

The following is the second chapter from Thomas Sowell's "Black Rednecks and White Liberals". While I recommend every chapter in the book, the second is the least specific to a particular place and time and I frequently find myself recommending it to others. The phenomenon he describes in it is still relevant in the world of the present, and some of the unfortunate consequences are described in Amy Chua's "World on Fire". Any typographical errors are mine. Although I consider intellectual property to be an artificial restriction on property rights and a monopoly created by government, out of respect for Mr. Sowell I will remove this from the internet should I find that he disapproves of my having put it up.

Are Jews Generic?

In any given country, a particular minority may be hated for any of a number of reasons peculiar to that country or that group. However, in a worldwide perspective, the most hated kinds of minorities are often not defined by race, color, religion, or national origin. Often they are generically "middleman minorities," who can be of any racial or ethnic background, and in fact are of many. Many of the historic outbreaks of inter-ethnic mob violence on a massive scale have been against the Jews in Europe, the Chinese minorities in various Southeast Asian countries, against the Armenians in the Ottoman Empire, the Ibos in Nigeria, and against other middleman minorities in other times and places.

While many kinds of minorities have been persecuted and subjected to violence, the sheer magnitude and duration of the persecution and violence unleashed against middleman minorities eclipses that unleashed against other kinds of groups. Conquered aborigines or formerly enslaved groups, for example, might be held in greater contempt but lethal animosities on a mass scale have been particularly often directed at middleman minorities. The mass slaughter of tens of thousands of Ibos in mob attacks in Nigeria, and the horrors inflicted on the Vietnamese "boat people" (most of whom) were ethnically Chinese have been reminiscent of the pogroms against the Jews in Eastern Europe, and the term "genocide" has been used to characterize what happened to the Armenians in the Ottoman Empire during the First World War, as well as to the Jews under the Nazis a generation later. Smaller violence rampages against the businesses, homes, or persons of middleman minorities have been common around the world, whether directed against the Lebanese in Sierra Leone, the Japanese in Peru, the Indians in Burma, or the Chinese in Southeast Asia. Other kinds of minorities have also suffered violence, but the scale of lethal mass violence against middleman minorities has been unequalled¹. All the blacks lynched in the entire history of the United States² do not add up to as many people as the number of Chinese slaughtered by mobs near Saigon in 1792³, or the Jews killed by mobs in Central Europe in 1096 or in the Ukraine in 1648⁴, much less the slaughters of Armenians by mobs in the Ottoman Empire during the 180s or during the First World War⁵. Only the Nazi Holocaust exceeded the slaughter of Armenians and,

¹ Victor Purcell, *The Chinese in Southeast Asia*, second edition, (Kuala Lumpur: Oxford University Press, 1980), p. 184.

² See U.S. Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970* (Washington: U.S. Government Printing Office, 1975), p. 422.

³ Victor Purcell, *The Chinese in Southeast Asia*, p. 184.

⁴ Solomon Grayzel, *A History of the Jews: From the Babylonian Exile to the Present, 5728-1968* (New York: Mentor Books, 1968), pp. 306, 440-442; Jonathan I. Israel, *European Jewry in the Age of Mercantilism 1550-1750* (Oxford: The Clarendon Press, 1985), pp. 120-121

⁵ David Marshall Lang, *The Armenians: A People in Exile* (London: George Allen & Unwin, 1981), pp. 10, 12.

while the Holocaust was the ultimate catastrophe for Jews, it was also the culmination of a long history of lethal mass violence unleashed against middleman minorities around the world.

What do all these groups have in common and why have they been hated so much? Partly the resentments and animosities against these groups have derived from the economic role they play, a role that has been widely misunderstood and widely resented --- in very disparate societies, over a period of many centuries --- even when this economic role has been played by people not ethnically different from those around them. Differences of race, religion or ethnicity, added to the resentments arising from the economic role itself, have produced explosive mixtures in many times and places.

THE ECONOMIC ROLE

Middleman minorities have been intermediaries between the producers and consumers, whether in the role of retailers or money-lenders. The retailing has ranged from the modest level of street peddlers to that of grand merchants owning chains of stores and money-lending has likewise ranged from the level of the small neighborhood pawnbroker to that of the international financiers. Jews have historically been the classic middleman minority, to whom others have often been analogized --- the overseas Chinese as "the Jews of Southeast Asia," the Lebanese as "the Jews of West Africa," the Parsees as "the Jews of India," and the Ibos as "the Jews of Nigeria," for example. Shakespeare's merchant of Venice was a Jew and the story revolved around his money-lending. Numerically, however, the 36 million overseas Chinese are more than twice as numerous as all the Jews in the world.

Among other prominent middleman minorities have been the Gujaritis from India, who have played the middleman role in countries ranging from the South Pacific islands of Fiji to the

United States and South Africa. Armenians have been another prominent middleman minority in countries around the world, and the Chettiars from India have specialized in the middleman occupation of money-lending in many times and places. In addition to these international middleman minorities, there have been ethnic groups who played this role in particular countries or regions, such as the Marwaris in India's state of Assam or Koreans in America's black ghettos.

Middleman minorities have often been middlemen in a social sense, as well as an economic sense. They have often served as intermediaries between social groups who, for one reason or another, interact better through third parties than they do directly. Sometimes there are differences in language and culture, as between members of a colonial establishment and the indigenous population that they rule --- such as between the European overlords in colonial Africa and the African population with whom they had economic and other transactions via the Lebanese as intermediaries in West Africa. Sometimes there are vast differences in status, which make both groups uncomfortable in dealing directly with one another, as for example, Polish noblemen who used Jews to collect rents from the peasants.

None of this is new. In ancient times, Milesians played the middleman role in this sense:

The Milesians not only were familiar with the Greek culture of the mainland, but also were conversant with the Near Eastern cultures of Lydia, of Cappadocia, of Phrygia, of the Phoenician lands, of Egypt, of the whole Levantine world. Traders they were, wandering about, speaking with great facility this, that, or the other tongue that they found necessary to transact their business.⁶

Armenians in the Ottoman Empire were likewise middlemen in this social sense, as well as in the economic sense:

Armenians, although persecuted, possessed wealth and influence to a considerable degree because they had succeeded, in the course of centuries, in making themselves indispensable to their overlords. The Turk, after all, was not familiar with the intricate web of seaborne traffic, with the many languages of the Near East, with commercial accounting even when elementary --- in short, was not able to get along without his despised Christian slave (because that's what the Armenian was, at least a semi-slave).⁷

During the centuries of Mongol domination in Central Asia, Armenians likewise served as trade envoys, interpreters, and soldiers.⁸ In modern Sierra Leone, the Lebanese were often middlemen between the Europeans and the native Africans, investing the time to become better acquainted with local African languages and the African way of doing things, as well as with individual Africans.⁹ The Chinese played a similar role during the colonial era in French Indochina and, of what were then called the Dutch East Indies, it was said: "All that the natives sold to Europeans they sold through Chinese, and all that the natives bought from Europeans they bought through Chinese."¹⁰

Such intermediary roles are not without their hazards. High prices, for example, may be caused by others but it is the middleman minorities who directly charge these prices who are likely

⁶ Howard Becker, *Man in Reciprocity: Introductory Lectures on Culture, Society and Personality* (New York: Frederick & Praeger, 1956), p. 227.

⁷ Ibid. p. 230.

⁸ David Marshall Lang, *The Armenians*. p 79.

⁹ H. L. van der Laan, *The Lebanese Traders in Sierra Leone* (The Hague: Mouton & Co., 1975), pp. 40-46, 230-231

¹⁰ Victor Purcell, *The Chinese in Southeast Asia*, pp. 195, 204, 431, 433.

to be blamed. The manufacturer may be raising his prices, or the government may be raising taxes, or the costs of doing business in a given neighborhood may be higher because theft, vandalism, and violence raise the cost of insurance, or for other reasons. But, in any case, those who charge the customers these higher prices are more likely to be blamed than those who caused the prices to be higher. Where those who cause the higher prices are of the same ethnic background as the customers, and the middleman is ethnically different, then it is a virtual certainty the the middleman will be blamed by the customers and by their political and other leaders.

In the case of aristocratic or colonial overlords, where a middleman minority collects the rents or taxes that these overlords impose, or otherwise serves as an economic or social intermediary, the resentments of the masses may again be directed at the middleman who is seen face to face, more so than at distant overlords. What was said of the Chinese in the days of the Dutch East Indies could be said of other middlemen in other places and times: "the natives detested the Chinese, for they saw in them the active agents of a system of oppression by which they were frequently reduced to beggary."¹¹ Because the middleman is essential to the overlords, these rulers may protect him when necessary from overt violence. On the other hand, during periods when resentments reach the point where the governing powers themselves are at some risk, nothing is easier than to throw the middleman minority to the wolves and not only withdraw protection but even incite the mobs in order to direct their anger away from the overlords

Although there have been many middleman minorities over the centuries and around the world, the tragic history of the Jews, as a people without a country for two thousand years, climaxed by the Holocaust. in which one-third of all the Jews in the world were murdered, is unique. Yet the history of many other groups in other times and places has borne a remarkable

¹¹ Ibid., p. 433.

similarity to that of the Jews in a number of ways, though of course no two groups are the same in all ways. These similarities include their economic patterns, their social patterns, and the pattern of responses they have evoked from others.

Some observers have seen the resentments toward middleman minorities as being due to their prosperity, but truly wealthy people have seldom provoked the kind of rage and bitterness directed at middleman minorities, even in times and places where most middlemen were far from rich. It is not just what these minorities have achieved, but how they have achieved it, that evokes suspicions and resentments.

Throughout most of the history of the human race, most people have made a living in agriculture --- typically through arduous labor. The beginning of the industrial revolution meant, for most people, the transfer of the scene of that arduous labor from farm to factory. To such people, those who earned their livings without visible toil, with clean hands, and by simply selling things that others had produced at higher prices than the producers had charged, were ready targets of resentments, especially when these non-producers enjoyed a higher standard of living than those who worked on factories or on farms. It did not have to be a dramatically higher standard of living. Those nearby on the socioeconomic scale are often more hotly resented than distant rich people.

Just as there are those who believe that only workers who handle tangible objects in the production process are "really" producing output, so they believe that middlemen who physically produce nothing are merely parasites who insert themselves gratuitously between the "real" producers and the consumers. If this crude misconception seems like too little to account for so many centuries of hostility and violence against so many groups that are typically non-violent

themselves, it is nevertheless at the core of animosities that have endured even after most members of middleman minorities have moved on to professional careers in medicine, law, and other fields.

The Economic Fallacy

Even in the absence of differences in toil or reward, the seeming conjuring of wealth out of thin air, apparently by "overcharging" others or making them pay back more money than was lent, has been seen as parasitic activity, rather than as a contribution to the well-being of the community.

Suspicious are readily aroused against an occupation where an income is generated, in Friedrich Hayek's words, "'out of nothing,' without physical creation and by merely rearranging what already exists," an operation that to the uninitiated seems to "stink of sorcery."¹² Demagogues can easily supply theories that play upon this pre-existing suspicion and misapprehension. However, even in the absence of demagogues or of ethnic differences, the economic role alone can generate negative reactions.

An often-cited economists's account of rudimentary economic activities within a prisoner-of-war camp in Germany during World War II showed the economic and social role of middlemen among the men in the camp. Prisoners of war were fed by their captors, while the monthly shipments of Red Cross packages supplemented their food and provided a few amenities like chocolates and cigarettes. All prisoners received the same material goods but of course they valued different items differently. Non-smokers traded cigarettes for chocolates. Sikhs among the prisoners traded away canned beef for jam or margarine. On days when the Red Cross packages arrived, direct one-on-one trades created chaos in a camp with more than a thousand prisoners.

Camp authorities sought to bring some order into the situation by setting up bulletin boards on which prisoners could make their offers of trades. But what proved to be even more efficient arose spontaneously among the prisoners themselves: Particular prisoners would circulate around the camp, trading back and forth --- playing the role of middleman among their numerous fellow prisoners, who traded with one another without coming into direct contact. The other prisoners saved themselves the bother and the middlemen ended up with more material goods, in effect charging for their services.

The middlemen who emerged in this informal economy were not necessarily ethnically different. Those individuals who played the middleman role in the camp ranged from a Catholic chaplain to a Sikh. Moreover, the needs they met, though seemingly trivial from the perspective of a larger and more affluent society, were matters of "urgency," according to a British economist who was one of these prisoners.¹³ Things like cigarettes, jam, razor blades and writing paper meant a lot in the grim conditions of a prisoner-of-war camp.

The other function of middlemen --- lending and charging interest --- also arose in the camp. As prisoners' supplies of cigarettes or sugar ran low near the end of the month, those who had saved these items would provide them to those had run out --- in exchange for a pledge to pay back more than was lent when the next Red Cross package arrived. The economist among them was fascinated to see many of the economic phenomena associated with a complex market economy appearing spontaneously in these primitive conditions. But he also noted social and political phenomena generated by the work of middlemen:

¹² F.A. Hayek, *The Collected Works of F.A. Hayek, Vol. I: The Fatal Conceit: The Errors of Socialism*, edited by W.W. Bartley III (Chicago: University Press, 1988), p. 91.

¹³ R. A. Radford, "The Economic Organization of a P.O.W. Camp," *Economica*, November 1945, p. 185.

Taken as a whole, opinion was hostile to the middleman. His function, and his hard work in bringing buyer and seller together, were ignored; profits were not regarded as a reward for labor, but as the result of sharp practices. Despite the fact that his very existence was proof to the contrary, the middleman was held to be redundant...¹⁴

Here, in a microcosm, was the fundamental problem of the middleman down through the centuries and around the world. In the prisoner-of-war camp, at last these misconceptions were not compounded by the additional factor of ethnically different middlemen and there was no market for political demagoguery.

Social Prerequisites

In the larger world, the economic role of a middleman *minority*, as distinguished from that of isolated individuals, implies various social patterns. For a particular minority group to become dominant in retailing or money-lending, whether at a high or a low economic level, means that their behavior pattern must be fundamentally different from that of the surrounding population. Otherwise, the majority population would supply the majority of the middlemen in their own society. This crucial difference cannot be simply that the middleman minority has more money. Again and again, in different ages and in various countries, the middleman minority has arrived on the scene as destitute immigrants, owning virtually nothing and barely able to speak a few words of the language of the country.

¹⁴ Ibid., p. 199.

This was the situation of the vast numbers of Eastern European Jews who arrived in the United States in the late nineteenth and early twentieth centuries.¹⁵ The greatest concentration of Jews in the world was on New York's lower east side, where a 1908 study showed that about half the families slept three or four people to a room, nearly one-fourth slept five or more to a room, and fewer than one-fourth slept two to a room.¹⁶ During the same era, Chinese immigrants typically arrived in Southeast Asian countries in similar rock-bottom poverty. For example: "Immigrant Chinese arriving in Indonesia usually brought nothing but a bundle of clothes, a mat, and a pillow."¹⁷ It was much the same story with Lebanese immigrants to colonial Sierra Leone and, in a later era, Korean immigrants and Vietnamese refugees to the United States. Whatever economic progress such people could make would come slowly and as a result of a long uphill struggle.

How could middleman minorities rise from such beginnings? More to the point, how could they eventually rise above the native-born population around them? Clearly, their values, their discipline, and their culture had to be different. Moreover, if they wanted their children to succeed, they had to make sure to keep these crucial intangible assets different. Accordingly, middleman minorities around the world have distanced themselves and their children from social involvement with the very different people around them --- whose differences were the basis of their livelihood --- and have therefore often been accused of being "clannish." This term has been applied not only to the Jews in Europe and America but also, on the other side of the world, to the Parsees of India¹⁸ --- and to other middleman minorities in between.

¹⁵ Hasia R. Diner, *The Jews of the United States 1654 to 2000* (Berkeley: University of California Press, 2004), pp. 81, 102.

¹⁶ Irving Howe, *World of Our Fathers* (New York: Harcourt Brace Jovanovich, 1976), p. 148

¹⁷ Victor Purcell, *The Chinese in Southeast Asia*, p. 433.

¹⁸ "Indeed, if we were translating the milder Hindu epithet in an inoffensive a way as possible, we might call the Parsees clannish." Howard Becker, *Man in Reciprocity*, p. 232.

Even when middlemen have lived in the slums, their children have worked harder and succeeded more often in the same schools where other children were failing. That was not only the history of Jewish children in the United States but also of Chinese children in Southeast Asia, children of the Tamil middleman minority in Sri Lanka, of Korean immigrant children in the United States, and other offspring of middleman minorities elsewhere.

Middleman minorities, struggling up from the bottom, could not afford to have their children absorb the values of the society around them. Clannishness was all but inevitable.

This social differentness, compounded by social withdrawal from the larger society, creates additional sources of resentment and hostility faced by a middleman *minority*, besides the resentments growing out of the middleman economic role, as such. Yet, if the middleman minorities were not different, they they would be of little use to others. People who do not save, for example, are able to get loans or to buy on credit from middleman minorities precisely because the latter do save. If middleman minorities were as improvident as their customers or clients, they would have nothing to offer them and their businesses would be very short-lived.

The ability to save has played a key role in the rise of middleman minorities. An observer in India noted: "Gujaratis were rigorous savers, and their families worked endless hours and lived abstemiously to ensure their success."¹⁹ The same thing could be said of the Jews, the Koreans, the Lebanese and many other middleman minorities. Although middleman minorities often began at the bottom, it was typically at the bottom in entrepreneurial activities, often as peddlers with packs on their backs, the more fortunate ones with pushcarts, and --- usually somewhat later --- small shops. Even such large enterprises as Macy's, Bloomingdales', and Levi Strauss among the Jews and Haggar and Farah among the Lebanese, began at the level of the lowly peddler.

¹⁹ Gurcharan Das, *India Unbound* (New York: Alfred A. Knopf, 2001), p. 45.

According to a history of the Jews in the United States, "staggering numbers of Jews in the decades before and after the Civil War first experienced America through peddling," which became "the nearly universal American Jewish male experience."²⁰ While Jewish peddlers worked as isolated individuals, their supplies came from a wider network:

Each peddler functioned in a long Jewish economic chain linking shopkeepers to Jewish wholesalers in the larger cities on whom they depended for credit. The Jewish peddler on the road served as the agent of the Jewish town shopkeeper and the big city jobber. This trading network depended on intracommunal trust. Wholesaler and peddler understood each other, spoke the same language, and knew the same people.²¹

Jewish wholesalers in port cities from New York to San Francisco supplied Jewish peddlers with merchandise which they carried on their backs into the hinterlands --- to farmers, minders, railroad crews and others working far from the big cities and often in places where there were few or no stores.²² Peddlers of course also worked in cities and in every region of the country --- from the Souther plantations to the California mining camps where Levi Strauss first began to sell the rugged trousers that were to make his name famous. While Jewish peddlers often worked in isolation among a non-Jewish population, they were nevertheless tied to a wider Jewish community, not only by commercial ties to Jewish wholesalers and manufacturers, but also to family members in Europe and America. They often saved money to pay for transatlantic passage for relatives in Europe to come and join them.

²⁰ Hasia R. Diner, *The Jews United States 1645 to 2000*, p. 100.

²¹ Ibid.

²² Ibid. , p. 99.

These savings at some point also allowed the peddler to set up a little shop in town, settle down, get married, and raise a family. The wives and children then worked in the same little business. Often the Jewish shopkeeper or other small business and his family lived above or behind the store.²³ Milton Friedman's family lived this way when he was growing up, a pattern that he described as common among the immigrants to America in that era.²⁴ Yet this pattern was by no means confined to Jews or to America. Similar economic and social patterns could be found among the Lebanese in Sierra Leone²⁵ and among other middleman minorities in other parts of the world. The overseas Chinese storekeeper in the Philippines was likewise "willing to live in a small corner of his store."²⁶

As among the Jews, Lebanese children were initiated into their family businesses in the United States, as were the children of other middleman minorities in other countries:

Whereas a minority of sons and daughters peddled at an early age, many, perhaps the majority of store owners' children were prepared for life behind a counter. School-age children, when not in school, were at their parents' elbows, waiting on customers, making change, stocking shelves, and imbibing the shrewdness of operating an independent business on meagre resources. They were inculcated with the parents' work and thrift ethics and the lesson that family unity and self-denial was essential to the family's goals.²⁷

Lebanese children were likewise initiated into their families' stores, and into its economic culture, in Sierra Leone.²⁸

²³ Ibid., pp. 101-102

²⁴ Milton & Rose D. Friedman, *Two Lucky People: Memoirs* (Chicago: University of Chicago, 1998), p. 21.

²⁵ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, p. 11.

²⁶ Victor Purcell, *The Chinese in Southeast Asia*, p. 546.

²⁷ Alixa Naff, "Lebanese Immigration into the United States: 1880 to the Present," *The Lebanese in the World: A Century of Emigration*, edited by Albert Hourani and Nadim Shehadi (London: I. B. Tauris & Co., Ltd., 1992), p. 157.

²⁸ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, p. 229.

A similar pattern could be found among Korean shopkeepers in late twentieth-century New York, where family members contributed many hours of unpaid labor toward the family business.

For example:

Mr Kim... and his son daily purchase vegetables: at four o'clock every morning when the dawn is coming, they get up and drive to Hunts Point in the Bronx, where a city-run wholesale market is located...

In the market they run and run in order to buy at low prices as many as one hundred and seventy different kinds of vegetables and fruits. All the transactions are made in cash. At 7 o'clock they return to the store and mobilize the rest of the family members in order to wash and trim vegetables.²⁹

While Korean greengrocers in New York worked long hours by doing wholesale shopping early in the morning at Hunts Point, other greengrocers waited for a delivery service to bring fruits and vegetables to them. The Koreans not only saved the cost of the delivery service, they were able to pick the best quality fruits and vegetables available and, by having the family wash, clip, and sort them, reduce the rate of spoilage. But it took a toll: "They use expressions such as 'bloody urine,' 'drastic loss of weight,' and 'benumbed fingers like a leper's' when they describe the daily struggle of operating their businesses."³⁰ In Atlanta, Korean store-owners worked an average of 63 hours per week, with one-fifth working 80 hours or more.³¹

²⁹ Ilsoo Kim, *New Urban Immigrants: The Korean Community in New York* (Princeton: Princeton University Press, 1981), p. 114.

³⁰ *Ibid.*, pp. 115-116, 120.

³¹ Pyong Gap Min, *Ethnic Business Enterprise: Korean Small Business in Atlanta* (New York: Center for Migration Studies, 1988).

Early Lebanese businesses in the United States were noted for "opening 16 to 18 hours daily," utilizing "the assistance of the whole family."³² During the earlier rise of Chinese shopkeepers in Southeast Asia, sixteen-to-eighteen hour days were also common,³³ and market gardeners from India who settled in nineteenth-century South Africa, peddling produce, could be seen weeding their gardens by moonlight after hawking fruits and vegetables in the cities during the day.³⁴

Because being a peddler or even a small storeowner does not require any large amount of capital, these are occupations open to innumerable people, so that widespread competition has been common -- and that in turn means that profits cannot come easily or without long hours of work and much attention to the business, as well as living within limited means. Nevertheless, such sacrifices tend to eventually pay off. In eighteenth-century Russia's province of Astrakhan, people from India arrived "with very small means, which they then increase in Astrakhan by trade, and living there continuously for ten, twenty or thirty years, become extremely wealthy, so that some among them have now one or more hundred thousand roubles in their possession."³⁵

While some observers might regard such determination and resourcefulness as admirable or inspiring, to others the rise of middleman minorities from poverty to prosperity has been like a slap across the face. If accepted as an achievement, it raises painful questions about others who have achieved nothing comparable, despite in some cases being initially more fortunate. Someone who was born rich represents no such assault on the ego and creates no such resentment or hostility.

³² Alixa Naff, "Lebanese Immigration into the United States: 1880 to the Present," p. 148.

³³ Antonio S. Tan, "The Changing Identity of the Philippine Chinese, 1946-1984," *Changing Identities of the Southeast Asian Chinese since World War II*, edited by Jennifer Cushman and Wang Gungwu (Hong Kong: Hong Kong University Press, 1988), p. 192.

³⁴ Haraprasad Chattopadhyaya, *Indians in Africa: A Socio-Economic Study* (Calcutta: Bookland Pvt., Ltd., 1970), pp. 66, 263-264.

³⁵ Robert P. Bartlett, *Human Capital: The Settlement of Foreigners in Russia 1762-1804* (Cambridge: Cambridge University Press, 1979), p. 150.

Anyone who can offer an alternative explanation of these middlemen's successes --- such as calling them "parasites" or "bloodsuckers" who have prospered at the expense of others --- has been popular in many countries and some have built entire careers and whole movements on such popularity. When people are presented with the alternatives of hating themselves for their failure or hating others for their success, they seldom choose to hate themselves. More commonly they will listen to even inconsistent or irrational arguments against middlemen, as for example against the Chinese in the Philippines:

Pressed as to his case against the Chinese, the Filipino politician would say that the Chinese were too numerous, that they had more than half of the retail business in their hands, that they charged too high prices, cheated in weights and measures, and made high profits. Should it be objected that if this were so all the Filipino has to do was to open up a *tienda* of his own and put the Chinese out of business in the village, the politician would probably shift his ground. He would now say that the Chinese standard of living is deplorably low; the owner of a Chinese *tienda* is willing to live in a small corner of his store, that he eats almost nothing and works day and night; so does his family and assistant if he has one. The Chinese in Manila, he says, persistently disregard the eight-hour work law. In fine, the charge now is that the Chinese runs his business with too little, not with too great, overhead expenses and profits. If this is true, then the Chinese gives excellent service to the community as distributors. The Filipino can buy cheaply because the Chinese live so meagerly.³⁶

³⁶ Victor Purcell, *The Chinese in Southeast Asia*, p. 546.

A common charge against middleman minorities in countries around the world is that they operate illegally and often corrupt the authorities with bribes. What is often overlooked by those who make such charges is that discriminatory restrictions and prohibitions against middleman minorities make it virtually impossible for them to operate legally and still make a living. Sometimes they have been deprived of citizenship in the land of their birth, even when their families have been for generations, or the citizenship available to them does not include the same rights as those indigenous citizens. Such discriminatory restrictions and prohibitions have applied to the Lebanese in West Africa, the Indians and Pakistanis in East Africa, the Chinese in Southeast Asia, and to Jews across much of Europe for centuries. That people who have had to struggle for survival against such discrimination have bent or broken laws is hardly surprising and the high levels of honesty and integrity that many middleman minorities have observed within their own circles suggest that they are not dishonest by nature. Similarly, the high levels of mutual help with family and within other close circles among middleman minorities often contrast with a cold-blooded attitude toward outsiders in societies that have been discriminatory and oppressive toward them.

The idea that middleman minorities are deceptive, unscrupulous and unreliable is far more widespread in political and intellectual circles than among those in the business of extending credit to them. Professor P.T. Bauer of the London School of Economics found this true of Lebanese businessmen during his study of West African trade:

The unfavorable attitude of many officials toward the Levantine communities contrasts notably with the financial support which European banks, manufacturers, export houses and merchants have given to many members of the Levantine communities in West Africa.

Many of the Levantine enterprises enjoy the respect, confidence and financial backing of the British banks and firms. In some instances the supporters are highly regarded old-established firms whose names are household words the world over. It would seem that personal and commercial contacts between members of the Levantine community and their supporters have not confirmed the suspicions and fears entertained in official circles.³⁷

Economic Success

Armenians are among the middleman minorities who have worked their way up in various countries around the world. Armenians were very poor peasants for centuries in the Ottoman Empire. Over time, however, they evolved from rural entrepreneurs to urban entrepreneurs and financiers in Istanbul:

Previously they had directed the transit trade with Persia from Erzurum and eastern Armenia, but gradually they established themselves along the route from Persia to Istanbul. They were found in Sivas and Tokat, centers of agricultural production, in Ankara, center for sheep's wool and goat's wool (*tiftik*), in Bursa, center for silk and tobacco, and in Uskudar, the Istanbul bridgehead in Asia and the destination of trade from Anatolia and Persia. Together with European merchants, they played an increasing role in this trade. Certain Armenians reached significant positions in commerce and finance, for their names

³⁷ P.T. Bauer, *West African Trade: A Study of Competition, Ologopoly and a Monopoly in a Changing Economy* (Cambridge: Cambridge University Press, 1954), p. 149. Professor Bauer defined the term "Levantine" as members of various groups from the Levant, of whom "Lebanese are numerically the most important in West Africa." *Ibid.*, p. 9n.

appear in lists of money changers and bankers. In the eighteenth century they were the most important minority merchants in the capital.³⁸

Both as peasants and as businessmen, Armenians were noted for "sobriety and thrift."³⁹ In the process of becoming the most important middleman minority in Istanbul, the Armenians displaced the Jews in that role.⁴⁰ Armenians were also prominent as traders in Iran:

In Iran in the seventeenth century Armenians "dominated the Persian external trade and much of the internal commerce," their activity stretching from Europe to India.⁴¹

It has not been at all uncommon for groups whose background was in farming to go on to become middleman minorities, as the Armenians did. West African farmers, for example, have long engaged in trade as part of the marketing of their agricultural produce.⁴² Indigenous middleman minorities, such as the Ibo in Nigeria, were thus not fundamentally different initially in skills or wealth from the farmers with whom they interacted, despite attempts to contrast the productive farmer and the unproductive middleman who "exploits" him. P.T. Bauer's landmark study of West African trade found this pattern:

³⁸ Robert Mantran, "Foreign Merchants and the Minorities in Istanbul during the Sixteenth and Seventeenth Centuries," *Christians and Jews in the Ottoman Empire: The Functioning of a Plural Society*, edited by Benjamin Braude and Bernard Lewis, Vol. I: *The Central Lands* (New York: Holmes & Meier, 1982), p. 134.

³⁹ Lord Kinross, *The Ottoman Centuries: The Rises and Fall of the Turkish Empire* (New York: William Morrow, 1977), p. 554.

⁴⁰ Benjamin Braude and Bernard Lewis, "Introduction," *Christians and Jews in the Ottoman Empire*, Vol. I: *The Central Lands*, pp. 21, 25.

⁴¹ Charles Issawi, "The Transformation of the Economic Position of the *Millets* in the Nineteenth Century," *Ibid.*, p. 262.

⁴² *Ibid.*, pp. 11-12

The rapacious and unproductive middleman in primary producing countries is often unfavourably contrasted with the allegedly more deserving farmer. This contrast is misleading. It neglects the fact that as long as entry is free the middleman is unlikely to secure an excessive income since this would quickly attract competitors. Perhaps more important, the dichotomy is a false one. More often the real distinction between the producer and the middleman, but between unenterprising, indolent, unambitious and perhaps thriftless individuals, and others more venturesome, energetic, resourceful and frugal. The small-scale produce buyer or village trader is quite often the farmer who thinks the effort worth while to collect and market his neighbours' produce or to cater for their simple requirements. These intermediaries are generally members or former members of the agricultural community (or are at least closely connected with it), who have improved their position through their effort, enterprise and thrift.⁴³

While such individuals might be of any ethnic background, in Nigeria they were often from the Ibo tribe, in whose culture "thrift, resourcefulness and foresight were the principal themes."⁴⁴ Some Ibos "began trading with a few shillings or even a few pence derived from the sale of agricultural or jungle produce." From there they proceeded to rise, step by step, as they "slightly enlarged their still very small scale of operations" until eventually they were able to become established in retailing. "In practically all cases they were members of farming families."⁴⁵

⁴³ Ibid., p. 30.

⁴⁴ Ibid.

⁴⁵ Ibid., p. 31.

In West Africa as elsewhere, the rise of middlemen from poverty to affluence has been widely seen as having taken place at the expense of others. This applies to both indigenous and immigrant middlemen, such as the Lebanese:

The opinion derives superficial plausibility from the fact that many traders began operations in West Africa with little or no capital, so that the increase in their capital and their prosperity have been obvious. However, this belief is fallacious because it ignores the productivity of trade. The wealth of traders has not been taken or extorted from the Africans but has been created by their trading activities. It was not previously in existence...⁴⁶

As in the prisoner-of-war camp during World War II and in countries around the world, middleman activities have usually not been seen as producing wealth, but only as appropriating pre-existing wealth, since the middleman does not visibly create a material thing. Neither does anyone else create or destroy matter, except for a few nuclear physicists. Turning iron ore into steel products is not creating any material thing but only changing its form to something that people want more. That is precisely what middlemen do when they make goods or money available earlier than otherwise through retailing, credit, or loans. They change the time when things become available. Consumers could, in theory, drive to factories to buy goods directly but retailers make this time-consuming activity unnecessary, for a price --- a price whose legitimacy has often been questioned because the middleman did not change the physical nature of what was sold.

⁴⁶ Ibid., p. 32.

Resentments against both indigenous and expatriate middlemen in West Africa --- with violence having erupted from time to time against both --- underline the fact that it is the activity itself that is resented. The same has been true in other parts of the world and other periods of history. Moreover, moving into middleman occupations from other kinds of work has not been solely a characteristic of farmers. Korean shopkeepers in American black ghettos did not come from a farm or business background in Korea, but from an urban background. They had no special training in retailing, and the great majority had not even been salespeople before opening their own businesses.⁴⁷ Most relied on their own savings, rather than bank loans or government loans, and these savings came chiefly from working low-paid jobs, including two jobs at a time for about one-fourth for about of the Korean businessmen in Atlanta. They worked an average of nearly four years before saving enough money to set up their own business.⁴⁸ In short, they worked their way up from the bottom, much like the Ibos in Nigeria and like other middleman minorities around the world.

When the very same ethnic group plays the middleman role in some countries but not in others, the hostility to them has been greatest where they have been middlemen. Japanese immigrants, for example, were long subjected to far greater in Peru, where they worked in middleman occupations, than in Brazil, where they became agricultural producers --- the latter partly as an organized and conscious effort to avoid the social and political problems associated with operating as middleman minorities.

The economic activity, rather than the ethnic group as such, was likewise crucial in determining public reaction in seventeenth-century Poland, where tens of thousands of Scots lived, most working as peddlers. Like most minorities who have taken on the role of peddlers and

⁴⁷ Pyong Gap Min, *Ethnic Business Enterprise*, pp. 2, 19, 57.

shopkeepers, the Scots faced local resentment and discriminatory laws designed to restrict their economic activities, not only in Poland but in Prussia as well.⁴⁹ Political attacks on Scots in Poland linked them with the classic middleman minority, the Jews⁵⁰. Yet Scots seldom encountered such hostility in the many countries around the world where they worked as teachers, physicians, shipbuilders, and in many other occupations. Indeed, Scottish noblemen who immigrated to Poland were accepted into the Polish nobility, even while their fellow Scots who worked as middlemen faced much hostility.

Just as the same ethnic group can encounter very different amounts of social receptivity or resentments, depending on whether or not they play the role of middleman minorities, so different ethnic groups can encounter very similar hostility when they play the same role as middlemen. The hostility to Jews found in black ghettos, before Jews began pulling out in the wake of the ghetto riots of the 1960s, has been directed in later years at Korean and Vietnamese middleman minorities who succeeded the Jews in those roles. In even earlier times, before World War II, blacks in Harlem were resentful of fellow blacks from the Caribbean, who often played the role of middleman.⁵¹

Whatever the reasons for such widespread hostility to middleman minorities, it cannot be race, culture, religion, or nationality, since middleman minorities have different from one another in all these respects. What they have in common is performing a much misunderstood and much resented economic role --- regardless of who performs that role. Even when the middleman role is played by people no different racially or ethnically from those around them, the resentment is still

⁴⁸ Ibid., p. 82.

⁴⁹ Th. A. Fischer, *The Scots in Germany: Being a Contribution Towards A History of the Scots Abroad* (Edinburgh: John Donald Publishers, Ltd., no date), pp. 35-36.

⁵⁰ Ibid., pp. 38-39, 55.

there. Thus, in centuries past, a Serb who charged interest on loans to a fellow Serb peasants was called a "Greek," a term of condemnation, based on Serbian hostility to Greek money-lenders.⁵²

Charging interest on loans was for centuries widely condemned as immoral, a condemnation often made with the sanction of religion. Jews played the role of money-lenders largely by default in medieval Christian Europe and in much of the Islamic world. Halfway around the world, Chettiars from India faced hostility, mob violence, and eventually expulsion as money-lenders in Burma, even though they generally charged lower interest rates than those indigenous Burmese who were money-lenders.⁵³

The real measure of an economic function, however, is not its plausibility to observers but, rather, what happens to a society in its absence. Some countries have had disastrous famines, not from a lack of food, but from a lack of *distribution* of food. People have literally died of starvation in the interior while food supplies rotted on the docks in port cities. In other economies, both production and consumption suffer from a lack of credit. More to the point, mass expulsion of supposedly "parasitic" middleman minorities have created shortages, higher prices, and rising interest rates, in a number of countries and a number of periods of history.

Being a middleman involved more than retailing. There are also middlemen who buy up agricultural produce that is an ingredient in industrial production --- cotton, for example --- rather than simply something to be resold directly to consumers. Often, especially in Third World countries, this means buying small amounts from many farmers and combining all these small amounts in order to be able to sell in larger quantities to one or a few commercial or industrial firms.

⁵¹ See, for example, Ivan Light, *Ethnic Enterprise in America: Business and Welfare Among Chinese, Japanese and Blacks* (Berkeley: University of California Press, 1972), p. 33.

⁵² Traian Stoianovoiu, "The Conquering Balkan Orthodox Merchant," *Journal of Economic History*, Vo. 20, No. 2 (June 1960), p. 304.

The money-lending function of middlemen can often be combined with both retailing, by selling to consumers on credit, or combined with buying raw produce, by advancing money to farmers to be repaid at harvest time. The Chinese in Southeast Asia, the Lebanese in West Africa and the Indians in East Africa have been involved in all these various middleman activities. Some middleman minorities, such as the Chettiars, specialize in money-lending as such, but many middleman minorities become involved in extending credit or loans as a part of their buying and selling of consumer goods or agricultural produce.

Middleman minorities have often been accused of "taking over" large portions of a country's economy, even in situations where it was they who largely --- or solely --- *created* particular businesses or industries. Many sectors of the local economy simply did not exist before the Chinese arrived in various countries in Southeast Asia, or the Lebanese in West Africa, or the Gujaritis from India in South Africa. But, whatever the historical origins of particular occupations or industries, middleman minorities have often been represented in them out of all proportion to their numbers in the general --- whether while they were still middleman minorities or in later generations when they moved into other professions, businesses and industries.

On the eve of the First World War, for example, Jews were 60 percent of all the merchants in Hungary, despite being only 6 percent of the population. By 1920, they were also half of all lawyers and three-fifths of all doctors. On the eve of Hitler's coming to power in Germany, Jews owned 60 percent of wholesale and retail clothing businesses in the country. In the late nineteenth century, Jews owned 80 percent of all retail clothing stores in New York City and 90 percent of all the wholesale clothing trade.

⁵³ Usha Mahajani, *The Role of Indian Minorities in Burma and Malaya* (Bombay: Vora & Co., 1960), p. 29; John William Henderson, et al, *Area Handbook for Burma* (Washington: U.S. Government Printing Office, 1971), p. 238.

The economic dominance of the overseas Chinese in various Southeast Asian countries has been even greater. Although less than 5 percent of the Indonesian population, the Chinese have controlled an estimated 70 percent of the country's private domestic capital and have run three-quarters of its 200 largest businesses. In Thailand, ethnic Chinese are about 10 percent of the population and have controlled all four of the country's largest private banks. Of the five billionaires in Indonesia and Thailand in the late twentieth century, all were ethnically Chinese. Although the overseas Chinese have long been known as "the Jews of Southeast Asia," perhaps Jews might be more aptly called the overseas Chinese of Europe.

Where middleman minorities have gone into manufacturing, clothing has been a favorite specialty. Like peddling, the manufacturing of garments requires little initial capital and the main requirement for making a living at it is simply to work long hours. Much of this work can be done at home, so it is not necessary to invest in a shop or a factory, and sewing machines are relatively inexpensive, especially when bought on the second-hand market. When poverty-stricken Jewish immigrants were living packed into the tenements on the Lower East Side of Manhattan, the whirring of sewing machines could be heard behind the doors of their little apartments, as the whole family, including children, were marking garments in their home "sweatshops."⁵⁴ As of 1908, 38 percent of the garment workers in New York City were teenage Jews.⁵⁵ Jews have been prominent, if not predominant, in clothing and textiles in medieval Spain, the Ottoman Empire, Argentina, and the United States.

It has been much the same story with Armenians. In the Russian province of Astrakhan in the eighteenth century, 209 of the 250 cotton cloth factories were owned by Armenians, who also

⁵⁴ Jacob Riis, *How the Other Half Lives* (Cambridge: Harvard University Press, 1970), p. 82.

⁵⁵ Selma C. Berrol, "Education and Economic Mobility: The Jewish Experience in New York City, 1880-1920," *American Jewish Historical Quarterly*, March 1976, p. 262.

owned 32 out of 38 silk-weaving enterprises.⁵⁶ Armenians were also prominent as dealers in silk in the Ottoman Empire.⁵⁷ A modern clothier has said, "Everyone you meet in Southeast Asia in apparel is Chinese."⁵⁸ Clothing and textiles were also occupations which attracted Lebanese immigrants in nineteenth-century Sao Paulo, Brazil:

As Syrian and Lebanese pedlars accumulated capital, often by severely depressing their living standards, they opened textile and haberdashery stores along the major routes of communication and in the neighborhood shopping areas.⁵⁹

By the time of the First World War, "Syrian and Lebanese immigrants and their descendants dominated small-scale textile sales in both Sao Paulo and Rio de Janeiro," and "most members of the Syrian-Lebanese community were no longer pedlars."⁶⁰ In Columbia, as well, Lebanese immigrants were best known "for their retail trade in cloth."⁶¹ Like the Jews, the individual Lebanese peddler or shopkeeper was part of a larger network of other members of their own ethnic group. The Lebanese formed "a world-wide network of textile traders," centered in

⁵⁶ Robert P. Bartlett, *Human Capital*, p. 151.

⁵⁷ Robert Mantran, "Foreign Merchants and the Minorities in Istanbul during the Sixteenth and Seventeenth Centuries," *Christians and Jews in the Ottoman Empire*, Vol. I: *The Central Lands*, p. 130; Charles Issawi, "The Transformation of the Economic Position of the *Millets* in the Nineteenth Century," *Ibid.*, p. 263; Vahe Valadouni, "Introduction," *Armenian Merchants of the Seventeenth and Early Eighteenth Centuries: English East India Company Sources*, edited by Vahe Baladouni and Margaret Makepace (Philadelphia: American Philosophical Society, 1998), pp. xxxiii-xxiv.

⁵⁸ Joel Kotkin, *Tribes: How Race, Religion and Identity Determine Success in the New Global Economy* (New York: Random House, 1993), p. 192.

⁵⁹ Clark S. Knowlton, "The Social and Spatial Mobility of the Syrian and Lebanese Community in Sao Paulo, Brazil" *The Lebanese in the World*, p. 300.

⁶⁰ Jeff H. Lesser, "From Pedlars to Proprietors: The Lebanese, Syrian and Jewish Immigrants to Brazil," *The Lebanese in the World*, p. 403.

⁶¹ *Ibid.*, p. 370.

Manchester, England.⁶² As already noted, Lebanese-owned clothing manufacturing firms in the United States include companies that make Haggar and Farah trousers.

The manufacture of clothing is one of those industries that seems especially suited to those who begin with very little money, even if it is one in which a successful individual can later expand to become a larger entrepreneur --- in contrast to an industry like steel-making, where the initial capital has to be substantial, just to begin. Clothing and textiles are just two of many occupations, professions, and industries that middleman minorities have gone into, after they have achieved success in traditional retailing and money-lending enterprises. Often it is the later generations who go on to build upon the rise of their parents and grandparents from peddlers or small shopkeepers. While the earlier generations moved upward from peddlers to sedentary retail or wholesale merchants --- as the Lebanese did in Sierra Leone, Brazil, Argentina, Columbia, Australia, the United States, and the Caribbean⁶³ --- later generations have tended to move not only into manufacturing, transport, publishing, and other industries, but also into professions requiring advanced education, which those who went before them seldom had.

What was said of the Lebanese in Australia could be said of middleman minorities in other countries around the world: "Second- and third-generation Lebanese have been occupationally mobile and economically prosperous in comparison with their peddling and shop-owning predecessors."⁶⁴

⁶² Albert Hourani, "Introduction," *The Lebanese in the World*, p. 8.

⁶³ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, pp. 41, 105-106; Neil O. Leighton, "Lebanese Emigration: Its Effect on the Political Economy of Sierra Leone," *The Lebanese in the World*, p. 586; Esta Valverde, "Integration and Identity in Argentina: The Lebanese of Tucuman," *Ibid.*, p. 318; Louise L'Estragne Fawcett, "Lebanese, Palestinians and Syrians in Columbia," *Ibid.*, p. 369; Alixa Naff, "Lebanese Immigration to the United States: 1880 to the Present," *Ibid.*, pp. 145-148; Clark S. Knowlton, "The Social and Spatial Mobility of the Syrian and Lebanese Community in Sao Paulo, Brazil," *Ibid.*, p. 293; David Nichols, "Lebanese of the Antilles: Haiti, Dominican Republic, Jamaica and Trinidad," *Ibid.*, pp. 345, 352, 355; Andrew Batrouney and Tevor Batrouney, *The Lebanese in Australia* (Melbourne: Australasian Educa Press, 1985), p. 42.

⁶⁴ Trevor Batrouney, "The Lebanese in Australia, 1880-1989," *The Lebanese in the World*, p. 426.

SOCIAL PATTERNS

Among the social patterns found among middleman minorities around the world have been close family ties and strong ties within the group, though these ties have seldom extended to the entire group, despite popular beliefs that Jews or other middleman minorities "all stick together."

Another common pattern among middleman minorities has been an emphasis on education, even when living in the midst of other who were uneducated.

Family Ties

We have already noticed some of the social patterns of middleman minorities --- the children working in the family business, for example. These businesses tended to remain family businesses, even when the peddler became a store owner and the store owner expanded into ownership of a chain of stores or the proprietor of a factory. This has been true of Jewish businesses, overseas Chinese businesses, Lebanese businesses, and businesses run by Gujaritis and Chettiars from India. Even when these enterprises became businesses of international scope, family ties spread across national boundaries. Among the reasons for the success of Jews and Lebanese, in particular, in the import-export business have been their family ties on both ends of many shipments and many international financial transactions. It was much the same story with Armenians in earlier centuries.⁶⁵ Similarly today with the overseas Chinese in Southeast Asia, whose family financial

⁶⁵ Vahe Baladouni, "Introduction," *Armenian Merchants in the Seventeenth and Early Eighteenth Centuries*, pp. xxvii-xxix.

links often reach from country to country in that region, with capital being shifted from place to place according to both economic and political developments in particular countries.

Intense family loyalties have led middleman minorities to take young relatives into their businesses, even when these might have to be brought from overseas in India or Lebanon or elsewhere. Among the Lebanese living in other countries, for example, "a successful emigrant would send back to others from the same district in some town or region of the country of settlement."⁶⁶ In Argentina or Sierra Leone, for example, established Lebanese would lend money to new arrivals or create business partnerships with them.⁶⁷ This has been just one aspect of strongly felt mutual obligations within families. Some middleman minorities have been noted for their remittances to family members in the countries from which they came or in other countries in which they have settled. Local populations have long resented this as exporting their countries' wealth --- a charge often made against the Chinese in Southeast Asia and the Lebanese in many countries. Even in the early years of Jewish poverty in the United States, those in America managed to send money back to family members in Eastern Europe, not only for subsistence but also to pay for their passage to the United States. These international transfers of wealth, though large in the aggregate, were no net reduction of the wealth of the country from which they were sent because the middleman minorities had already added to the pre-existing wealth of the countries in which they settled and were sending abroad only a fraction of that net addition.

The central role of families --- their cohesiveness, cooperation, and loyalties --- has long been a common denominator among middleman minorities around the world. Their successes have not been simply the individual successes of "cream rising to the top" in isolation, though such

⁶⁶ Albert Hourani, "Introduction," *The Lebanese in the World*, p. 7.

⁶⁷ Estela Valverde, "Integration in Argentina: The Lebanese of Tucuman," *The Lebanese in the World*, p. 317; H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, pp. 242, 276.

groups have in fact turned out many remarkable individuals in many fields. Other groups, without the same strong and stable family backgrounds found among middleman minorities, have succeeded disproportionately in those few areas where purely individual talents are the over-riding factors, such as sports and entertainment. In the United States, the Irish in the nineteenth century and blacks in the twentieth century became spectacularly successful in boxing and baseball, as well as among singers and other entertainers, despite their lagging behind other groups in business, science, and other fields with more pre-requisites of cultural or social capital.

Both the nineteenth-century Irish and the twentieth-century blacks were noted for high rates of broken families, violence, alcoholism and crime. It is hardly surprising that both groups succeeded, not only as well as others, but far more so than most others, in fields where only the individual's abilities mattered. Such fields attracted a disproportionate share of their most able and ambitious young people, who often lacked the social prerequisites for widespread success in other fields. While intergroup comparisons have been discouraged by the taboo against "blaming the victim," blame is in fact irrelevant. Certainly no individual or group has any control over the past from which their social and cultural legacy has come. What intergroup comparisons can tell us is which things have turned out to produce what results under what circumstances. If nothing else, that can warn us against blind alleys and counterproductive efforts --- and against demagogues who would lead the young, especially, into those blind alleys and into self-destructive attitudes and behavior.

Patterns within Groups

Commercial, as well as family, ties have been strong within various middleman minorities. German Jewish businesses were among the main employers of Eastern European Jewish immigrants who arrived in the United States during the late nineteenth century. Even earlier, Jewish peddlers were able to get goods to sell on credit from more substantial Jewish businesses, not only in the United States but also in Latin America. Young men from commercial families in India and Lebanon were sent out to East and West, respectively, to establish small businesses, often back in the interior hinterlands where European businesses seldom ventured. The international textile networks established by the Lebanese in Manchester supplied goods sold by Lebanese merchants and peddlers overseas. Cotton bought by Indian middlemen from East African farmers was shipped back to Bombay to be woven into cloth to be sold in international markets.

One of the many practical benefits of close ties within a middleman minority has been an ability to conduct business with one another at lower costs because of less need to resort to precautions before making transactions or to the formal legal system afterward, both of which can be costly and time-consuming. Thus Lebanese diamond dealers in Sierra Leone have handed over diamonds to one another without even getting receipts⁶⁸ --- as Hasidic Jews have done in New York's diamond district.⁶⁹ Such mutual trust has also been common in commercial transactions in general among the overseas Chinese in Southeast Asia.⁷⁰ It was likewise the basis of international trade among the Armenians in earlier centuries:

⁶⁸ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, pp. 191-192. See also p. 43.

⁶⁹ Renee Rose Shield, *Diamond Stories: Enduring Change on 47th Street* (Ithaca, N.Y.: Cornell University Press, 2002), p. 102.

These widely spread but highly interrelated individual enterprises operated under the those of trust. Trust, and the shared moral and ethical norms underlying it, helped the Armenian trading houses to avoid the relatively rigid and costly operation of the hierarchic system of organization practiced by the English. Seen in this light, trust served as a human capital, but one that could not be acquired through a rational investment decision. It accrued to the Armenian merchant community as a result of their collective sociopolitical experiences over many generations. Based on family kinship and trusted fellow countrymen, the Armenian trading house did, indeed rely on trust as its principal means of organization and control.⁷¹

These middleman minorities have thus been able to take advantage of business opportunities that others would either be reluctant to risk or could do only with precautions that cost time and money. But such a mode of operation becomes practical only on the basis of strong social ties and enduring economic relationships that make cheating too costly to attempt.

Despite the frugal living common to middleman minorities around the world, they have also been notable for their donations to their own charitable institutions, such as hospitals and schools, and often to charitable institutions serving the larger society around them. At a minimum, they have avoid the social stigma of having the poorer individuals and families in their respective groups become public charges on the larger society.

The close ties within middleman minorities have led some to imagine a wider web of loyalties than actually existed. Such phrases as "Jews all stick together" confuse intense loyalties

⁷⁰ Janet T. Landa, "The Political Economy of Ethnically Homogeneous Chinese Middleman Group in Southeast Asia: Ethnicity and Entrepreneurship in a Plural Society," *The Chinese in Southeast Asia*, edited by Linda Y. C. Lim and L.A. Peter Gosling (Singapore: Maruzen Asis Pte. Ltd., 1983), Vo. I. pp. 90-93.

within particular subsets of Jews --- or other middleman minorities --- with a solidarity encompassing the whole population of the group. However, when Eastern European Jews began arriving in the United States in the late nineteenth and early twentieth centuries, the predominantly German Jewish community viewed their arrival with alarm. The Jewish press, which was largely controlled by German Jews at that time, characterized the new immigrants as "slovenly in dress, loud in manners and vulgar in discourse," people speaking "a piggish jargon"⁷² --- that is, Yiddish.

The highly acculturated German Jews feared that the huge influx of Eastern European Jews with foreign ways would cause the larger society to raise barriers against all Jews --- a fear that turned out to be well founded. Programs set up by German Jews to try to acculturate Eastern European Jews, in order to minimize the larger society's adverse reactions to Jews in general, included pointed lessons on the use of soap and water.⁷³

When Eastern European Jews moved into German Jewish neighborhoods in Chicago, the German Jews moved out. Both in Chicago and New York at that time, most Eastern European Jews could not afford to live where German Jews lived, in the first place. German Jews were willing to employ Eastern European Jews but living near them was something else. Moreover, even within the poorer Eastern European Jewish neighborhoods on the lower east side of New York, Hungarian Jews had their own enclaves, separate from the enclaves of Russian or Polish Jews. There was a "low intermarriage rate" among these various subgroups of Eastern European Jews and a "mutual incomprehension and intolerance that kept Jews apart."⁷⁴

Mutual aid societies among the Jews were likewise broken down by nationality groups, among other breakdowns. Even in the small Jewish communities back in colonial America,

⁷¹ Vahe Baladouni, "Introduction," *Armenian Merchants of the Seventeenth and Early Eighteenth Centuries*, p. xxiv.

⁷² Irving Howe, *World of Our Fathers*, p. 230.

⁷³ *Ibid.*, p. 229.

Sephardic Jews were known to disown children who married Ashkenazic Jews. Similar sectarian, national, and ideological divisions split Jewish communities throughout the Western Hemisphere and in Europe. In eighteenth-century France, Sephardic Jews expressed the same views as some Gentiles that Ashkenazic Jews were not yet ready for equal citizenship.⁷⁵ In some places, neither marriage nor burial crossed these lines of internal division.*

Similarly among the overseas Chinese in Southeast Asia and the Western Hemisphere, where people from different parts of China belonged to different formal and informal networks, and lived separate social lives, often speaking mutually unintelligible dialects and specializing in different sectors of the economy. As a scholarly study note:

Were the comprador of the Hongkong and the Shanghai Bank in Singapore to be a Cantonese, it was less likely that a merchant who was Teochew could gain access to the Hongkong bank. Chinese banks themselves were dominated by these dialect and kin divisions. For example, the Chinese Commercial Bank (established 1912), the Ho Hong Bank (1917), and the Overseas Chinese Bank (1919) were all Hokkien banks. Lee Wah Bank (1920) was a Cantonese bank. The Overseas Union was a Teochew bank. Here not only the directors and officers but also the customers and depositors were drawn from a similar dialect background.⁷⁶

⁷⁴ Ibid., pp. 110, 111.

⁷⁵ Albert S. Lindemann, *Esau's Tears: Modern anti-Semitism and the Rise of the Jews* (Cambridge: Cambridge University Press, 1997), p. 45.

*When I was in Australia during my research on ethnic groups around the world, members of Jewish groups in Sydney and Melbourne both went to great lengths to tell me of the differences between the Jews who had settled in these cities. Both also repeated the same saying: "Melbourne is a cold city with warm Jews and Sydney is a warm city with cold Jews."

⁷⁶ Rajeswary Brown, "Chettiar Capital and Southeast Asian Credit Networks in the Interwar Period," *Local Suppliers of Credit in the Third World, 1750-1960* (New York: St. Martin's Press, 1993), p. 274.

Among the Lebanese, there was certainly no solidarity between Christian and Moslem Lebanese. Moreover, among the Moslems, there were divisions between the Sunni and the Shi'ites, and among the Christians there were divisions among the Catholics, Maronites, and the Orthodox. These of course all had separate religious institutions, but they also had separate social and business networks. Among the Lebanese who settled in Australia, their regional loyalties seldom extended beyond that of the village" in Lebanon from which they had come.⁷⁷ A history of bitter and lethal intergroup violence in Lebanon and Syria, taking thousands of lives at a time, was part of the legacy that Lebanese took to other countries in which they settled. Even in a small country like Sierra Leone, the many internal disputes among the various Lebanese factions, which spilled over into the courts and involved political authorities, proved too baffling for either Europeans or Africans to understand --- much less settle --- during the colonial era. Indeed one of the main tasks of diplomatic representatives from Lebanon in Sierra Leone after independence was to arbitrate these internal disputes among various Lebanese factions there.⁷⁸ Conflicts among various Lebanese Shi'ite groups spread as far as Australia and conflict among Lebanese political groups led to the assassination of a refugee from Lebanon living in Brazil.⁷⁹

The various Indian middleman minorities, such as the Gujaratis and the Chettiars, have had separate social and economic institutions, both in India and in the many countries where they have settled overseas. As a study of Indian emigration pointed out, "most Indians emigrate primarily as members of their subgroup --- as Gujaratis, Jains, Sikhs or Muslims," and most "still have arranged

⁷⁷ Trevor Batrouney, "The Lebanese in Australia, 1880-1989," p. 424.

⁷⁸ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, p. 245. See also p. 310.

⁷⁹ Albert Hourani "Introduction," *The Lebanese in the World*, p. 9; Michael Humphrey, "Sectarianism and the politics of Identity: The Lebanese in Sydney," *Ibid.*, p. 444.

marriages within their subgroup."⁸⁰ Another study, of Indians in East Africa, notes that they have been "fragmented into so many linguistic, religious, caste, and other sub-groups, as to constitute a 'community' almost exclusively in the minds of outsiders."⁸¹ The Armenian community in the Ottoman Empire was likewise "beset by factionalism."⁸²

The difference is not between atomistic independence and group-wide ties. Subgroup ties and loyalties within middleman minorities have often been intense, but have seldom encompassed all the people lumped together by others.

Education

As communities determined to maintain their own values and work ethic without allowing their children to be influenced by the very different values they often found in the societies around them, middleman minorities have often had their own social institutions, including their own private schools, as among Jews in the United States, there were often supplementary schools, such as the Hebrew schools. In other countries there were often full-time private schools for the children of middleman minorities, teaching in the Chinese language, the Gujarati language, or whatever the particular language of the particular middleman minority might be.

Education has for centuries been a high priority among Jews, even in times and places where illiteracy was the norm among the people around them. A Russian official reported on the

⁸⁰ Joel Kotkin, *Tribes: How Race, Religion, and Identity Determine Success in the New Global Economy*, pp. 227-228.

⁸¹ Pierre L. van den Berghe, "Asian Africans before and after Independence," *Kroniek Van Afrika* (Netherlands), New Series, Vol. III, No. 6 (1975), p. 198.

⁸² Kemal H. Karpat, "Millets and Nationality: The Roots of the Incongruity of Nation and State in the Post-Ottoman Era," *Christians and Jews in the Ottoman Empire*, Vol. I, p. 164.

Jews in Russian-conquered Poland in 1919: "Almost every one of their families hires a tutor to teach its children" and "their entire population studies." He added:

Girls too can read, event he girls of the poorest families. Every family, be it in the most modest circumstances, buys books because there will be at least ten books in every household. Most of those inhabiting the huts in [Gentile] villages have only recently heard of an alphabet book.⁸³

Nearly two centuries later, when television host Brian Lamb asked author Abigail Thernstrom why Jews scored so well on the Scholastic Aptitude Test, she replied: "They have been preparing for it for a thousand years."

This is not to say that education was necessarily the factor that first lifted middleman minorities out of poverty. Among the immigrant Jews in America, for example, most worked in manual occupations during the last decades of the nineteenth century and no Jewish child in New York City graduated from a public high school then because because the first graduating class from any public high school in New York was the class of 1902. A survey of City College students in 1951, when most of these students were Jewish, showed that only 17 percent of their fathers who were born before 1911 had completed the eighth grade.⁸⁴ But Jews were already beginning to rise economically. Their economic improvement meant that their children's labor was no longer necessary to enable the family to survive, so that these children could now go on to finish high school or college.

⁸³ Charles Murray, *Human Accomplishment: The Pursuit of Excellence in the Arts and Sciences, 800 BC to 1950* (New York: HarperCollins, 2004), p. 291.

Higher education was the effect, rather than the cause, of their initial rise --- and it would also become the vehicle by which later generations of Jews could move on into the professions. Even before that was possible, however, the intellectual *interest* was manifest. A survey of public libraries in New York's lower east side tenement neighborhoods where Russian Jews lived in 1912 showed that over half the books borrowed were non-fiction and that most of the fiction was by such authors as Tolstoy, Dumas, and Dickens, while light-weight best-sellers gathered dust on the shelves.⁸⁵ New York's free public libraries, free public lectures and --- above all --- free city colleges were a godsend to the Jews.

When the College of the City of New York, once known as the working man's Harvard, was a distinguished institution that admitted students strictly on their academic records, three-quarters of its students were Jewish. Some other colleges, notably Harvard, set upper limits on the number of Jewish students they would admit because of a fear that otherwise Jews would over-run the institution, because so many were so highly qualified. Similar limits were placed on the admissions of Jews to various universities in Eastern Europe between the two World Wars and in the Soviet Union after World War II for similar reasons.

Education was likewise not the basis for the initial rise of Lebanese immigrants in many societies. Although they came from a country with a tradition of education, 29 percent of the Lebanese immigrants who arrived in Brazil between 1908 and 1936 were illiterate, as were a majority of those who arrived in the first wave of Lebanese immigrants to nineteenth-century Australia, while most of those who immigrated to Mexico in the nineteenth century had not

⁸⁴ Selma C. Berrol, "Education and Economic Mobility: The Jewish Experience in New York City, 1880-1920," *American Jewish Historical Quarterly*, March 1976, p. 261.

⁸⁵ Stanley Feldstein and Lawrence Costello, *The Ordeal of Assimilation* (New York: Anchor Books, 1974), pp. 122-123. See also Irving Howe and Kenneth Libo, *How We Lived* (New York: Richard Marek Publishers, 1979), p. 204.

completed elementary school and those among them who were illiterate often kept letters from home for months until they could find someone to read them to them.⁸⁶ In Sierra Leone, the Europeanized Africans in Freetown initially "looked down on the Lebanese because they were uneducated and poor." Later this contempt "turned into dislike and even hatred when the Lebanese were successful in business."⁸⁷

As with the Jews, the Lebanese first rose in occupations not requiring education but their tradition of respect for education then manifested itself in their later successful rise into the professions. The same pattern could be seen on the other side of the world, among the Chinese minority in Indonesia: "everywhere they went the Chinese carried with them their reverence for learning," even though the earliest Chinese immigrants to Indonesia "were many of them illiterate."⁸⁸ In Burma, as late as 1931, there were more illiterate Chinese males than literate ones.⁸⁹ What the overseas Chinese had was not necessarily more education than others but more of an aspiration for education, which their economic rise through other means would allow them to fulfill. What was said of the Lebanese in the Dominican Republic --- "Having achieved success in the commercial and industrial sphere, many Lebanese encouraged their sons to enter the professions"⁹⁰ --- could be said of Lebanese in other countries, and of Jews and overseas Chinese as well. In nineteenth-century Germany and Austria, the Jewish intelligentsia was overwhelmingly from families that had succeeded in business.⁹¹

⁸⁶ Clark S. Knowlton, "The Social and Spatial Mobility of the Syrian and Lebanese Community in Sao Paulo, Brazil," p. 298; Luz Maria Martinez Montiel, "The Lebanese Community in Mexico: Its Meaning, Importance and the History of its Communities," *Ibid.*, pp. 380-385.

⁸⁷ H. L. van der Laan, *The Lebanese Traders in Sierra Leone*, p. 249.

⁸⁸ Victor Purcell, *The Chinese in Southeast Asia*, p. 452.

⁸⁹ *Ibid.*, p. 46.

⁹⁰ David Nicholls, "Lebanese of the Antilles: Haiti, Dominican Republic, Jamaica, and Trinidad," *The Lebanese in the World*, p. 354.

⁹¹ Peter Pulzer, *The Rise of Political Anti-Semitism in Germany and Austria* (Cambridge, Massachusetts: Harvard University Press, 1988), p. 11.

Jewish students, like students from other middleman minorities, tended to specialize in the more difficult and rewarding fields, such as science, medicine and law. In a later era, Chinese Americans would specialize disproportionately in engineering and science. Even during the era of anti-Chinese feeling in the United States before World War II, Chinese schoolchildren were among the favorites of teachers for their academic performance and their good behavior. At the college level, Asian American students have consistently scored higher than white American students on the mathematics portion of the Scholastic Aptitude Test. However, Asian Americans' success in academia and in later careers is not simply a reflection of higher test scores. A scholarly study found that white students had to have IQs 15 points higher to match either the educational or the economic performances of Asian Americans.⁹²

When university admissions were based on academic performance in Malaysia, the Chinese minority there supplied an absolute majority of the students in higher education. During the decade of the 1960s, the Chinese students outnumbered students from the Malay majority by a hundred to one in the absolute number of degrees received in engineering. In Sri Lanka, children from the Tamil middleman minority outperformed members of the Sinhalese majority on admissions tests and in at least one year made an absolute majority of the A's on these tests. Here too the middleman minority students were particularly concentrated in science, medicine, and the law.

During the days of the Ottoman Empire, students in Armenian schools were found to perform not only better than students in Turkish schools but even wrote better in the Ottoman Turkish language than their Turkish counterparts.⁹³ During the era of the Soviet Union, Armenia

⁹² James R. Flynn, *Asian Americans: Achievement Beyond IQ* (Hillsdale, New Jersey: Lawrence Erlbaum, 1991).

⁹³ Feroz Ahmad, "Unionist Relations with the Greek, Armenian, and Jewish Communities of the Ottoman, 1908-1914," *Christians and Jews in the Ottoman Empire*, pp. 411, 412.

did not require Russian experts to run its economic and other institutions, as some other Soviet republics did. As of 1960, 92 percent of the experts in Armenia were Armenians ---and Armenia also exported about half of its experts to other Soviet republics.⁹⁴

The Lebanese have long been among the more highly educated peoples of the Middle East, though in earlier times this did not mean universal literacy, as witnessed by the many illiterate Lebanese immigrants in the nineteenth and early twentieth century. Moreover, it was Christians in Lebanon who were especially likely to become educated. Partly this was because of Christian missionaries who established schools there for Lebanese Christians. Many of these educated Lebanese immigrated to other countries to live and work, and others went overseas to seek higher education. Before 1970 40 percent of all Lebanese entering the United States did so as students.⁹⁵ Lebanese students in Brazil tended to specialize in courses that prepared them for careers in business and industry --- and, later, law.⁹⁶ Yet even those students who went into law tended at first to become attorneys for their family businesses.

Political Activity

Various ethnic groups in countries around the world have differed greatly in the degree to which they participated in political activity and in the kind of political activity that they engaged in when they did. The Irish, for example, have heavily engaged in politics and have been highly successful at it. Irish political machines long dominated many American cities, and people of Irish ancestry

⁹⁴ Alec Nove and J.A. Newth, *The Soviet Middle East: A Communist Model for Development* (New York: Frederick A. Praeger, 1967), p. 83.

⁹⁵ Boutros Labaki, "Lebanese Emigration During the War (1975-1989)," *The Lebanese in the World*, p. 625.

⁹⁶ Clark S. Knowlton, "The Social and Spatial Mobility of the Syrian and Lebanese Community in Sao Paulo, Brazil," p. 305.

have become presidents of the United States and prime ministers in Britain, Canada, and Australia. Middleman minorities have typically not been as involved in politics, nor as successful, and the kinds of politics they have pursued are usually different from the pragmatic, bring-home-the-bacon kinds of politics characteristic of the great Irish political machines.

For much of the history of Europe and the Islamic world, there was no place in positions of political authority for Jews, Armenians, or Lebanese, just as there was no place for the overseas Chinese in Southeast Asia or for the Indians in Fiji or East Africa or South Africa. Their whole orientation was usually in other directions, so that even the emergence of democratic societies did not attract as much participation among these groups as among some other ethnic groups. Even the belated emergence of individual politicians from middleman minority groups did not usually mean the development of ethnic-group politics. Rather, these political leaders usually rose to prominence as representatives of the larger society.

New York's Senator Jacob Javits and Governor Herbert Lehman were general politicians who were Jewish but not ethnic-group leaders. In Australia, where Jews have never been as much as 1 percent of the population, Jewish politicians have been mayors of Melbourne, Adelaide and other communities as well as serving in legislative and judicial posts, obviously not as a result of the Jewish vote, much less as standard-bearers of ethnic group politics. The overseas Chinese minorities in Southeast Asia or in the Western Hemisphere have typically avoided political careers, even where they were allowed to participate. Although there has been a Lebanese prime minister in Jamaica and a Peruvian president of Japanese ancestry, these posts were not achieved as a result of being ethnic politics leaders. Indeed, the virtual impossibility of middleman minority political power in these countries enabled these individuals to be viewed as national figures.

The exceptional cases where middleman minorities, as such, have played major political roles have involved countries where such minorities were a major portion of the total population --- and their economic rise has generally *preceded* their political prominence, or even their political involvement on a large scale, rather than being a cause of it. Both in Fiji and Guiana, people from India became at one time or another equal in number to the indigenous Fijian population, or to the population of African ancestry in the case of Guiana. In the latter country, Indian formed a coalition to seek independence from Britain --- a coalition which later split into polarized parties, each representing its own ethnic group, leading to internal disorder and political repression. In Fiji, the election of an Indian prime minister sparked a military coup led by indigenous Fijians. In Sri Lanka and Nigeria, both British former colonies like Fiji and Guiana, the emergence of independence and democratic government led to ethnic identity politics and to bloody civil wars.

The history of the middleman minorities offers little support for those who see political power and ethnic identity politics as requirements for group economic advancement. Middleman minorities have typically advanced much more rapidly than other groups that have pursued political routes, even when those other groups have been successful in such pursuits. Nothing is easier than to name prominent political leaders of economically lagging racial and ethnic groups, but such leaders have usually not been as common among middleman minorities. Nor have the exceptional instances where middleman minorities have become heavily involved in politics led to better results for them.

SUMMARY AND IMPLICATIONS

Similarities in economic and social patterns among middleman minorities do not imply that any of these minorities copied others --- that Parsees ever thought of themselves as "the Jews of India" or the Chinese as "the Jews of Southeast Asia." These patterns go back through centuries in which there was no such worldwide communication as the modern world takes for granted. Many of these groups had for centuries no way of knowing what middleman minorities elsewhere did or how. Yet, if these similarities do not imply emulation, what do they imply?

One of the implications of these similarities might be that the occupation of middleman minority itself has inherent requirements that must be met by those who successfully fulfill this role. The small capital needed for beginning in retailing at the bottom, perhaps as a peddler or as the owner of a tiny shop, means that many people can engage in this occupation, guaranteeing much competition and correspondingly low profit rates at the beginning of one's entrepreneurial career. Only those willing to endure such deprivations, and to put in the long hours of work for the sake of the future, are likely to last long enough to begin to move up the economic ladder to the remarkable successes which middleman minorities have eventually achieved in many societies. Moreover, this may not be a process which can be completed, once and for all for any given middleman minority. In many places and times, younger people have been brought in at the bottom, often in Third World countries, opening their own tiny businesses in remote hinterlands where few others have set up shop, whether in Africa or in Southeast Asia. Not everyone has either the temperament or the patience for this kind of life.

Various kinds of people are precluded from the outset. Brawling drunkards or live-for-the-moment individuals seldom even consider becoming middlemen, much less have any realistic chance of succeeding in such businesses. Given the long years that can pass between initial poverty and eventual prosperity, people with short time horizons are automatically

precluded from this field. The utter dominance of particular minorities as middlemen amid vastly larger populations suggests that there are few members of the surrounding society who have all of the characteristics needed. Where differences between the whole lifestyle of the middleman minority and that of the majority population around them are so great, this means economic complementarity that benefits both --- and social differences which alienate others and which can be exploited by demagogues to generate hostility and backlashes. The history of middleman minorities has been full of both.

Longer time horizons for middleman minorities influence their education and kinds of careers their later generations pursue, as distinguished especially from the educational experiences of groups with shorter time horizons. Many years must elapse before any kind of education reaches a level where it pays off and this is of course particularly true where postgraduate education is a prerequisite for a professional career. People can become rock stars or professional athletes in a relatively few years, but it takes far longer to become a surgeon or scientist. There are correspondingly sharp differences in which groups become prominent or predominant in these different kinds of occupations. It is not only particular ethnic minorities, such as blacks or the Irish, who have at particular times dominated sports and entertainment in the United States, but also white Southerners.⁹⁷ All these groups have succeeded out of all proportion to their numbers in the general population, while all have been conspicuously rare among surgeons and scientists, where the descendants of middleman minorities have been over-represented.

Middleman minorities do not *happen* to be different. That differentness is central to their success and it carries over into other fields when they branch out into industry, commerce, and the

⁹⁷ See, for example, Bill C. Malone, "Neither Anglo-Saxon Nor Celtic: The Music of the Southern Plain Folk," *Plain Folk of the South Revisited*, edited by Samuel C. Hyde Jr. (Baton Rouge: Louisiana State University Press, 1997), p. 21.

professions. Middleman minorities must get used to long hours of work, for example. Consumers whose jobs leave them little time to shop, except early in the morning or later in the evening, can shop at stores run by people who work long hours. Consumers with low incomes can afford to buy in places where thin profit margins keep prices within reach, even when that restricts the standard of living of the peddlers or shopkeepers.

What all this implies is that middleman minorities must be very different from their customers. This differentness --- and the social withdrawal needed to preserve this differentness in their children --- then leave the middleman minorities vulnerable to charges of "clannishness" by political and other demagogues. Moreover, the lack of knowledge of either the business or the social imperatives of middlemen by outsiders leaves the majority population vulnerable to exploitation of their ignorance by politicians and activists who can spin plausible-sounding accusations against middleman minorities. These accusations can exploit racial, religious, or other differences, but this is not to say that such differences are the fundamental reasons for the hostility.

None of this need suggest that middleman minorities have done nothing to irritate the surrounding population or even to provoke their hostility. The many internal divisions within particular middleman minorities suggests there are behaviors and attitudes that provoke negative reactions from other subgroups of Jews, overseas Chinese, Lebanese, and others. Against that background, it would hardly be surprising if members of the larger society were also irritated, repelled or made hostile by the behavior patterns or attitudes among middleman minorities. Moreover, there is independent evidence of illegal and other repellant behavior by members of middleman minorities, who have been no more free of sins than other segment of the human race.

Illegal and often violent gang activities by overseas Chinese tongs in Southeast Asia go back for centuries and such activities have likewise followed Chinese immigrants to the Western

Hemisphere. Jewish pimps made early twentieth-century Buenos Aires one of the world centers of prostitution, recruiting women as far away as Eastern Europe.⁹⁸ In the United States, there were many prominent Jewish gangsters during the immigrant era, including an organized group of killers for hire called "Murder, Incorporated." More widespread, if less violent, activities included corruption of public officials by the overseas Chinese in Southeast Asia and by Jews in Eastern Europe --- both being places where such corruption was widespread in the general population and often especially necessary for middleman minorities, in order to escape discriminatory laws. Yet such habits did not end when middleman minorities settled elsewhere. A Yiddish-language newspaper in the United States complained of the corrupt behavior of Jews from Russia who got themselves in trouble offering bribes to American officials.⁹⁹

In earlier centuries, middleman minorities and other merchants around the world included slaves among the merchandise they traded. These slave traders included Venetians, Greeks, and Jews in Europe,¹⁰⁰ the overseas Chinese in Southeast Asia,¹⁰¹ and the Arabs who both captured and sold slaves in Africa.¹⁰² Gujaratis from India often financed the African slave trade, though they did not usually conduct it.¹⁰³ In medieval Europe, Jews were major slave traders, often selling

⁹⁸ Victor A. Mirelman, *Jewish Buenos Aires, 1890-1930: In Search of an Identity* (Detroit: Wayne State University Press, 1990), pp. 197-204.

⁹⁹ Albert S. Lindemann, *Esau's Tears*, p. 289.

¹⁰⁰ Bernard Lewis, *The Muslim Discovery of Europe* (New York: W.W. Norton, 1982), p. 189; Daniel Evans, "Slave Coast of Europe," *Slavery and Abolition*, May 1985, p. 46; Murray Gordon, *Slavery in the Arab World* (New York: New Amsterdam Books, 1989), p. 107; Solomon Grayzel, *A History of the Jews*, pp. 280-281; David Brion Davis, *Slavery and Human Progress* (New York: Oxford University Press, 1984), pp. 91-93; Lord Kinross, *The Ottoman Centuries: The Rise and Fall of the Turkish Empire* (New York: William Morrow, 1977), p. 146.

¹⁰¹ A van der Kraan, "Bali: Slavery and the Slave Trade," *Slavery, Bondage and Dependency in Southeast Asia*, edited by Anthony Reid (New York: St. Martin's Press, 1983), pp. 328, 330; Bruno Lasker, *Human Bondage in Southeast Asia* (Chapel Hill: University of North Carolina Press, 1950), p. 17.

¹⁰² William Gervase Clarence-Smith, "The Economics of the Indian Ocean and Red Sea Slave Trades in the 19th Century: An Overview," *The Economics of the Indian Ocean Slave Trade in the Nineteenth Century*, edited by William Gervase Clarence-Smith, p. 12; Francois Renault, "The Structures of the Slave Trade in Central Africa in the 19th Century," *Ibid.*, pp. 146, 150-152.

¹⁰³ William Gervase Clarence-Smith, "The Economics of the Indian Ocean and Red Sea Slave Trades in the 19th Century: An Overview," pp. 11-12.

Slavs who had been enslaved by German conquerors.¹⁰⁴ Jews were also the principal suppliers of white eunuchs as slaves to the Ottoman Empire in the fifteenth century.¹⁰⁵ Later, as Italian merchants began displacing Jewish merchants in the eastern Mediterranean and the Black Sea during medieval times, they also began displacing Jews in the Black Sea slave trade.¹⁰⁶

In ancient times, Jews were both slaves and slaveowners, as were many other peoples around the world.¹⁰⁷ By the time of the African slave trade to the United States, Jews played only a very minor role. During the antebellum era, Jews owned fewer slaves than free blacks owned and fewer even than American Indians owned.¹⁰⁸ Most Jewish immigrants arrived in the United States years after slavery had been abolished, and most arrived without enough money to buy a single slave, even had slavery still existed. The same was true of other groups that became middleman minorities in the United States. In short, during an era when slavery was an accepted and unquestioned institution around the world, neither middleman minorities nor any other group made a distinction between selling human beings and selling merchandise. The two things went together for centuries, whether among Europeans, Arabs, Asians or Africans. When the Yao, a

¹⁰⁴ Solomon Grayzel, *A History of the Jews* (New York: Mentor Books, 1968), pp. 280-281.

¹⁰⁵ Lord Kinross, *The Ottoman Centuries*, p. 146.

¹⁰⁶ David Brion Davis, *Slavery and Human Progress*, p. 93.

¹⁰⁷ See, for example, William L. Westermann, *Slave Systems of Greek and Roman Antiquity* (Philadelphia: The American Philosophical Society, 1935), pp. 85, 136.

¹⁰⁸ See, for example, Saul S. Friedman, *Jews and the American Slave Trade* (New Brunswick, N.J.: Transaction Publishers, 1998), p. 217; David Brion Davis, *In the Image of God: Religion, Moral Values and Our Heritage of Slavery* (New Haven: Yale University Press, 2001), p. 71; Larry Kroger, *Black Slaveowners: Free Black Masters in South Carolina, 1790-1860* (Columbia, S.C.: University of South Carolina Press, 1995); David C. Rankin, "The Impact of the Civil War on the Free Colored Community of New Orleans," *Perspectives in American History*, Vol. XI (1977-78), pp. 380, 385; Willard B. Gatewood, *Aristocrats of Color: The Black Elite, 1880-1920* (Bloomington: Indiana University Press, 1990), p. 83; Ira Berlin, *Slaves without Masters* (New York: Pantheon Books, 1974), pp. 124, 386; Eugene D. Genovese, "The Slave States of North America," *Neither Slave Nor Free: The Freedmen of African Descent in the Slave Societies of the New World* (Baltimore: John Hopkins University Press, 1972), edited by David W. Cohen and Jack P. Greene, pp. 270; Philip D. Morgan, "Black Life in Eighteenth-Century Charleston," *Perspectives in American Economic History*, New Series, Vol. I (1984), p. 212; Bernard E. Powers, Jr., *Black Charlestonians: A Social History, 1822-1885* (Fayetteville: University of Arkansas Press, 1994), pp. 48-50, 72.

Central African tribe, where the leading traders of ivory in their region, they were also the leading traders of slaves in that region.¹⁰⁹

Too often the sources of irritation and hostility generated by the behavior and attitudes of middleman minorities themselves have been passed over in silence, lest one be accused of "blaming the victim." Yet explanation is not blame, much less an excuse for mass violence against the innocent or even for bigotry based on ignorance or arrogance. Hostility to middleman minorities has been widespread for centuries, though many have managed to live peacefully until some dramatic event or some talented demagogue managed to stir the population against them. For example, the plagues that decimated Europe in the Middle Ages were sometimes blamed on Jews, leading mob violence against them.

Where has hostility to middleman minorities been greatest? There may not be any single predictor that covers all cases. Yet, in broad terms, it seems clear --- painfully clear --- that they have been most hated where they have been most essential. This has not always been the same as where they make their greatest economic or other contribution. Jews have made great contributions to the United States in a wide range of fields, but there are many other Americans who have also made great contributions in those same fields. Even if Jews' greatest contributions to the world have been in the United States, there have been other countries --- in Eastern Europe, for example --- where they were more essential because there were relatively few other people doing what they did.

Persecution and violence have driven many middleman minorities from many countries and some have been explicitly expelled by government authorities. The widespread belief that such groups have made no "productive" contribution to the economies in which they lived has

¹⁰⁹ Edward A. Alpers, *Ivory and Slaves: Changing Patterns of International Trade in East Central Africa to the Later*

often been belied by the decline or collapse of those economies after their departure. Yet even after such collapses, popular hostility has seldom abated. Twenty years after the expulsion of 50,000 Indians and Pakistanis from Uganda in the 1970s had wreaked havoc on that country's economy, economic desperation led the government to seek their return. But the Uganda Africa Trade Movement declaring that its members "intend to wage an atrocious war everywhere in Uganda on any Asian returnee." More explicitly they said:

We intend to harm, maim, cause them a lot of suffering, even killing them in the most despicable way ever... if they don't leave our land and country immediately.¹¹⁰

What was threatened in Uganda has been carried out against middleman minorities in many places and times. For example, the Turkish persecutions and mass slaughters of the Armenians during the First World War included "bayoneting the men to death, raping the women, dashing their children against the rocks."¹¹¹ When the American ambassador protested to a Turkish official was: "The massacres! What of them! They merely amuse me!" On one death march in which thousands perished, "Ambassador Morgenthau reported that many of the women had been stripped stark naked by their guards and by brigands in league with them. The poor creatures could hardly walk for shame; they staggered into the city bent double."¹¹² These calculatingly sadistic tortures and humiliations were a foretaste of what would happen later to the Jews in Nazi extermination camps a generation later.

Nineteenth Century (Berkeley: University of California Press, 1975), pp. 58-62, 04, 104, 229-230.

¹¹⁰ Scott Peterson, "Ugandan Officials Urge Asian Investors to Return," *The Christian Science Monitor*, March 17, 1992, p. 4.

¹¹¹ Lord Kinross, *The Ottoman Centuries*, p. 558.

Note that merely killing middleman minorities was not considered sufficient. Gratuitous infliction of both physical and psychic pain has marked violence against the Chinese in Southeast Asia, as well as against the Armenians in the Ottoman Empire, and the Jews in Europe. This suggests that what their enemies feel is not simply a need to be rid of them but also a need to rid themselves of feelings of inferiority by subjecting middleman minorities to humiliation and dehumanization. These middlemen --- "their wealth inexplicable, their superiority intolerable"¹¹³ --- are basically an ego problem among those who have been so blatantly outperformed. This is also consistent with the history of the countries where middleman minorities have been either accepted or bitterly opposed. It is in precisely those times and places where there are few others who can supply the skills of middleman minorities that they are most hated --- whether it is the Koreans in today's American black ghettos, Jews in Eastern Poland in centuries past, Chinese in Southeast Asia, Armenians in regions of the Ottoman Empire where they were the predominant entrepreneurial group, Lebanese in West Africa, Ibos in northern Nigeria, Indians in East Africa or others in other places. Where middleman minorities have been more accepted have been places where others have had similar skills and entrepreneurial occupations, such as the United States, Australia, Britain, and the Scandinavian countries.

It has been precisely where middleman minorities have been most needed economically that they have been most hated, while places that have been not nearly as dependent on them have been places where they have found their greatest acceptance. This does not present a very

¹¹² David Marshall Lang, *The Armenians: A People in Exile* (London: George Allen & Unwin, 1981), pp 31, 34. A fuller account of these atrocities can be found in Henry Morgenthau, *Ambassador Morgenthau's Story* (Detroit: Wayne State University Press, 2003), pp. 202-263.

¹¹³ Amy Chua, *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability* (New York: Doubleday, 2003), p. 4.

reassuring picture of human reasonableness, but neither does the history of most middleman minorities.

Where members of middleman minorities have largely moved beyond their middleman occupations into other businesses and professions, and where they have also been accepted by the larger society, the "clannishness" of their earlier struggling times has tended to erode away as they became assimilated members of the larger society. This happened more often, for example, among Jews in Anglo-American societies, including Australia, than among those in Eastern Europe.

Notable examples in nineteenth-century Western Europe included Benjamin Disraeli, David Ricardo and Karl Marx. While religious restrictions kept Jews out of British Parliament during the first half of the nineteenth century, individuals of known Jewish ancestry were able to enter if they were Christians in religion. Thus David Ricardo sat in Parliament in 1819 and Benjamin Disraeli entered in 1837, eventually becoming Prime Minister. Although Karl Marx was descended from a long line of rabbis on both sides of the family, he was baptized and raised as a Christian living among other Christians in Germany. He never considered himself a Jew and always spoke of the Jews in the third person.

Even religious Jews were so acculturated in pre-Hitler Germany that they referred to themselves as "Germans of the Mosaic faith." Even after emigrating overseas, they often settled among German immigrants in other countries and participated in German cultural organizations in those countries. But Polish Jews never considered themselves Poles, either in Poland or overseas, and did not settle in Polish immigrant neighborhoods. Much the same could be told of the overseas Chinese, who continue to live in their own enclaves in countries where they encounter hostility but, in the United States, no longer live primarily in Chinatowns, which have been left to a minority of later arriving immigrants or others who have not assimilated.

It would be good to know what proportion of groups known as middleman minorities have actually worked in middleman occupations at a given time but data are seldom available. Most Jews have been middleman minorities in some times and places but not in others. Apparently most Lebanese immigrants to Argentina were in such occupations, but most Armenians in the Ottoman Empire were not. Among the occupations declared by Middle Eastern officials in Argentina from 1876 to 1900, the overwhelming majority were merchants and more than a quarter were specifically peddlers as late as 1910.¹¹⁴ However, it is known that more Armenians in the Ottoman Empire were peasants than were entrepreneurs or money-lenders.¹¹⁵ But it was in the latter roles that they were more likely to come to the attention of members of the larger society, either through personal contact in the market-place or through general notoriety. To a greater or lesser degree, that has been true of other middleman minorities. Moreover, the general attitudes of the surrounding society that were formed during the era when these various were prominent as middleman minorities have long outlasted that era and continued on as a majority in later generations of middleman minorities have gone into other businesses and professions. Moreover, the striking success of these later generations in education and in other occupations continues to fuel envy and resentment.

The role of middleman minorities in various countries around the world has attracted the attention of many scholars and produced many suggested explanations of their roles and experiences. One of the most often cited studies has been "A Theory of Middleman Minorities" by Edna Bonacich.¹¹⁶ A crucial element in her theory is that of sojourning. Middleman minorities

¹¹⁴ Ignacio Klich, "Crillos and Arabic Speakers in Argentina: an Unease *Pas de Deux*, 1888-1914," *The Lebanese in the World*, edited by Albert Hourani and Nadim Shehadi, pp. 265, 273.

¹¹⁵ Benjamin Braude and Bernard Lewis, "Introduction," *Christians and Jews in the Ottoman Empire: Volume I: The Central Lands* (New York: Holmers & Meier, 1982), p. 21.

¹¹⁶ Edna Bonacich, "A Theory of Middleman Minorities," *American Sociological Review*, October 1973, pp. 583-594.

have often been sojourners rather than permanent settlers in the societies in which they live. Because "they begin as sojourners," according to Professor Bonacich, they have less reason to assimilate to the society around them. While sojourning "is not a sufficient condition of the middleman," Professor Bonacich says, "it is a necessary one." However, if the economic function performed by middlemen requires social separation from the surrounding society and its culture, then whether they plan to return to somewhere else or not is no longer crucial.

The sojourning theory encounters serious problems that the economic explanation does not. One of the most prominent of middleman minorities has been American Jews who, as Professor Bonacich concedes, "had no plan to return to Eastern Europe."¹¹⁷ American Jews in fact had far lower rates of return migration than did other contemporary immigrants to the United States or Mexican immigrants in a later era. Even less could Jews who settled in Australia or South America be likely to have had plans to return to their countries of origin.

Edna Bonacich attempts to salvage her sojourner thesis by saying that although Jews did not see Eastern Europe as a place to which they would return, they retained "an unusual attachment to an ancestral homeland" in the Middle East. Yet Zionism was by no means common among Jews around the world during the period of mass immigration to the United States, and in fact there was hostility to the idea among Orthodox Jews, as among Western European Jews in general. Moreover, emotional attachment to an ancestral homeland says nothing about any plans to return to it today. Irish Americans, like Jewish Americans, have maintained an emotional attachment to their ancestral homeland, but nevertheless there are more people of Irish ancestry living in the United States than Ireland, just as there are more Jews living in the United States than Israel.

¹¹⁷ Ibid., pp. 584-585.

By the time Zionism was rekindled after the Second World War by the establishment of Israel, American Jews were culturally assimilated and had rising rates of intermarriage with the general population, as well as moving out of middleman occupations and into the professions. In short, sojourning seems neither necessary nor sufficient, nor even plausible, to explain the cultural separation of Jews or other middleman minorities. While it is true that many middleman minorities began their careers abroad as sojourners --- the Chinese in Southeast Asia or the Lebanese in West Africa, for example --- so did other immigrant groups such as the Italians, an absolute majority of whom returned to Italy, not only from other countries but also from other European countries but also from the United States and even South America. That remains true today of immigrants from India and Pakistan working in the Middle East.

As Professor Bonacich concedes, the fact that many middleman minorities *began* as sojourners does not mean that most of them returned home. There were growing permanent settlements of Chinese in Southeast Asia, for example, as the Chinese continued to live wholly separate social lives from those of the surrounding Malay or Indonesian societies. Sojourning has been a phase in the immigration of many groups who never became middleman minorities, with their settlements abroad becoming permanent only after achieving a satisfactory *modus vivendi* with the surrounding population.

Another feature of middleman minorities cited by various scholars has been their tendency to invest in highly mobile capital --- intellectual skills being the ultimate in portability --- rather than in fixtures that could not move, such as the machinery of heavy industry, land, dams, or transmission lines for electricity or conduits for water. No doubt centuries of history of being victims of spoliation and confiscation, as well as being forced by mob violence or official expulsion to flee and leave much of their wealth behind, has made highly portable wealth

particularly attractive to middleman minorities. Cash, gems, and intellectual skills are among these highly portable forms of wealth. Moreover, even forms of wealth that are not strictly portable, but which can be readily liquidated, such as inventories of groceries, textiles, clothing, or sewing machines, have been preferable to steel mills, railroads, or hydroelectric dams. None of this depends upon an "orientation toward a homeland," as Professor Bonacich contends.¹¹⁸ Indians and Pakistanis fleeing Uganda fled to Britain more often than to India or Pakistan and, in an earlier era, Jews fleeing persecution in Eastern Europe fled to the United States more often than to the Middle East.

While our focus has been on patterns among middleman minorities in general, what of Jews specifically? To what extent are they generic and to what extent do they have their own separate and distinct patterns? Jews are, like every other individual and group, unique in some ways and very much like other people in other ways. Whatever has been unique, or thought to be unique, about them has been seized upon and used negatively by their enemies. Their supposed role in the crucifixion of Jesus --- "Christ killers" in the bitter indictment of a bygone era of religious bigotry --- can hardly have been the reason for that bigotry, for it was the Romans who actually crucified Jesus and no such guilt has been attached to the whole Italian people of later centuries. Moreover, wholly fictitious complaints have been invoked against the Jews --- that they were responsible for medieval plagues, for example --- when whoever made up these charges obviously had other reasons for hostility. It is these other reasons that have been common to numerous other groups who have faced similar hostility in countries around the world, despite differing from the Jews in religion, language and other social and cultural traits.

¹¹⁸ Ibid., p. 586.

Some have regarded the Holocaust as making anti-Jewish feeling unique, at least in intensity. Yet what made the Holocaust possible were technological and organizational capabilities for mass murder that enemies of other middleman minorities simply did not have available. In view of what was actually done to some of these other groups, there is little reason to doubt that their persecutors would have used such technological and organizational capabilities if they had them.

In Eric Hoffer's account of a mass movement's need for unifying elements, he classified hatred as one of those elements. He quoted Hitler as saying that if there were no such thing as a Jew "We should then have to invent him. It is essential to have a tangible enemy, not merely an abstract one." Hoffer added:

F.A. Voigt tells of a Japanese mission that arrived in Berlin in 1932 to study the National Socialist movement. Voigt asked a member of the mission what he thought of the movement. He replied: "It is magnificent. I wish we could have something like it in Japan, only we can't, because we haven't got any Jews."¹¹⁹

The tragic history of middleman minorities around the world shows that often there are many substitutes for Jews in the role of scapegoats, as well as in their economic functions.

In terms of their achievements in the arts and sciences, Jews have been unique, not only among middleman minorities but also among the world's population at large. They have been particularly over-represented among the leading figures in such fields as mathematics, the sciences, and philosophy. In the second half of the twentieth century, Jews won 29 percent of all the Nobel

Prizes in the sciences, medicine and literature combined, even though Jews were less than one-half of 1 percent the world's population.¹²⁰ Such spectacular achievements have come only in relatively recent times, as history is measured. These have been largely the achievements of Ashkenazic Jews, who were excluded from civil society for many centuries in Europe where they lived, and their remarkable rise to prominence among the leading intellectual figures dates largely from the nineteenth century, when severe restrictions on them were relaxed in a growing number of European countries. It was in the new nation of the United States that Jews were first accorded civil equality and it was here that their greatest successes were achieved. Another way of looking at this is that much of the world for much of history lost the benefits of the talents of these people --- and of similar people elsewhere --- through suppression and persecution. While the intellectual achievements of Jews have been unique, the bigotry and persecution that they suffered has been the fate of middleman minorities around the world.

While there are characteristics and achievements which are uniquely Jewish, the history of middleman minorities around the world seems to suggest that it has not been these uniquely Jewish characteristics which called forth venomous hatred but characteristics and achievements common to middleman minorities, both when they are in that occupational role and after they move beyond into a wide range of occupations. Whatever is unique to each of these groups may be seized upon by those promoting hatred of them but that does not mean that the promotion of hatred in the first place has been due to qualities unique to each group. However unique any of these groups may be, historically the kind of hostility and hatred they have faced has been generic.

¹¹⁹ Eric Hoffer, *The True Believer: Thoughts on the Nature of Mass Movements* (New York: Perennial Classics, 2002), p. 91.

¹²⁰ Charles Murray, *Human Accomplishment: The Pursuit of Excellence in the Arts and Sciences, 800 B.C. to 1950* (New York: HarperCollins, 2003), p. 282.