the references of window

displays, of sales areas and of product presentations used by mainstream international fashion hubs. The streets that began to change because of this concern with sophistication, such as Aimorés street and Professor Cesare Lombroso street in Bom Retiro and Miller street in Brás, began to stand out from the rest of the garment district streets. According to a former garment manufacturer on Aimorés street *“Then the high streets of Bom Retiro and Brás started to look like Europe, like Saint-Germain in Paris”*¹⁵.

The sophistication of the products triggered an increase in property values on the commercial streets of Bom Retiro, caused mainly by a dispute among Korean manufacturers to grab the best sales points. If considering that spatial concentration is a characteristic of wholesale off-the-shelf activities, and that the location of the store has an influence on sales performance, it is easy to see why such internal disputes began to take hold. The new garment factories of the time, already on board with the sophistication idea, found on Professor Cesare Lombroso street, until then occupied by small firms and warehouses, a cheap place to build a new business street in line with the revamped quality standards of the manufacturers. The clothing manufacturers on Lombroso street were the first to set up eye-catching shop windows because they had to draw the attention of the customers. They took advantage of the fact that they were smaller, implemented more aggressive sales strategies and soon the market on Lombroso street became the more dynamic one. At the time, the collective movement had enough power to quickly drive up property values on the street, and this led to the birth of a new fashion complex.

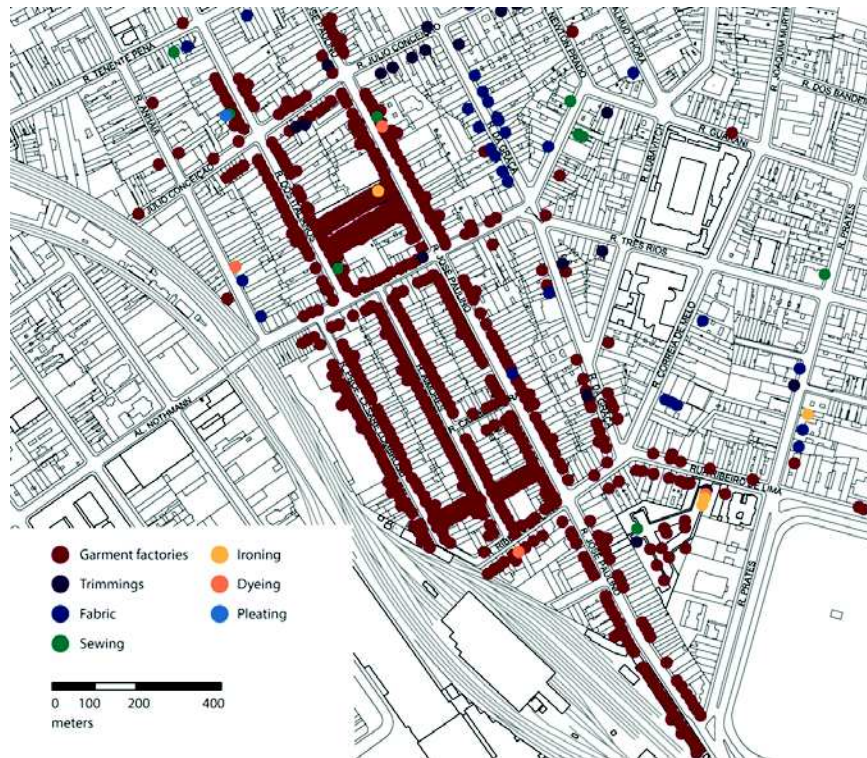
With the economic ascension, the manufacturers on Lombroso street began to get wealthier and ended up moving first to José Paulino street and later to Aimorés street. Some successful manufacturers began to acquire shops on Aimorés street, where the buildings were larger and where there were opportunities to negotiate the purchase of properties. Half of the real estate on Lombroso street is in the hands of a single owner, which makes acquisition difficult and forces the manufacturers to earmark a part of their profit to rent payments that do not stop rising with the appreciating value of the street. Those who adopted the strategy to purchase a property on Aimorés street at the time managed to reduce their fixed costs and increase their freedom to remodel the property. And this formula was even more successful for those who set up shop on Aimorés street. As a result, the commercial points on Aimorés street became prime real estate in a few years. Both streets have grown together since then, sharing the same characteristics and tendencies.

2000S: THE ECONOMIC PEAK

Right after the consolidation of the new Aimorés-Lombroso wholesale womenswear complex, the first five years of 2000 were considered by the local clothing makers as the economic pinnacle of the complex (Figure 7). The excitement was great and local newspapers were claiming that Bom Retiro was trying to take on a new identity underpinned by luxury products. Concurrently, an urban intervention movement, known as *Project Bom Retiro* (PAULA, 2004), started to take shape to propose the coordination of actions from several sectors involved in the district. The project focused on the complex of Aimorés-Lombroso as a pilot area and implemented a series of integrated measures. The result of this initiative, however, was restricted to remodeling urban buildings and a series of reforms were carried out in the

¹⁵ Excerpt from interview with an engineer and former garment manufacturer from Aimorés street.

Figure 7: Location of the businesses of Korean immigrants in the textile complex of Bom Retiro.
Source: Diário Joong-Ang¹⁷.
Base: Cesad-FAU-USP¹⁸.



commercial units banked by the manufacturers themselves, even if most were not the owners of the property. It can be said that some invested because of their firm belief in the growth of their business but it is undeniable that many were required to follow the changes implemented by their neighbors to avoid becoming the odd-one-out. What they did not know was that the changes, on the other hand, would cause their rent to shoot up 60% over a period of three years (DANTAS, 2006)¹⁶. Regardless, the colony is proud of what these streets have become.

The manufacturers, however, wanted a greater professional specialization level and more formal business processes and wished to gradually eliminate the flaws and ingrained habits that are typical in small family businesses. While sales and the volume of merchandise grew, the clothing manufacturers felt an urgency to regulate their businesses, a wish that is made clear when they mention that they “*want to stop being tradespeople and become true entrepreneurs*”. This is, however, proving to be a difficult challenge to overcome for those who achieved economic success without any administrative knowledge, copying business formulas from their neighbors and acquaintances, and without having reflected much about underlying ethics and moral values. When accused of exploiting illegal laborers, many of the manufacturers seem perplexed with the changes in value that are now applied on the work of seamsters, although they were themselves the recipients of such benefits that gave them support and helped them to rise through the difficulties in the early days of their immigration.

¹⁶ On the details of the boost property values in the textile complex, see Chi (2016) Chap. 4, item 1.3.

¹⁷ Diário Joong-Ang. *Lista comercial dos coreanos 2009/2010*. São Paulo, 2009 (in Korean).

¹⁸ *Mapas digitais da Região Metropolitana de São Paulo*. São Paulo, Cesad-FAU-USP. Available at: <http://www.cesadweb.fau.usp.br/index.php?option=com_content&view=article&id=12819&Itemid=1460#current>. Accessed on November 01, 2014.

Figure 8: Clothing manufacturers on *Italianos* street with doors closed during business hours. Source: Photo by author, 2015.



TODAY

For a few years now, the textile complex of Bom Retiro is showing signs of retracting. Regardless of the local economic scenario, this retraction is related to the general symptoms of a neoliberal economy, such as the decline of small local businesses, the relocation of the production line to Asia and competition from multinational fashionwear chains (Figure 8). The drop in performance of the district's manufacturers over the past few years has forced many to close their doors. As such, those that continue there today consider themselves survivors. The consensus is that a drastic change needs to occur in the structure of these garment manufacturers so they can survive and flourish again. Many manufacturers think the next step is to follow the example of the large multinational department stores and create their own brands, employ professional marketing strategies and take control of the entire production and sale chain – from the creation of the products and production up to the sale to the end consumer. And this often includes moving the production unit to Asia, a solution that, while keeping costs low, also keeps the production process regulated without the need to adapt to the local work requirements.

On the other hand, the time has come for Korean garment manufacturers to bring in the next generation. In view of the absence of heirs, they are choosing to change their mode in order to continue surviving. Elderly ladies continue to work with the creation of garments but they no longer work with young women's fashion. They have migrated to plus sizes, for older ladies or party dresses, modes which do not change based on seasonal trends.

In regard to this imminent need for succession, the second generation is divided. Many have inherited their parents' clothing factories but there are also many moving away to find other more specialized jobs. What can be seen is that this avoidance by the second generation to enter the manufacturing activities occurs mostly when the parents have low incomes. As such, the adhesion of the second generation to the garment

manufacturing business seems to be greater in the wholesale complex of Aimorés-Lombroso. The continuity of Korean business in the textile complex of Bom Retiro, however, seems to be a mystery because the strong internal competition and the economic scenario of the past few years is no longer attracting new Korean immigrants to the district.

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Author's note

This article was created based on an excerpt of the Master's dissertation *O bom retiro dos coreanos: descrição de um enclave étnico* (*The Bom Retiro of the Koreans, a description of an ethnic enclave*) submitted to the School of Architecture and Urban Planning – University of São Paulo (*Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo* – FAU-USP) and developed under the guidance of Prof. Dr. Vladimir Bartalini (CHI, 2016). Its development was supported by the São Paulo State Research Support Foundation (Fundação de Amparo à Pesquisa do Estado de São Paulo – FAPESP).

Editor's note

Date of submission: 07/19/2016

Acceptance: 11/12/2016

English revision: Lesley Sogl

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