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*Small Entrepreneurship in a Developing Society: Patterns of Labor Absorption and Social Mobility**

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ABSTRACT

Observing a plethora of small entrepreneurial activities in the cities of developing countries, this paper examines the social significance of these occupational activities. The data gathered from a Korean city suggest that small entrepreneurship provides occupational niches to marginal migrant workers as well as an alternative to the bureaucratic channel of upward social mobility for a significant proportion of urban residents. These findings are interpreted by using the conception of occupational situs, which promises greater analytical utility in the study of developing societies than the unidimensional conception of occupational structure.

One of the most striking changes associated with rapid urbanization in developing countries is the burgeoning of small-scale entrepreneurship. So pervasive are entrepreneurial activities in the cities of many developing societies that one can get the impression that almost everything can be purchased on the streets and almost everyone is a small entrepreneur incessantly seeking a chance to make money. Probably the most familiar faces in these crowded cities are hawkers, market traders, taxi-drivers, barbers, repairmen, restaurant workers, owners of a variety of small shops, and the like. In fact, one recent source (Friedmann and Sullivan) estimates that the "individual" and "family-enterprise" sectors in developing countries employ well over half of the urban labor force. Scholarly observation (see also Bauer and Yamey; Geertz; Morse; Myrdal; Tax) tends to confirm casual impression: the proliferation of small-scale urban enterprise is quantitatively more significant than the growth of industrial and bureaucratic occupations in developing countries.

Many students of developing societies attribute this peculiar change of occupational structure to rapid urbanization taking place in developing areas. It is well-known that most developing countries experience a spectacular rate of urbanization, which normally exceeds the rate of industrialization. This phenomenon is often referred to as "overurbanization" (Breese; Davis and Golden; Hauser). With large influxes of labor from rural hinterlands and with slowly growing industry, cities of developing countries face the thorny problem of absorbing their overabundant labor into gainful economic activities.

No doubt, a high rate of unemployment is an unavoidable result of such situations. But what is especially interesting is that superfluous labor in these cities

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does not usually result in high rates of open unemployment. Instead, a large portion of urban surplus labor is absorbed into a loosely organized sector of the economy. As Myrdal noted, in societies where public relief systems did not develop, unemployment is a luxury which few can afford. In these societies, need to work, no matter how minimal the rewards, is much greater than in developed societies. Under such constraints, a large part of urban labor is absorbed into small-scale enterprise and personal services. Thus, in his extensive study of South Asian countries, Myrdal (502) concludes that "the growth of petty trading represents a more dynamic response to a trend toward urbanization that is not closely related to, nor caused by, rising employment opportunities in the industrial sectors."

In the United States, sociologists have been interested in small-scale, independent business as a channel of upward social mobility. Ownership of small business has been a very important form of getting ahead and still is a highly cherished goal among American workers (Chinoy; Lipset and Bendix; Wilensky). In their analysis of Oakland mobility data, Lipset and Bendix (156-81) found that a significant amount of upward social mobility occurs in the form of shifts from manual occupations to self-employment in small businesses. They found that small business owners, compared with white-collar workers, were very likely to have started their careers as manual workers. Consequently, they argue that "self-employment is one of the few positions of higher status attainable by manual workers."

If independent enterprise offers mobility chances for people in developed societies, we can suspect that it may be the same in newly developing countries. In fact, a recent study done in Monterry, Mexico supports this idea. This study (Balán et al.) examined labor mobility in and out of self-employment and found that the shift into self-employment is more likely to be associated with upward mobility, while movement out of this career setting is more likely to mean downward mobility.

From a review of the works of economists and sociologists, we can derive two hypotheses about the functions of small entrepreneurship in developing societies. One is that petty trading and personal services tend to absorb marginal labor in the cities of developing countries. The other is that small business provides a channel of upward social mobility for urban manual workers. The main aim of this paper is to test these hypotheses in the context of one developing society, Korea.

Though not unaware of such hypotheses about small entrepreneurship, sociologists have given them very little attention empirically: small entrepreneurs have not been favorite subjects of study. Both in developed and developing societies, sociologists have been concerned almost exclusively with industrial labor and, accordingly, the significance of small entrepreneurs has largely been ignored in sociological literature. Given its magnitude, at least in developing countries, the occupational sector including petty traders, personal service workers, and shopkeepers deserves more serious attention. To the extent that its expansion is closely associated with rapid urbanization, a careful analysis of this sector of the economy should reveal the dynamics of change in rapidly urbanizing societies. The present

hypotheses suggest a unique way in which developing societies dynamically adapt to adverse situations of employment caused by "overurbanization" and to increasing demands for social mobility in the midst of a slowly growing urban economy.

RESEARCH SETTING AND DATA

The present research was conducted in a Korean city in 1971. During the last decade or so, the processes of industrialization and urbanization have occurred in Korea at much faster rates than in many other developing countries. In 1962 the Korean Government launched the first five-year economic plan, which was followed by a second five-year economic plan in 1967. During this ten-year period, Korea achieved remarkable economic growth; the gross national product increased by 9.9 percent per annum and per capita income increased from $95 to $252 (Economic Planning Board, b). The export economy, in particular, boomed in this ten-year period with the nation's total export jumping from $56.7 million to $1,352 million.

Along with rapid economic growth, Korea has also undergone rapid urbanization. In the period 1950-70, Korea's urban population grew by an average of 6.2 percent a year, a considerably faster rate than that of most other countries (see Davis, 140-60). In 1970, 39.0 percent of the Korean population was classified as urban (living in places of population 100,000 or more), and 19.4 percent were living in cities with a population of one million or more (Davis, 125). As in most developing countries, rapid growth of the cities is largely due to rural–urban migration: 60 to 80 percent of the population of Korea's major cities is rural in origin.

It is important to note that, despite substantial economic growth in the last decade, the proportion of Korea's labor force engaged in industry (secondary sector) has changed very little. In 1971, 14.2 percent were engaged in this sector, while 37.3 percent were in commerce and service (tertiary sector) (Economic Planning Board, b). From 1967 to 1971, the proportion of labor in industry increased by only 1.4 percent, while the proportion in commerce and service increased by 5.3 percent. In both its relative size and rate of growth, the commerce and service sector outweighs the industry sector in Korea.[1] It is especially important for our purposes to note that about 38 percent of nonagricultural labor (both in industry and commerce and service) in 1970 was classified as self-employed workers, and that this percentage had changed only about minus two percent since 1963 (Economic Planning Board, a).

The present data were collected through a structured survey of male residents in Chonju. A sample of 677 male household heads was selected by a cluster sampling method, using two-stage random samplings to choose 18 clusters ("ban," the smallest municipal units). Within each cluster, all the available household heads were interviewed by trained college student interviewers with precoded questionnaires.

Chonju, where our sample was drawn, is a capital of the southwestern

region. This city has long been an administrative, educational, and commercial center of this predominantly agricultural region. The largest proportion of Chonju's population has been drawn from its surrounding agricultural hinterlands, and in 1971 Chonju was one of the fastest growing cities in Korea, with a population of about 270,000 (ranking seventh in size of all Korean cities). As is typical of most Korean cities, the growth of this city is largely due to massive rural–urban migration, and slow industrialization resulted in slow absorption of migrant workers.

DATA ANALYSIS

OCCUPATIONAL CLASSIFICATION

For the purpose of this analysis, occupational classification was based on two criteria: occupational sector and occupational status. First, occupations were divided into entrepreneurial and bureaucratic sectors. The basic criterion for this distinction was type of employment and source of income. The entrepreneurial sector includes peddlers, shopkeepers, market traders, and owners of small or large enterprises, all of whom are self-employed or employers of other workers. By the nature of their employment conditions, they receive their income mainly in the form of profits, fees, or rents. Typically, their income is not fixed but greatly depends on their ability to manipulate market situations. On the other hand, the bureaucratic sector includes workers who are employed by others, receiving their income in the form of fixed salaries or wages. Those workers like barbers and taxi-drivers, who are nominally employed by others but whose income is proportional to their ability to exploit market situations were included in the entrepreneurial sector. In short, when employment condition and source of income did not correspond, our classification was made on the basis of the latter.

Second, within each occupational sector occupations were subdivided into three status categories: elite, nonmanual, and manual. The elite category includes employed professional workers and top-ranking governmental officials (in the bureaucratic sector) as well as owners of big enterprises and self-employed professional workers (in the entrepreneurial sector). The nonmanual category consists of white-collar workers in both government and private companies (in the bureaucratic sector) as well as owners of small businesses such as owners of restaurants, bars, dress shops, wholesalers, and small cottage industries (in the entrepreneurial sector). The manual category includes factory workers and manual employees in public offices or private companies (in the bureaucratic sector) as well as market traders, peddlers, street vendors, and personal service workers (in the entrepreneurial sector). In all, our classification scheme results in six occupational categories (2 sector categories by 3 status categories). However, because very few respondents fell in the elite category, we decided not to subdivide this category into bureaucratic and entrepreneurial categories. Thus, in this analysis we will use five occupational categories: elite, white-collar worker, factory worker, owner of small business, and petty trader.

It was assumed that the line dividing white-collar and blue-collar workers in the bureaucratic sector is roughly parallel to the division between shop owners and petty traders in the entrepreneurial sector. Ownership of a shop is clearly distinguished from trading or personal services, since it presupposes a modest amount of capital investment and a certain scale of relatively stable enterprise. This stability, which is associated with a certain amount of capital investment, is lacking with market traders and street vendors. The assumption that shop owners enjoy an occupational status similar to that of white-collar workers is generally supported by two studies on the Korean occupational structure (Kim and Lee; Lee and Kim) and is further supported by our own data presented in Table 3. More discussion on this will follow in the later pages.

LABOR ABSORPTIVE CHARACTER

To examine the labor absorptive character of petty entrepreneurship, we will first examine the ways in which migrant workers from rural areas are absorbed into the urban occupational structure. The data presented in Table 1 show that about 30 percent of the rural migrants[2] in our sample entered the urban structure in trading or personal services. Another 26 percent obtained factory jobs. It seems that men with rural background have the same chance of becoming either petty entrepreneurs or factory workers. In contrast, men with urban background seem to have much greater chances of becoming factory workers than petty entrepreneurs (27.2% vs. 16.5%). Thus, the table suggests that petty entrepreneurial jobs tend to attract rural migrants more than urban natives.

The absorptive capacity of petty entrepreneurship can be better measured by its openness to those relatively unskilled, uneducated or older migrant workers. It is actually with this category of rural migrants that employment is the most critical

Table 1. PERCENTAGE DISTRIBUTION OF FIRST OCCUPATIONS BY PLACE OF ORIGIN AND BY SELECTED ATTRIBUTES OF MEN WITH RURAL BACKGROUND

	Place of Origin		*Selected Rural Migrants*	
First Occupation	*Rural*	*Urban*	*Less Educated**	*Older Migrants†*
Elite	1.7	4.7	0.0	3.2
White-collar	30.1	37.8	11.9	27.9
Small business	11.4	13.8	12.9	13.0
Factory worker	26.4	27.2	28.7	12.3
Petty trader	30.4	16.5	46.5	43.5
Total	100.0 (N=254)‡	100.0 (N=352)‡	100.0 (N=202)	99.9 (N=154)

* This category refers to rural migrants who did not graduate from high school.
† This category refers to rural migrants who came to Chonju at age 31 or older.
‡ Excluded from this table are rural migrants who remain unemployed in the city and those urban natives who are engaged in agriculture.

problem. Of those rural migrants who did not finish high school, almost 47 percent became market traders or service workers, while about 29 percent became factory workers (Table 1). Similarly, of those who migrated to Chonju at age 31 or older, about 44 percent entered trading and service jobs, while 12 percent obtained factory jobs. These data reveal the significance of petty-scale entrepreneurship in absorbing a large segment of rural migrants who are at great disadvantage in adapting to urban economic structures.

So far, we have examined the labor absorptive capacity of petty entrepreneurship only with regard to new entrants to the labor market. We will now ask whether this occupational sector has a great capacity to absorb those workers who had participated in the labor market but were pushed out of their previous occupations. Table 2 shows that about 11 percent of respondents currently engaged in petty trading or personal services were previously factory workers, while only 3 percent of the factory workers started as traders or service workers. Certainly there was not much labor mobility among our respondents, but when it occurred it was very likely a movement from the factory setting to the crowded commercial market.

Another question we must ask in this regard is whether the persons who entered petty enterprises had many opportunities to move out of this occupation. The evidence shows that most of them (123 of 131 or 94%) were locked into this low-status occupation once they entered it. The pattern is different for factory workers; 74 percent (104 of 141) of previous factory workers remained in their first occupations, while about 26 percent did not. Thus, we can detect a consistent pattern of labor mobility in our data: petty entrepreneurship is more receptive of labor than distributive of its own labor to other occupations. It not only absorbs new entrants to the labor market but also those coming from other occupations.

CHANNEL OF SOCIAL MOBILITY

Now our focus will shift from petty trading and personal service jobs to ownership of small business to examine whether it constitutes a channel of social mobility. It is apparent in Table 2 that our respondents have experienced very little social mobility. Only about one-tenth of the nonmanual workers in our sample began their careers in manual occupations, and one-twentieth of the manual workers experienced downward mobility from nonmanual occupations. What is striking, however, is that as many as 85 percent (22 or 26) of upwardly mobile persons have achieved this mobility by moving into ownership of small business from manual occupations. Though the number of persons involved is too small to allow any definitive conclusion, it seems clear that small business offers better opportunities for upward mobility than white-collar positions.

If we examine more closely the mobility experiences of our respondents, we find in Table 2 that about 22 percent of small businessmen were manual workers in their first occupations; of those, 17 percent were factory workers and about 5 percent were traders or service workers. It is interesting to note that chances to move into one's own business seem to be greater for factory workers than for petty traders.

Table 2. MOBILITY FROM FIRST OCCUPATION TO PRESENT OCCUPATION: INFLOW MOBILITY PERCENTAGES

	*Present Occupation**				
First Occupation	*1*	*2*	*3*	*4*	*5*
1. Elite	50.0 (17)				
2. White collar	47.1 (16)	93.4 (127)	22.5 (23)	6.1 (7)	3.4 (5)
3. Small business	2.9 (1)	3.7 (5)	55.9 (57)		1.4 (2)
4. Factory worker		2.9 (4)	16.7 (17)	91.2 (104)	11.0 (16)
5. Petty trader			4.9 (5)	2.6 (3)	84.2 (123)
Total	100.0 (34)	100.0 (136)	100.0 (102)	99.9 (114)	100.0 (146)

*The unemployed are not included in this table.

Although it is petty traders rather than factory workers whose market situation is similar to that of shop proprietors, petty traders seem to have extremely limited chances to expand their mini-scale enterprises into even modest-scale enterprises. This fact partly reflects the poor reward structure in petty entrepreneurship and partly the characteristics of people (less skilled and older) engaged in this occupation.

As expected, there was very little movement from manual to white-collar positions. Only 3 percent of the white-collar workers started their careers as manual workers, all in factory jobs. In comparison with the restrictive nature of the bureaucratic mobility channel, the entrepreneurial channel of upward mobility seems more open to aspiring manual workers.

The data in Table 2 further show that there is significant mobility from white-collar positions to shop owners' positions. About 23 percent of the small business owners are from white-collar backgrounds, which is contrasted with only about 4 percent of white-collar workers who are from small business backgrounds. As in the case of mobility between factory jobs and trade and service jobs, mobility between white-collar jobs and small business ownership is asymmetrical, the predominant direction of mobility being from the bureaucratic to the entrepreneurial sector.

The social meaning of mobility from white-collar positions to small business is not simple to assess. Some may argue that this is a form of downward mobility, while others may regard it as horizontal mobility from one occupational situs to another.[3] However one may define this form of mobility, one thing seems clear: this form of mobility allows white-collar workers to avoid the risk of downward mobility by assuming the proprietorship of a small shop. Ownership of small business in this

sense provides a backstop for unsuccessful white-collar and elite workers who might otherwise fall into the manual stratum.

It is interesting to see how many opportunities are available to owners of small businesses for moving into elite positions. The chances are almost nil. Only one of 65 persons who started as shop owners has obtained an elite occupational position. These data indicate a virtually unbridgeable gulf between small entrepreneurship and large-scale enterprise. In all likelihood, almost all shop owners in this city will remain small entrepreneurs. Compared with small businessmen, white-collar workers have greater chances to move into elite positions. Of 178 persons who started as white-collar workers, 16 persons (9%) obtained elite positions. These data indicate that in terms of social mobility white-collar positions are more likely to be points of departure, while small businesses are more likely to be points of destination.

The overriding conclusion suggested by this analysis is that it is relatively easy for both blue-collar workers and white-collar workers to become owners of small businesses. For the former, it means upward social mobility, and for the latter, it may mean escaping the risks of downward mobility. Thus, the function of small business ownership seems to be twofold: one is to promote upward social mobility of manual workers, and the other is to decrease downward mobility of white-collar and elite workers.

MECHANISMS OF SOCIAL MOBILITY

Our initial hypotheses about the labor absorptive function of petty entrepreneurship and the social mobility function of small business are generally supported by these findings. Yet, an important question remains: What does it require to be a successful small businessman? Are the requisites for ownership of small business the same as those for a white-collar position? The question bears on the mechanisms of social mobility in two different channels of mobility, entrepreneurial and bureaucratic. Unfortunately, our data do not permit a detailed analysis of various mobility assets of our respondents. Because of this restriction, we will focus on the relative importance of one attribute which is generally believed to be the most important asset for upward mobility, namely, the attainment of higher education. Table 3 displays the average number of years of formal education, the average monthly income, and the average "subjective status"[4] identified by the occupants of five occupational categories. Notice that owners of small businesses are on the average markedly less educated than white-collar employees. The average small businessman had education about a year and a half short of high school graduation (10.4 years), while the average white-collar worker had about a year and a half of college education (13.8 years). Table 3 also shows greater heterogeneity among small businessmen than among white-collar workers in terms of educational backgrounds. By and large, the data can be interpreted as indicating that becoming an owner of a small business depends less on higher educational attainment than does the achievement of white-collar positions.

Table 3. MEAN YEARS OF EDUCATION, MEAN MONTHLY INCOME, AND MEAN SUBJECTIVE CLASS BY OCCUPATIONAL CATEGORIES (N = 540*)

Occupational Category	*Mean Education*†	*Mean Income*‡	*Mean Sub. Class*§
Elite	14.8 (2.2)//	61,900 (18,500)	4.1 (.8)
White collar	13.8 (2.9)	39,700 (17,400)	3.1 (1.0)
Small business	10.4 (4.0)	45,600 (21,200)	3.0 (1.1)
Factory worker	9.0 (3.5)	27,300 (17,300)	2.5 (1.0)
Petty trader	6.3 (4.2)	22,400 (13,900)	2.1 (.9)

* The unemployed and agricultural workers in our sample are not included in this table.
† Education is measured by the number of years in school.
‡ Income is measured by the amount of "won" a subject makes a month (400 "won" was equivalent to one dollar in 1971).
§ Refer to footnote 4 for measurement of this variable.
// The values in parentheses refer to standard deviations.

We can now compare in more detail the two types of upwardly mobile individuals: those who have moved from manual to white-collar positions, and those who have moved from manual jobs to ownership of small businesses. As previously seen, however, the first group includes only four persons, while the second has 22 persons. Needless to say, no sure conclusion can be made from such a small number of cases. Yet, the data are interesting enough to be presented: 3 of the 4 upwardly mobile white-collar workers finished high-school, whereas only 5 of the 22 upwardly mobile shop owners had similar education. Thus, along with the data on the general educational backgrounds of the two occupational groups, this finding may add more support to our tentative conclusion that upward mobility through small entrepreneurship involves a mechanism which is different from the one governing upward mobility through the bureaucratic status hierarchy.

From the data in Table 3, we must also note that owners of small businesses make a higher average income than white-collar workers, in spite of their generally lower educational attainment. The average monthly income of white-collar workers is 39,700 "won" while that of shop owners is 45,600 "won." These data suggest that an individual with a given amount of formal education tends to earn more money by entering a small business than by entering the white-collar world. These data, however, should not be interpreted as meaning that the entrepreneurial sector is generally more rewarding than that of the bureaucratic sector. It must be pointed out that running a small business requires many resources other than formal education. Ability to mobilize a modest amount of capital, an extended network of credits and customers, and a peculiar orientation such as aggressiveness, shrewdness, and quick wit are all essential resources for a successful small businessman. Also, a small enterprise invariably requires an enormous time investment not only by the shop owner himself but also his entire family. Considering all these investments typically made by a shop owner, the reward he receives may well be less than that of an average white-collar worker. Particularly, if we consider nonmonetary forms of re-

ward such as job security, leisure time, and quality of work conditions, it may well be that most people would prefer white-collar jobs to shop proprietorship.

The key point, however, is the fact that a large number of urban dwellers who are handicapped in their competition for white-collar positions by their lack of higher education, do manage to earn satisfactory incomes. Equally important, these shop owners regard themselves as enjoying as high a status as the average white-collar worker does (Table 3). These facts lead us to see small businesses as an alternative to the bureaucratic channel of social mobility. The unique character of the entrepreneurial channel of social mobility seems to lie in the fact that upward mobility through this channel depends less on formal education than is the case with the bureaucratic channel of mobility. Though we do not have appropriate data, it is likely that entrepreneurial success depends largely on those qualifications which can be acquired outside of formal education. If so, small business as a channel of upward social mobility is particularly significant in a society where access to educational credentials is limited to a small proportion of the population.

DISCUSSION AND CONCLUSIONS

From the present analysis of Korean data, we can derive the following tentative conclusions: (1) petty-scale urban entrepreneurship is highly labor absorptive, providing occupational niches for a large number of less skilled migrant workers from rural areas; (2) small business constitutes the most significant avenue of upward social mobility, opening the greatest opportunities for manual workers to move into nonmanual occupations; (3) upward social mobility through ownership of small business seems to depend less on formal education than does upward mobility through white-collar positions. We must be cautious not to consider these conclusions as more than tentative, since our data base is narrow and the number of socially mobile respondents is also very small. Despite this limitation of the data, the pattern of findings is consistent. These conclusions are also consistent with the hypotheses derivable from various writings of economists and sociologists.

From a theoretical point of view, these findings highlight the utility of the concept, ''occupational situs'' for the studies of social change and social mobility in developing societies. In the sociological literature, occupational situs refers to the ''horizontal division of occupational structure'' (Feldman; Hatt; Morris and Murphy). As such, it is distinguished from occupational status which refers to the vertical dimension of occupational structure. Occupations in each situs are viewed as forming a coherent status system. Thus, in a situs model occupational structure is composed of ''multiple status hierarchies.''

Highly insightful as it is, this situs model of occupational structure has rarely been utilized in sociological research. Almost all the studies of social mobility continue to employ an undimensional occupational structure and the dynamics of occupational structure are most often transformed into a simple status hierarchy. This conceptualization may in fact be justified by the high degree of uniformity in

the prestige hierarchy of the American occupational structure (Reiss et al.). If there is a fairly uniform status hierarchy in a developed society, it may be that the complications necessitated by introducing the situs dimension may not be offset by gains in actual knowledge.

But the conditions in developing societies are very different from those in already developed countries. As widely observed, economic development normally moves at very uneven rates of change in various sectors of the social structure and, thus, there is often a gross inconsistency among these different sectors. Also, as Moore points out, one of the most salient aspects of development is "sectoral relocation," a movement of labor from one sector to another sector of the economy. Thus, several sociologists (Feldman; Lipset and Zetterberg; Moore; Smelser and Lipset) stress the need to pay more attention to the situs dimension of occupational structure when we study social change and social mobility in developing societies. These researchers are particularly concerned with the hiatus existing between agricultural and nonagricultural situses, arguing that sociologists' exclusive concern with the status dimension obscures the most significant form of mobility occurring in developing societies, i.e., mobility from agricultural to nonagricultural activities.

In relation to their argument, our findings suggest that it is very useful to make an analytic distinction within the nonagricultural structure between entrepreneurial and bureaucratic occupational situses. As often noted, bureaucratization of labor is an inevitable change associated with industrialization (cf. Moore) while, as previously mentioned, the growth of the entrepreneurial sector of the economy is closely related to rapid urbanization. To the extent that overurbanization is an imminent reality in most developing countries, special attention should be paid to the entrepreneurial occupational situs. Urbanization increases not only the supply of labor and consequently the demand for jobs: it also increases the number of consumers for goods and services. Proliferation of small entrepreneurs seems to be a peculiar outcome arising from such structural conditions.

As opposed to the bureaucratic occupational situs, the entrepreneurial occupational situs seems to be highly congenial to persons most likely to be discriminated against in the bureaucratic situs. From the present analysis, we may infer that these two occupational situses constitute two different status systems in which modes of reward distribution are governed by different principles.[5] These two status systems may then be regarded as offering alternative channels of social mobility. The availability of these alternative channels indicates a certain degree of flexibility in the stratification system. Viewed from this perspective, it is fascinating to observe the ways in which social organization manages to create structural flexibility in the midst of adverse economic conditions.

NOTES

1. It must be noted that the commerce and service sector is not necessarily entrepreneurial since this sector can be highly bureaucratized as is the case in developed societies. It is characteristic of developing countries, however, that the commerce and service sector is largely composed of solo enterprisers or family business owners.

2. Rural migrants in this study include all those urban dwellers who were born and raised in rural areas until age 15 or more. Those who were born in rural areas but migrated to Chonju before age 15 are treated as men of urban origin, as are other urban natives. That is, our classification of rural migrants is based on place of socialization rather than place of birth.
3. A more detailed discussion on "occupational situs" will follow in the later pages.
4. The "subjective status" was measured by the following question: "If you divide the people in Chonju into six class positions, upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, lower-lower, what class do you think you belong to?" In the above calculation, upper-upper class was coded 6, lower-upper, 5 and other classes accordingly down to 1.
5. For a more detailed discussion on occupational situs, refer to Koo.

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