South Korean Economic Development: Culture and State Policies

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INTRODUCTION

The South Korean Labor Force

Objective of the Study

South Korea’s economic development, typically the market-oriented macroeconomic reforms and the distortion of microeconomic incentives by the government, has been a source of fascination for neoclassical economists. The country was among the poorest in the world after the end of the World War II; within a span of four decades, it has transformed itself into an industrial country. In fact, between 1962 and 1997, South Korea’s exports expanded from less than $100 million US dollars to more than $100 billion US dollars (Song, 2003: p. 2). In today’s global economy, South Korea is the largest producer of ships, the fifth largest producer of automobiles, the largest producer of semi conductors, and the largest producers of cellular phones (Song, 2003: p. 2). Moreover, within the context of the world economy, South Korea is the twelfth largest trading nation and the thirteenth largest economy (Song, 2003: p. 2).

However, before the first five year economic Yushin reform was enacted in 1962 by President Park Chung Hee, per capita income in South Korea was only $82 US dollars (Bank of Korea). Also, in the years of 1945 to 1962, South Korea’s government was virtually dependent on the $12 billion US aid funds (Cumings, 2005: p. 306). Therefore, the rapid succession of modernization and economic development in South Korea has captured the attention of
numerous economists around the world. By now, there is a large literature focused primarily on the macroeconomic policies, and the supposed reasons for the Korean miracle. But economic development is a multidimensional process and it cannot be captured solely by focusing on macroeconomic phenomena. Economic development is intertwined with cultural and social change, and the process of development is affected by numerous factors. For example, the period of rapid economic development in South Korea was possible because the militarized government of Park Chung Hee formed a tight alliance with big businesses. This newly formed alliance repressed labor and curtailed the development of democracy during the early years of economic development.

In that regard, my goal is modest. Considering the rapid economic growth in various industries, studies of the gender division of labor in this period are relatively undeveloped. Women’s contributions to South Korea’s economic development, in both production and reproduction, have been indispensable, and it is my goal to explore how the decades of industrialization have influenced the lives of working class South Korean women. Nevertheless, although the primary focus of this paper is going to be based on the gender issues within the modern economic development, in order to fully comprehend the gender division of labor in the modern industrialized South Korean culture, it is essential to recognize how the state and the big family owned firms or the Chaebol shaped South Korea’s industrialization and economic development, in large part, at the expense of labor. Also, prior to examining modern South Korean women, I will provide an overview of how cultural characteristics of traditional Korea profoundly influenced women’s position in the modern industrialized economy.

My intention is not to delve into the debate of economic development in macroeconomic terms. Rather, my goal is to lay out the more salient features of South Korea’s experience of
economic growth in which other pertinent factors can be considered in perspective. In order to do this, I am going to focus on the human element and the social organization because after all, it is the people who achieve economic growth and economic development. With that in mind, in contrast to other related works that concentrate mainly on the analysis of economic variables, in this study, the story of economic development will be told with emphasis on the role of the military government and the behavior of human capital. In addition, the questions I address are not all quantitative ones, and accordingly, all answers will not be given in quantitative terms.

This study consists of four chapters.

In Chapter 1, I provide an overview of Korea’s cultural history and economic history to show the nature of industrial development that began in South Korea in the early 1960s. This chapter also examines the cultural factors that served as a comparative advantage for South Korea’s economic development. South Korea’s rapid economic growth was vigorously pursued by the authoritarian government, but as this chapter will show, historical and cultural events also played substantial roles in the process of industrialization.

Chapter 2 describes the formation of alliance between the military government and the Chaebol (family-owned companies) that began in South Korea in the early 1960s. It is generally accepted that the authoritarian regime was the main institution that transformed South Korea’s industrialization, but it was the Chaebols that made the economic development possible. For South Korea’s economic development, the relationship between these two powerful institutions have been marvelous, but the powerful duo came unfriendly to the working-class throughout the different phases of South Korea’s economic development.
Chapter 3, specifically, will deal with the labor-related problem, during the 1960s and the 1970s, when the first and the third Five Year Economic Development Plan were enacted. The crucial aspect of this chapter is examining how much the working-class suffered during the economic development because of its organizational weakness, and its exclusion from the economic policies. As the worker’s diaries and personal essays will show, young women workers suffered physical and psychological pain from the exercise of power carried out by the authoritative employers. By exploring case studies, this chapter will show how authority was exercised in a typical South Korean factory during the period of industrialization.

Lastly, chapter 4 will be devoted to the issues of labor and Confucian culture. This chapter is concerned primarily with assessing how much of the explanation for the rapid economic growth is attributable to South Korea’s Confucian culture. It is certainly true that culture played a significant role in suppressing factory workers’ awareness of collective identity, but as this chapter will show, some of the cultural values may have stemmed from South Korea’s recent history.
INTRODUCTION

The Korean peninsula has undergone enormous change over the last century. Korea fell prey of Japan from 1910 to 1945, and after three additional years of war and destruction, the country was turned over to the Koreans in 1953 under the leadership of Syngman Rhee. Recovery from war was mildly successful, but the economy heavily depended upon US economic aid and lacked a plan for long-term growth. In this chapter, I will address Korea’s economic and cultural history prior to the 1960s and seek out unique Korean flavor that contributed to South Korea’s rapid economic growth during the 1960s and 1970s. To state the conclusion first, in addition to the successful economic strategy that was adopted, a set of cultural factors served as a comparative advantage for South Korea, allowing for the rapid and consistent growth of the economy.

1.1 Historical Overview

Korea used to be a kingdom ruled by the Confucian scholar class for five hundred years; consequently, Korea remained a poor agrarian society until it was forced to open its ports and participate in international trade in 1876 with Japan (Kim, 1988: p. 197). Torn by exploitation of the aristocrats, the peasant class had no noteworthy motivation for economic development. With an exploitative traditional structure, Korea was too weak to face the imperialistic encroachment from Japan and consequently, Japan colonized Korea in 1910. The next thirty-five years under
Japanese rule constitute only a brief interval in Korea’s twelve hundred years history, but the changes introduced in the period were profound nonetheless.

When Koreans mention the 1910-1945 period, most stress the negative side of the Japanese colonial experience, and I am positive that most Koreans suffered under Japanese rule, but there is evidence that economic growth in Korea during the Japanese rule was substantial. For example, manufacturing averaged an annual growth rate of over 10 percent a year through the three decades (Mason et al., 1980: p.75). Also, although there are different estimates of agricultural growth rates depending on which years are used, but according to Sung Hwan Ban’s estimates, agricultural output rose 1.6 percent between 1919-1921 and 1939-1941 (Sung, 1974 in Mason et al., 1980: p. 75). However, these numbers are to an extent artificial because Korean economic growth in the colonial period was intended to serve the economic needs of Japan, not those of Korea. Thus, when the Japanese were withdrawn in 1945, the economic fruits also left with them.

When the Japanese left Korea after its defeat in the Second World War, Korea lacked well-trained managerial and engineering-technical manpower. By 1947, the number of manufacturing and construction establishments in South Korea had fallen from 10,065 in 1943 to 4,500. Employment in these sectors also declined 41 percent, and manufacturing output was only 15 percent of the level in 1939 (Mason et al., 1980: p. 77). Then, immediately following liberation, the peninsula was divided into North and South in 1948. The independent republic of South Korea scarcely recovered from the economic turmoil created by the desertion of Japan, but the economic situation worsened when the North invaded in a surprise attack in 1950 (Kim, 1988: p. 199).
After the Korean War was over, Syngman Rhee emerged as the first president of the new republic of South Korea. During the 1950s, the Korean government gave priority to the reconstruction of the infrastructure. In order to finance the reconstruction of the torn nation, South Korean government relied on two sources. First, the Korean government heavily depended on the United States and the United Nations for financial aid. Between 1953 through 1960, the assistance provided by the United Nation amounted to $120 million, while that provided by the United States totaled $1,745 million (Mason et al., 1980: p. 93). Secondly, the South Korean government sold properties and production facilities formerly owned by the Japanese to prospective Korean entrepreneurs. With the US economic assistance and capital gain from entrepreneurs, South Korea made considerable infrastructural investments in transportation, communication, education, and housing during the 1950s (Soon, 1994: p. 13).

In the process of rehabilitation, numerous entrepreneurs emerged in South Korea and light industries were actually established, but tainted by corruption, these businessmen used political connections to gain favors from the government. Thus, the regime of President Syngman Rhee fell in 1960 with a nationwide student protests (Km, 1988: p. 199). The ensuing Chang Myun government came into power for one year and it is the Chang government that actually drew up the initial first Five Year Economic Development Plan to distinguish its regime from the previous one. However, the Chang government did not even have time to initiate the plan because General Park Chung Hee and his junta took control of the nation with a military coup in 1961 (Km, 1988: p. 199). Under the new regime, the first Five Year Economic Development Plan was implemented: growth by industrialization, industrialization by manufacturing, and manufacturing by exports.
The above description of Korea’s historical background is, certainly, oversimplified, but it is only intended to provide a broad picture of Korea’s circumstances, leading up to the 1960s economic development. The economic situation during the first year of Park’s regime was nothing more than confusion and frustration. As the economic aid from the United States and the United Nation gradually decreased, so did the rate of investment, accompanied by a rise in unemployment. The people were deeply frustrated with the previous government and yearned for the military government to vitalize the depressed economy. Accordingly, in order to legitimize the military government, the Park regime declared that economic development would be its prime objective (Soon, 1994: p. 28).

In macroeconomic terms, the First Five Year Economic Development plan (1962-1966) was nothing more than a list of costs and outputs of major development projects to be undertaken in the future. However, the First Plan was a success because of policy proposals that were undertaken to ensure rapid economic development by exports. First of all, in May 1964, the Korean won was devalued, from 130 to 256 won per dollar for the purpose of export promotion, and shortly after, import restrictions were adopted to deter consumption of imported goods (Mason et al., 1980: p. 96). Second, in 1965, the government doubled the interest rates on bank deposits from about 15 percent to 30 percent in order to increase voluntary private savings and to induce the efficient use of loans. The increase in interest rates resulted in high increase in savings deposits, but the adoption of a high interest-rate policy also contributed to an increase in the inflow of foreign capital (Mason et al., 1980: p. 96).

Third, in order to make up for United States’ declining monetary aids, the military government required the domestic banks to guarantee repayment of foreign capital in cases where the firms with currency borrowing went bankrupt (Soon, 1994: p. 31). The plan was to
increase the inflow of foreign capital in order to promote domestic investments, and consequently to lower the unemployment rate. In addition, as an indication of the government’s commitment to growth through export-oriented industrialization, numerous export incentives were provided for entrepreneurs during this period. Export incentives during this period included: tariff exemptions on imports of raw materials, domestic indirect tax exemptions on both intermediate imports used for export production and export sales, direct tax reductions on income earned from exports and other foreign exchange earning activities and tariff and tax exemptions for domestic suppliers of intermediate goods used in export production (Mason et al., p. 129). In summary, although it is not documented in words, the industrial policy changes that took place during the First Five Year Plan laid the foundations for future rapid industrialization and ignited people’s will to industrialize.

As the above summary suggests, and as I will cover more in depth in chapter 2 and 3, South Korea has gone through a rapid economic growth through export-oriented industrialization and governmental incentives and policies. However, three major factors also facilitated the economic development in South Korea: Confucianism, the behavior of Hahn, and the efficient use of abundant labor. Of course, in purely economic terms, the traditional virtues of Confucianism may seem irrelevant to economic development, but Confucianism needs to be mentioned because it is one of the most important cultural sources of Korean character and social organization.

1.2 Confucianism and Patriarchy

It is beyond the scope of this paper to detail the entire practices of Confucianism, but this religion, as adopted and practiced in Korea during the Yi Dynasty became a very rigid ideology
governing social organization and human relations. Confucianism is a form of discipline that upholds strict social hierarchy and these Confucian virtues had a profound influence on behavior norms, management system and human relationships within the South Korean companies (Chun, 2003: p. 68). Lee Byung Chul, the founder of the Samsung business group, which is the biggest Chaebol in South Korea, said in his autobiography that the book he valued the most was the Analects of Confucius (Song, 2003: p. 221). Moreover, Chung Ju Young, the founder of the Hyundai business group, which is the second biggest Chaebol in South Korea, asserted that South Korea’s business ethics needs to be established with the Confucian virtues (Song, 2003: p. 222).

Confucian virtues concerning human relationships are stated in terms of five main principles: father and son, king and subject, husband and wife, elder and younger, and friend and friend (Song, 2003: p. 59). Also, within the family, individuals’ needs were subordinate to the five hierarchical ideals of the family: patrilineal family descent, rites for ancestors, filial piety, the well being of the family, and the expansion of the family fortune (Hart, 2003: p. 24). In that sense, a traditional Korean household can be described as a patriarchal family system with a great emphasis on the harmony of the family. Thus, within the traditional Korean family, the father was the respected head of the family with the responsibilities of feeding the family and approving marriages (Song, 2003: p. 221).

The backbone of the traditional Korean family system was the relationship between the father and his eldest son. The eldest son was the successor and the heir to his father’s assets and the authoritative role within the family. So, within the family, the eldest son was given priority over younger siblings in terms of education and other needs. When the eldest son became the successor, his responsibility was to take care of his parents, then his brothers in the order of their
birth, and finally to look over his sisters (Song, 2003: p. 222). However, once the sisters married, the eldest son was no longer responsible for their fortune. It seems clear that no other expression better describes the position of women in traditional Korean society: sons were preferred over daughters.

In the traditional Korean society, families relied on intensive agriculture as its economic foundation. The average peasant family before industrialization, of course, produced most of its own food. Therefore, family members depended on their own labor power, sharing of labor among kin during the busy seasons, and even sharing the workload with fellow villagers. This form of interdependence is referred to as *kongdongch’e* in Korea and this word means, labor-sharing. According to the system of *kongdongch’e*, male family members from neighboring households performed specific agricultural tasks together, on the land of each family in turn (Hart, 2003: p. 27). Korean peasants needed to rely on the system of *kongdongch’e* because like much of East Asia, the staple food produced by people was rice, a crop that requires painstaking attention and labor. Especially during the peak agricultural season, a person could not expect to fulfill his own labor needs, so in order to achieve a successful year in farming, and thus survival, it was necessary for all able bodied male members of the village to join in the entire process of producing rice. Therefore, the patriarchal system simultaneously evolved to enhance cooperation among men (Cho, 1998: p. 27).

Then, given the inseparable relationships between agriculture and men, women were liable to be divorced and sent back to their village if they had given birth to only daughters (Peterson, 1983: p. 34). In that regard women were treated merely as tools to sustain the bloodline and as subordinate housekeepers. Also, since a wife was considered a member of her husband’s patrilineage, she received no patrilineal inheritance from her father, even if her father
did not have a son. During the Yi dynasty adoption was widespread, so rather than giving the property to his daughters, a sonless father adopted an heir, who would accept the properties in order to carry out the ancestor ceremonies. During the late Yi dynasty, around 15 percent of the men who passed the civil service examination called the gwah geo were adopted high class sons (Peterson, 1983: p. 35).

In the late Yi dynasty, men and women were naturally divided in terms of gender roles. For example, their gender roles were clearly described in the Naehoon or codes of behaviors as the following:

Wives should stay inside and prepare every meal. They should devote themselves to winebrewing, cooking and clothmaking and not to political affairs. No matter how talented and wise she may be, a wife should not interfere in such affairs, though she might just offer a piece of advice to the master. Always remember that a hen that crows in the early morning brings misfortune (Lee, 1980).

Also, according to the Naehoon, even young boys and girls were taught differently when they reached seven years old.

Teach a boy how to give orders and teach a girl how to obey. At seven years old, boys and girls should not sit together nor eat together . . . at ten years old, girls should not go outside . . . They should learn women’s work; to smooth the hem and ramie, to weave, to twist a rope and to make clothes (Lee, 1980).

This strict role-division in the traditional Yi society may seem like an indication of gender equality: men as the head of outer quarters and women as the head of inner quarters respectively. However, according to the words of Confucius as quoted in the Naehoon, women had to submit completely to men:

Confucius said that women should be humble and modest. Since they do not have any wisdom of their own, they should follow three rules: before they marry, they should obey their father; after they are married they should obey their husband; and if the husbands are dead, they should listen to their
sons. Similarly, women should spend their lives on the premises and should not attend funerals even within the distance of 40 kilometers. They should not make decisions, nor do anything else on their own (Lee, 1980).

Thus, in a male-oriented patrilocal society, the life of women was fundamentally unstable. Within the Confucian Virtues, daughters held the lowest status within the family, and once they were married, they were not supposed to return back to their former families again. Therefore, it was crucial for a woman to be accepted by her parents-in-law to ensure her survival in the family and to avoid being expelled. As a daughter-in-law, women had to go through the hardships obediently and patiently. As mentioned in old sayings and folklore songs, daughter-in-laws had to be like “the blind for the first three years, like the deaf for the next three years, and like a mute for another three years” taking care of the families-in-law (Cho, 1998: p. 33).

Moreover, in the traditional Korean society, villages and communities were relatively isolated from each other. Therefore, peasant families had to be self-sufficient and self-reliant. Also, since there wasn’t a reliable market, economic activities almost exclusively depended on the family’s labor power (Hart, 2003: p. 47). Within the peasant family, men and women usually performed comparable tasks, but domestic labor still fell in the hands of women in the household. For example, a woman from a peasant family had to wake up first and spend the whole day grinding grains, cooking, doing laundry, and had to serve her mother-in-law. As a daughter-in-law, she had to toil like a servant to be accepted by her new family. In addition, women did not have the right to ask for her husband’s love because within the traditional society, family members feared that excessive sexual activities would weaken the men physically (Cho, 1998).

Even more, daughters-in-law were seen as responsible for any unfortunate crisis that happened in the family after the marriage. For example, if there was a sudden death of the father-in-law, she could not avoid blame as a “bad” daughter-in-law (Cho, 1998: p. 35). On the
contrary, some daughters-in-law were treated adequately if some unexpected happy event happened in the family after the marriage. Nevertheless, in both cases, a new daughter-in-law still had to endure endless household chores, and according to interviews, many of them endured the hard times because they “did not want to disgrace the maiden family (Cho, 1998: p. 35). The daughters-in-law continuously reminded themselves in tears that “I am already married; I cannot go back to my maiden home” (Cho, 1998: p. 35).

Nonetheless, a woman’s greatest asset was also the ability to produce a son. According to Hae Joang Cho, once a son was born, women were envied by other women in the village and they received overflowing affection from their husbands. Also, women in the late Yi dynasty pampered their sons with devotion and supported their success, for the son’s success meant their immediate gratification, as well. Men certainly had a preference for boys because they were the ones with the potential of carrying out the family rituals, but women themselves also had the preference for boys because their devotion and sacrifice had a chance of being compensated when their sons became successful as a government official (Cho, 1998: p. 40).

On the other hand, the elite families, known as the yangban class, maintained a strict division of labor internally and externally. Under the virtues of Confucianism, elite men did not partake in manual labor. Thus, they relied on a system of feudalism in order to ensure their livelihood (Hart, 203: p. 35). Similarly, unlike the idealized peasant women, elite women did not engage in agricultural activities; rather, women’s sole duty was to “ensure that their husband’s social status as a Confucian bureaucrat was reflected through the appearance of the household” (Hart, 2003: p. 35). Thus, the yangban wife’s value, as well as that of her husband’s family, rested upon her ability to serve as a model of Confucian feminine virtue. For example, in a traditional household, women were generally segregated in the inner room, known as the anbang,
while men enjoyed all the privileges of being the absolute monarch of the household (Kendall & Peterson, 1983: p. 5). Furthermore, during the late Yi dynasty, elite women had to further hide her respectable body and preserve her femininity by wearing a veil over her head and travelling only at night.

In the Western traditions, gender-role division was regarded as necessary because of the basic difference in psychological and physical perspectives, but in traditional Korean society, women validated and internalized the Confucian virtues. In order for the patriarchal system to work effectively in a *yangban* family, everyone in the family had to acknowledge and accept the hierarchy of power. Hence, a *yangban* wife did not only take care of the household to reflect the husband’s social and economic position; she did it for her own honor and to establish herself internally as a *yangban* woman. When a *yangban* woman violated the norms and the virtues of Confucianism, she did not get banished from the husband’s home because a divorce was considered a shame for a *yangban* family (Cho, 1998: p.31). Instead, she was cast out by the husband, which was just as bad as a divorce. In one famous example, a man by the name of Ch’adal banished his wife for disobedience and chose to live with his brother and mother for the rest of his life without remarrying. Consequently, he received praise from the royal court for his nobility and for upholding the virtues of filial piety (Hart, 2003: p. 37).

The social and economic roles of an aristocrat’s wife differed fundamentally from those of peasant women. In a peasant family, women were expected to be producers as well as reproducers. However, in a *yangban* family, women were solely expected to maintain their chastity and obedience. Peasant women played a crucial role to the survival of the family, so they were valued by their ability to supply the needs of the family. On the other hand, *yangban* women were only valued for their ability to serve their husband and their mother-in-law.
It is clear that in the traditional Korean society, men were prioritized and women were subordinated, but it was all justified under the virtues of Confucianism. Most importantly, even women themselves were conditioned to believe that it was right for the men in the household to receive all the wealth and education while they were deprived of any opportunities to succeed. Women genuinely believed that their values were measured only in regard to their ability to produce sons. Unlike the elite class women, peasant women participated in agricultural production that was vital to the household economy; however, peasant women still had to be obedient to her husband and she was also responsible for producing sons as well (Chun, 2003: p. 69). Also, although peasant women had more social freedom than the yangban class wives, peasant women envied yangban women because they did not have to participate in any productive activities. Although the ideologies of Confucianism were overthrown by the Japanese colonial rule in 1910, the Japanese authorities could not conquer the Korean people’s way of life: interpersonal relations, collectivism, and authoritarian hierarchical relationships.

In order to understand Korean traditional society, it is important to note that the traditional society was a family-oriented, agrarian, bureaucratic society with an ideology of men superiority. Thus in relation to men, women’s lives was heavily constricted and as a result, women gained recognition and power only as a mother who produced sons to succeed the paternal line. South Korea has made outstanding progress in the economic realm during the decades of industrialization, and I am certain economists will point to numerous economic analyses to pinpoint the reasons of economic growth, but the ideologies of Confucianism cannot be ignored. Nevertheless, I am not arguing that Confucianism and South Korea’s cultural factors were the only causes of South Korea’s economic success. Of course, the key variable in explaining South Korea’s economic performance is the state policies, but the Confucian
emphasis on education and loyalty to hierarchy certainly had a favorable impact on the economic development.

1.3 The Behavior of Hahn

Perhaps the most interesting and nonrational factor that helped South Korea’s economic growth and modernization was the psychic force called Hahn. The Korean behavior of Hahn cannot be translated into a single English word, but Hahn refers to variety of emotional states of regret, remorse, revenge, and grudges. The feelings of Hahn have to do with accumulated sorrow of repeated deprivation and resentment over injustice (Kim, 1988: p. 207). For the population as a whole, the feeling of Hahn has persisted throughout history. Chronic poverty is certainly one of the reasons why the people of Korea felt the feeling of Hahn, but poverty was not simply caused by lack of productivity. It was a mixture of brutal exploitation from the yangban class and the colonial authorities. To make the Hahn worse, liberation from the Japanese colonial rule was met with bureaucratic corruption and a destructive war. The level of insecurity rose after the Korean War because there was always a threat of invasion from the North and because the Korean people felt that their country was slipping away from rapidly evolving modernized world. Thus, the people of Korea had never been able to fuse out their Hahn until the economic development plans were enacted.

On top of this, for women, feeling of Hahn has piled up because discrimination against women has been apparent since the early days of the Yi Dynasty. In Korea there is even a folktale saying that the Hahn of women can cause frost in the middle of hot summer (Kim, 1988: p. 208). For centuries, women in Korea lacked education and status mobility. In the traditional society, education was confined to the gentry class and few exceptionally rich commoners,
therefore, the door to education and status mobility was simply closed for women. Thus, when the channel for status mobility became available through the economic development plan, it was sufficient for the Korean people to rush to the economic arena to release their *Hahn*. It was the Korean factory workers way of overcoming their lack of education and being born into a poor family. According to sociological studies on South Korea’s economic growth and modernization, there is empirical evidence that the strong achievement motive and need for status mobility played a central role in helping the economic development (Kim, 1988: p. 209). Simply speaking, Korean workers’ deep resentment against oppression gave the workers an explosive *han*, and *hanpuli*, meaning releasing the *han* acted as a catalyst in shaping the workers motivation during the economic development. However, during the late 1980s, the feeling of *han* broke out into violent protests. Just as the economic development plan provided the Korean workers with an opportunity to *hanpuli*, the violent protests was also a way for the workers to *hanpuli* against despotic inhumane treatment they experienced at work.

### 1.4 Efficient use of the labor force

In essence, the success of South Korea’s economic development model has been the high rate of economic growth they achieved once the economic policies were adopted. However, industrialization by expanding exports became a success because of the mobilization of the unskilled labor force from the debt laden agricultural sector to the industrial sector. During the initial period of industrialization, most of the unskilled workers were engaged in the agricultural sector which was already decreasing in productivity. In order to spark a competitive advantage in the international market, President Park lowered the price of agricultural products even more,
which further deteriorated the agricultural sector (Chun, 2003: p. 74). With no source of income, majority of the abundant labor force was ultimately absorbed into the industrial sector. Even more, during the first phase of export-led industrialization, since South Korea lacked resources and capital to jump start the export market, the government lavishly used the unskilled labor force to produce goods from the textile, garment, and electrical industries, which all required relatively little capital, but labor-intensive activities (Koo, 2001:p. 39). Thus, by emphasizing the use of the labor force in labor-intensive industries, South Korea was able to rapidly increase the supply of scarce capital, and as a result, South Korea was able to export complex and high-quality products during the 1970s.

Certainly, the Korean people mobilized because of the monetary incentives that were offered by the industrial sector, but at the same time, mobilization was possible because people responded positively to the government’s decision to focus solely on attaining economic development. It may be true that Confucian emphasis on discipline, patriotism, and loyalty to the country could have made the mobilization a smoother process, but I do not believe that it was the traditional Confucian ethics that made the Korean people cooperate. Rather, I believe the South Korean people mobilized because of the immediate monetary incentives and cooperated because of accumulated insecurity that can be attributed to Korea’s recent history that has been marred with external invasions. Prior to President Park took power with a military coup in 1961, Korea was colonized under the Japanese rule, and with the end of World War II, Korea gained liberation, but it was separated into two nations. Since then, South Korea always feared an invasion from the north. In fact, before the first economic development plan was enacted, South Korea fell behind North Korea in military strength as well as the production capacity of the defense industry (Song, 2003: p. 117). Thus, the level of insecurity has been high in South
Korea’s recent history, and the people cooperated with President Park’s First Five-Year Economic Development Plan to overcome this sense of insecurity. In a way, the military regime of President Park made the best use of the economic development plan to justify their existence as a political party and motivate people to release their insecurity and frustration. But, as I will cover in chapter 3, the military government and entrepreneur authorities actually took advantage of Confucian traditions to mobilize female workers and to justify their authoritative manners.

South Korea’s rapid economic growth based on export-oriented industrialization strategy was certainly a wise choice. Exports jumped from a mere $87 million in 1963 to $835 million in 1970, with the manufacturing sector growing approximately 19 percent annually (Koo, 2001: p. 29). Nevertheless, historical and cultural events also played substantial roles in South Korea's economic development. First of all, the virtues of Confucianism and the feelings of Hahn provided workers with the motivation to work hard despite the repression of labor. Also, in the course of export-oriented industrialization, the military government played a crucial role in channeling people’s frustration towards the economic realm. In the next chapter, I will put the focus on the two main institutions of South Korea’s economic development: the military government, and the Chaebol. These two institutions essentially shaped South Korea’s economic development and in large part, at the exclusion of labor. By examining the tight alliance formed between the government and the Chaebol, I will further illuminate how these two dominant institutions took advantage of cultural characteristics to blind workers from their fruits of labor.
INTRODUCTION

What is the *Chaebol*? The *Chaebol* is synonymous with the modern conglomerates such as General Motors or Sony, but many people have a very unclear picture of the *Chaebol*. The *Chaebol* is commonly referred to as South Korea’s business conglomerates, but in this chapter I will define the term ‘*Chaebol*’ as a single multi-product firm composed of subsidiaries which operate under the ownership of one family. Much of South Korea’s remarkable economic development was initiated by President Park’s industrialization policy that focused on growth through exports; however, it was the *Chaebols* that worked to attain the economic growth. Thus, this chapter is meant to de-mystify the *Chaebol* and illuminate the repression of labor by focusing on the alliance formed between the Park’s government and the *Chaebols*.

2.1 South Korea’s Industrial Policies

The *Chaebol* existed during the 1940s and the 1950s, but the modern *Chaebol* emerged in the 1960s under South Korea’s political and economic environment. During the 1960s and 1970s, the *Chaebol* formed an alliance with the South Korean government and helped President Park’s rapid economic growth plan flourish relying heavily on exports. Thus, without an understanding of the government’s economic policies and interventions, it is not possible to
understand the establishment of the Chaebol. Thus, I will give a brief overview of South Korea’s industrial policies and show how the Chaebol developed its existence.

Although South Korea’s economy steadily developed since the end of the Korean War in 1953, true economic development began in May of 1961 when President Park Chung Hee took over the government through a military coup. Under Park’s Regime, economic development came before other goals such as national security and democracy. Subsequently, to help implement President Park’s goal of economic development, the Economic Planning Board (EPB) was founded on July 22, 1961, only two months after the coup (Kim, 1997: p. 34). Under President Park’s development plan, the government performed three major functions: select industries and corporations to be supported, set up trade policies and tax policies to support those selected industries, and lastly, restructure industries in distress. These entry and exit barriers, and financial supports basically allowed only selected large corporations to enter targeted industries and once they were selected, financial supports allowed these corporations to diversify into numerous enterprises, creating the South Korean Chaebol.

With the founding of the Economic Planning Board and the intervention polices, President Park enacted the economic First Five Year Economic Plan which included list of costs and outputs of major development projects to be undertaken in the near future (Kim, 1997: p. 38). The plan also included proposals to achieve the goal of maximum growth of exports and employment. At the time, college students and scholars were worried that the Five Year Plan ignored national security and democracy, but President Park’s plan was easily implemented since societal resistance was repressed by the military government. Moreover, when President Park was confronted about his First Five Year Economic Plan, he justified the state’s intervention on the grounds that the private sector needs help:
One of our big problems was the shaky foundations of private industry, which was unable to carry its share of the development burden. Furthermore, the market structure was not modernized. Consequently, the government had to play the leading role in the development plan, though we knew well that such a plan must, in the long run, rely on the creativity and initiative of the private industry. In the meantime, the government tried to readjust existing systems to help accumulate private capital, with a view to laying the groundwork of an efficient market competition system. We hoped to encourage businessmen who could play leading roles in planning. On the other hand, rigid restrictions were put on such business activities as run against these efforts (Park, 1966: p. 113).

Furthermore, President Park truly believed in the idea that the political stability was a precondition for attaining economic development. Thus, President Park sought to install stability with his authoritarian regime, which in his mind, was an important first step in attaining economic development. President Park makes this argument in his own book:

I was also aware of the fact that economic development in the capitalist manner requires not only an immense investment of money and materials, but also a stable political situation and competent administrators. To achieve this stability, the military revolutionary government temporarily suspended political activities of students, the press, labor unions and other social and political organizations, which had caused political crises and social unrest during the rule of the Democratic Party Regime (Park, 1996: p. 105).

When President Park took control over the government in 1961, the Korean economy was poverty-stricken. In fact, South Korea lagged behind North Korea in terms of per capita income, industrial production, military strength, technological level and production capacity of the defense industry (Song, 2003: p. 117). Also, many intellectuals at the time proclaimed that South Korea was wrong to adopt the capitalist economic system, which they believed to be inferior to the socialist economic system in North Korea (Song, 2003: p. 117). Thus, it was
essential for President Park to suppress political activities and encourage discussions concerning economic affairs.

In addition, although President Park is criticized in today’s media, since he is directly responsible for putting a halt on democracy, during his regime President Park actually blamed democracy as an indirect cause of the Korean War (Kim, 1997: p. 38). According to President Park, the freedom of expression and freedom of the press had led to social unrest, creating a chance for North Korea to invade South Korea. Therefore, he blamed “democracy” for the Korean War, and the suspension of it was declared as justified for national security (Kim, 1997: p. 37). College students revolted against this outrageous argument, but they were harshly dealt with by the military state; thus, it was difficult for the opponents to mobilize against President Park. With no one allowed to openly criticize President Park’s so called “Korean-Style” of democracy, Park’s regime directly and forcibly intervened in the market in two significant ways (Kim, 1997: p. 38).

First of all, to induce rapid economic growth, President Park’s government introduced the concept of economic development by supporting specific industries. In the course of promoting specific industries, the government created restrictions and regulations to allow only compatible corporations to enter the industry, thereby contributing to the growth of the Chaebol. For example, in the 1960s, refined oil, steel, electric machinery, and textile were selected as the industries to be supported. During this period, 55 percent of total foreign loans was used to support refined oil, steel, electric machinery, and textile industries. In addition, within the supported industries, additional 25 percent of the foreign loans were spent to cut the cost of electricity, telecommunication and transportation (Sung, 2002: p. 19).
In addition to entry selection, the government was also active in liquidating or merging incompetent firms. During the 1960s, 60 percent of South Korea’s total investment was acquired through foreign loans; hence, the government worried that the emergence of incompetent firms would lower the nation’s credit status, thereby impeding the country’s export-oriented economic development strategy. Therefore, the government felt obligated to actively control the corporate ownership. Within the period of 1969 to 1971, 112 insolvent corporations in the automobile, steel, chemical, and textile industries were acquired by other firms (Sung, 2002: p. 22). It is important to note that South Korea’s government was not simply trying to destroy insolvent firms to create the modern Chaebol. The government’s goal was to simply transfer ownership of insolvent companies to bigger companies in order to fund companies that would remain active in the selected industries.

Also, the South Korean government allocated financial resources and provided tax support to corporations that deemed economically strategic. For example, in 1962, Park’s regime revised the Korea Central Bank Law in order to establish Industrial Bank of Korea specialized only for firms. In addition, the government raised the corporate tax exemption rate from 6 to 10 percent and allowed short-term private sector debt to be switched to long term debt. Moreover, for corporations operating in selected industries, the government provided tax reductions on export sales, reductions of taxes on inputs for export goods, and reduced corporate tax. In return, corporations were forced to devote their enterprises fully to “nation building through industrialization” (Song, 2003: p. 117). Also, since the state had full control over domestic and foreign capital, corporations had to compete with one another to receive credit from the state in a form of subsidies. Corporations that could not compete in the international market were no longer eligible to receive the state’s low interest policy loans. Also, when they
failed to achieve their export targets without a reasonable excuse, corporations were threatened to be overtaken by the government (Song, 2003: p. 115).

Second, in order to help the corporations achieve their export goal; the state used authoritative power to suppress the labor force. In fact, the absence of strong organized labor played a significant role in facilitating the export-oriented industrialization in South Korea. During the Japanese colonial rule from 1910 to 1945, in order for Japan’s military to advance into China, they required substantial industrial base in Korea; hence, considerable amount of investments in chemical industries, railroad construction, and hydroelectric plants were made in Korea. Thus, the number of Korean factory workers increased from 49,000 in 1921 to 80,000 in 1925 to 102,000 in 1930 (Koo, 2001: p. 25). Since majority of the employers were Japanese, Korean factory workers began protesting against the Japanese employers, not simply for economic benefits, but for the independence movement against Japanese colonial rule. For example, in 1930, there were 160 documented labor conflicts involving 18,972 workers (Koo, 2001: p. 25). Nevertheless, the Japanese government put a halt on the labor unions by executing the labor leaders as Korean liberation soldiers. As a result, the Korean labor movement during the last years of colonialism remained mostly hidden.

Then, only three months after liberation from Japan, the National Council of Korean Trade Union was formed under communist labor leaders. With the formation of a strong union, labor strikes increased sharply in the late 1940. For example, between August 1945 and March 1947, there were 2,388 labor conflicts involving 600,000 participants (Koo, 2001: p. 26). The number of labor disputes that occurred immediately after the liberation even surpassed those of the 1960s and even the 1970s. However, the National Council of Korean Trade Union did not last long. In March 1946, backed by U.S. military forces, right-wing groups created a new labor
organization called the Federation of Korean Trade Unions. Unlike the communist labor organization, the FKTU had no interest in promoting workers welfare. Rather, the sole purpose of the organization was to destroy the leftist labor unions. In January 1947, a clash between leftist and rightist labor groups severely weakened the communist labor union, and when U.S. military government outlawed the Korean Communist Party in March 1947, the National Council of Korean Trade Union came to an end (Koo, 2001: p. 26).

After this brief period of active labor mobilization in Korea, the FKTU degenerated into a political party, organizing political rallies in support of Syngman Rhee’s regime. Workers and teachers also created new unions during the late 1950s, but under the reason of security, President Park Chung Hee and his military government essentially wiped out all labor movements. When President Park and military junta took power, it officially dissolved the FKTU and the newly created Korean Central Intelligence Agency arrested labor activities, and banned labor strikes (Choi, 1989: p.231).

Also, the military regime introduced revisions in the existing labor laws. Under the previous Rhee regime, the South Korean constitution guaranteed the three basic rights of labor: freedom of association, collective bargaining, and collective action. However, the Park regime saw the potential danger of organized labor, and in 1963, an amendment to Article 12 of the Labor Union Law was added so that labor unions could not collect funds from political parties (Koo, 2001: p. 28). At the time, the Park regime was interested in restructuring the labor unions for political reasons, to keep the unions disconnected from opposing political parties. However, when the export-oriented industrialization plan became a success, the number of urban workers began to expand, from 1.3 million in 1960 to 2.1 in 1966 to 3.4 million in 1970 (Suh, 1987: p. 169). Thus, in order to protect the export manufacturing sectors, in 1969, the military
government announced the new Provisional Exceptional Law Concerning Labor Unions and the Settlement of Labor Disputes in Foreign Invested Firms. Essentially, these new laws prohibited labor strikes and labor disputes in foreign-invested firms. President Park believed that the higher, the faster, and the more the economy grew the better for the country (Song, 2003: p. 116). During this period, legislation regarding minimum wages was simply rejected by the government and extensive force was used to prevent strikes (Kim, 1997: p. 38). More importantly, labor strike leaders were often prosecuted as pro-North Korean communists and more often than not, they received the death penalty (Kim, 1997: p. 38).

2.2 The Growth of the economy and the Chaebol

It was certainly unfair and unjust, but the government-led economic development strategy was definitely imperative in guiding the nation’s economy and setting the ground for the growth of the Chaebol. As mentioned in the previous section, the government allowed only few corporations to enter the targeted industries. Moreover, in the course of economic development, only the firms that had been selected in the 1960s were selected again to participate in the Heavy and Chemical Industries during the 1970s. Since these corporations already had their own capital, when they entered the heavy and chemical industries, they were subject to economies of scale; thereby they became larger and larger. Thus, the formation and growth of the Chaebol can be attributed to the government’s industrial policies and corporations’ response to them.

According to research conducted by Eun Mee Kim, on average the ten largest Chaebol grew at a rate of 7.7 percent per year during the 1970s. Also, Hyundai, the largest Chaebol during the late 1970s and 1980s, grew at an average rate of 38 percent every year during the 1970s (Kim, 1997: p. 52). Moreover, in 1987, the five largest Chaebol exported over 40 percent
of all shipment in fabricated metal products, machinery, and equipment (Kim, 1997: p. 52). These results are certainly remarkable since the average annual growth rate of real GNP was only 7.9 percent (Kim, 1997: p. 52).

Moreover, the Chaebol dominated the South Korean society in numerous ways. First of all, the Chaebol employed a large share of the labor force. For example, during the 1980s, the ten largest Chaebol employed nearly 12 percent of all workers in manufacturing; they were also responsible for 28.2 percent of total shipments in manufacturing (Kim, 1997: p. 52). Finally, the Chaebol’s organizational structure and management style became a model for other South Korean businesses. As a result of the Chaebol’s economic success, their management styles have been followed by other small and mid-sized firms in South Korea. Thus, in South Korea, small and mid-sized firms are now called the Joong-So Chaebol or the small Chaebol.

One of the main characteristics of the Chaebol is that they produce a varied array of manufactured products and services; hence, a consumer in South Korea invariably comes into daily contact with the Chaebol’s products and services. While I was in South Korea for seventeen days, I stayed at my aunt’s apartment that was constructed by Samsung, traveled in a car manufactured by Hyundai, watched television from Lucky-Gold Star’s television set, ate at a Hyundai-affiliated restaurant, drank coffee from a Samsung-affiliated Starbucks, used a cell phone that was produced by Samsung, watched a movie at a Samsung’s movie theater, and finally shopped at a mall that spun off of Samsung. It was practically impossible to not come in contact with the Chaebol related products.

However, when I interviewed my cousin Bae Min Sung, who currently works at Samsung Home Security as a senior accountant, I realized how much loyalty was demanded by the Chaebol. As a “Samsung man,” his selection of products and services had to reflect his loyalty
to Samsung. He wore a suit that was tailored by Samsung, drove a Samsung car, and even installed Samsung digital door locks and a video intercom system for his apartment. As our interview progressed, he started to comment on the structure and diversity of the *Chaebol*:

In America, Samsung is probably famous for television sets and cell phones, but in Korea, Samsung is engaged in the electronic industries, financial services, chemical industries, machineries, engineering, retail, entertainment, apparel, advertisement, security, education, medical, resource development, and food supplies. In my opinion, Lee Gun Hee, the Chairman of Samsung, is probably as wealthy as any other business owners in the world. It almost doesn’t make sense that Samsung owns so many enterprises, but there is a big advantage of having diversification in unusually wide range of unrelated businesses. Samsung can exchange capital, technology, and workers among member companies when there is a shortage in one sector of the group. For example, I am currently working at Samsung Home Security, but my goal is to secure a job at Samsung electronics, and if I do well here, I will be promoted and transferred to Samsung Electronics soon.

According to Mr. Bae, diversification of the *Chaebol* is advantageous for his career, but it is also interesting to see why the *Chaebol* diversified into a large number of unrelated enterprises. For example, Hyundai, which was well-known for its activities in the heavy industries in the 1960s, began to invest in light industries by 1970s. On the other hand, Samsung was famous for its light manufactured products in textile, but shifted its production to heavy manufacturing by 1970s (Kim, 1997: p.67). Furthermore, for Samsung by 1983, their assets in the heavy industries were 33 percent of total assets while their assets in light industries were only 17 percent of the total assets (Kim, 1997: p. 68). For the first time in Samsung’s history, their activities in the heavy industry exceeded those in light industries.
It is common for conglomerates in the United States and other advanced nations to diversity their enterprises, but their diversification tends to occur in related sectors based on expertise. For example, Time Warner, the world’s largest media conglomerate based in the United States, diversified its operation, but with businesses closely linked such as, internet access, film, cable systems, and television. On the other hand, in South Korea, by 1988, the four largest Chaebol had diversified into all four major sectors: light manufacturing, heavy manufacturing, financial services, and retail and entertainment (Kim, 1997: p. 70). There are three major factors that explain the diversification of the Chaebol; unsurprisingly, they all benefit the Chaebol.

First of all, during the eighteen years President Park was in power, the government targeted industrial sectors which received low interest policy loans and favorable treatments in receiving foreign loans. Therefore, even when the Chaebol perceived the new market to be unprofitable, the political incentives actually pushed the Chaebol to diversify into the target sectors (Kim, 1997: p. 74). Secondly, the Chaebol diversified into nonbanking financial sectors because the Park Regime nationalized the banks in order to consolidate foreign investments and to control the Chaebol (Kim, 1997: p. 74). Thus, diversifying into the financial sector allowed the Chaebol both the flexibility in cash flow necessary for subsidiary companies and access to loans within the Chaebol.

Lastly, the Chaebol diversified into numerous sectors to take advantage of the cheap labor force. Rather than competing in the international marketplace with quality products, the Chaebol exploited the cheap labor force to be price competitive in the international market. Although the Chaebol diversify their enterprises in numerous unrelated fields, the idea itself is similar to Western business conglomerates and the Japanese Zaibatsu, but the Chaebol’s management style is strikingly different from the Western world, and even from the Japanese.
First of all, unlike the Zaibatsu, the *Chaebol* do not directly engage in banks or practice life-time employment. Moreover, in the West, although hierarchical system exists, its existence is not heavily emphasized because the emphasis is placed on individualistic achievements within the boundaries of their work (Song, 2003: p. 224). However, for the *Chaebol*, the commitment of loyalty to an individual in the firm is highly emphasized, as described below. Loyalty is also recognized in Japan, but the loyalty is given to an organization itself, and not to a specific individual.

In South Korea, individuals emphasize their loyalty to specific individuals in upper management because this specific trait reflects the influence of Confucianism and patriarchy. In Confucianism, beyond the immediate family, loyalties go to near blood relatives, and then to extended clan members called the *Chiban* (Song, 2003: p. 222). Although these family values changed to some extent in the modern world, when the *Chaebol* manage their enterprises, they have the tendency to treat them as if they are governing over a clan. As a result, an individual shows loyalty to a family member of the *Chaebol* rather than the organization itself to gain their trust. As for the *Chaebol*, they manage their businesses by employing blood relatives, distant relatives, and other loyal individuals to protect their family-owned business from outsiders.

Samsung, Hyundai, and Lucky-Gold Star *Chaebol* are typical of other large *Chaebol* in several respects regarding their management style. First of all, family ties among top executives are heavily protected and the boards of directors are also dominated by distant relatives (Kim, 1997: p. 59). Moreover, in line with the Confucian virtue, daughters were rarely given authoritative positions. For example, Ku In Hoe, the founder of the third largest *Chaebol*, Lucky-Gold Star, was famous for securing upper management of his enterprise with solely relatives. Ku In Hoe and his five brothers had twenty-eight sons, and with the exception of two
sons who started their own business, the rest of the sons are all active in upper management (Kim, 1997: p. 61). Furthermore, the Ku family is also well-known for their adherence to the traditional virtues of Confucianism. While the Ku men dominated the management of Lucky-Gold Star, the Ku women were relegated to submissive roles. Even more, they were not even allowed to visit the office or make a phone call to their husbands while they were at work (Kim, 1997: p. 61).

President Park’s reliance on the Chaebol to achieve rapid economic growth was certainly a wise choice. The development of the heavy and chemical industries allowed South Korea to develop its own defense industry and solidify the alliance with the few selected Chaebol. During the 1970s, South Korea’s average annual growth rate of real GNP was 7.9 percent. GNP per capita also rose from $285 in 1971 to $1,589 in 1980, producing an average annual growth rate of 18.75 percent during the decade (Kim, 1997: p. 136). In addition, exports continued to grow, rising from $1 billion in 1969 to more than $17 billion in 1979. Exports as a share of GNP also continued to rise, reaching 34.7 percent in 1979 (Kim, 1997: p. 136). All these numbers illustrate the fact that the South Korea’s economy made a successful transition from being dominated by agriculture and light industries to having a growing share of heavy and chemical industries. However, economic growth did come with a price. The workers, especially female workers, had to endure low wages and poor working conditions. During the decades of rapid economic growth, gender division of labor existed, and it continues to exist today in South Korea. According to the World Economic Forum’s index of gender equality, South Korea ranked 115th out of 134 countries (Choe, 2010).
2.3 Lack of Education

During the period of industrialization, occupational segregation and hierarchy were maintained because nearly all of the women laborers in the entire manufacturing industries were labeled as manual workers, while the majority of the male workers were recorded as skilled workers (Chang, 2004: p. 20). Within the formal sector, employment was even more restricted because of overt external exclusion of women from the recruitment process. For example, during the period of economic growth, the Chaebol recruited over 90% of college male graduates for available jobs, while female graduates with the same credentials could not even pass through the interviews (Chang, 1994: p. 22). In the few instances when women were hired by the Chaebol, women were once again internally segregated into feminized positions of secretarial jobs with little prospect for promotion (Chang, 1994: p. 22). At the time, employers did not deny the fact they were discriminating against women. Rather, employers blatantly justified their discrimination by arguing that it was necessary to treat women differently in order to sustain and preserve their feminine qualities.

According to the interviews of officers at the big corporate firms, women were denied high-paying jobs not because of their lack of skills, but because positions with increased responsibility would force women to stay late at night, which defied the norms of femininity (Chang, 1994: p. 25). If this in fact was the general attitude towards women at the time, men in elite positions undoubtedly justified their actions; however, women in low paid jobs had to work both night and day shifts, so their explanations were plainly unreasonable. Another significant factor that held women back from enjoying senior positions was the lack of educational qualifications.
In every modern capitalist society, there is an inequality between the rich and the poor, and even more, between the capitalists and the workers; however, in South Korea, the inequality the workers frequently mentioned was the inequality between the educated and the uneducated. As one of the Dongil worker wrote: “Even though we are not educated and therefore do not know much, we cannot compromise with the injustices we face, and even though we are poor and hungry, we cannot live on human excrement” (Suk, 1984: p. 161). Nevertheless, educational difference was frequently cited by managers as a justification of highly authoritarian treatment over production workers. During the period of industrialization, the educational ideology implicitly dictated that those who are uneducated must be subordinate to those who are educated. A factory woman who had been supporting her brother’s education wrote: “I do also want to have my younger brother well educated and let him wear that marvelous square college cap and the bright badge on his uniform. But nowadays I came to think that college education is not necessarily the way to become a true human being. Through my eight years’ life away from home, I have seen, so many times, the educated people look down upon the poor and abuse their advantages” (Kim, 1986: p. 52). Thus, during the rapid economic growth, I sense that the factory workers were willing to take a certain amount of unequal treatment in regards to the distribution of income, as long as they were treated equally as a human.

Moreover, during the 1960s, there was an impressive quantitative growth in schooling for both male and female students, but there was significant sex segregation in subject matters in both primary and post graduate training. For example, during the decade of industrialization, only 10.6% of all medical students and 1.1% of all law students were women (Chang, 1994: p. 25). In addition, virtually no women pursued an education in engineering. The most direct
causes for the sexual inequality in the subject choices in education can be attributed to earlier stages of public education and the high cost of educational expenditure.

In the earlier stages of public education, although there wasn’t explicit segregation between boys and girls, the messages contained in textbooks unquestionably fostered the division. Boys were encouraged to achieve success and make progress while young girls were drilled to value traditional virtues and the image of purity (Chang, 1994: p. 26). Furthermore, the low public funding for education worked against daughters from poor families. According to a government survey, 51.9% of parents wanted their sons to graduate from college or higher, while only 35.2% wanted the same for their daughters (Chang, 1994: p. 26). Thus, women were reminded to respect traditional roles through textbooks and accept gender specific majors in college, and, as a result, women gained fewer marketable skills than men. The ideological aspect of the educational system certainly seems like a huge factor in reinforcing gendered division of labor, but after interviewing my grandmother, I learned that the educational system is actually not the main object of blame.

My grandmother, Bae Jung Ohk, was in her thirties when the first five year Yushin reform was enacted. Born and raised in an upper class family, she took tremendous pride in not working in a labor market for a single day. As my interview with her progressed, although it was opinions of one person, I realized that the ideology of gendered division of labor and the concept of traditional values were actually shared, to a certain extent, by women in this period. As she recalled in Korean, a girl from a poor family was unlikely to finish school, so it was obvious for her to work in a low-wage job to support the family. However, it was also normal for a daughter from a middle class family to not pursue higher level education because it was pointless.
According to her, when a daughter from a middle class family worked, the society understood that to mean that she had either an incompetent father or husband. After a brief pause, she continued. She stated that she had a chance of pursuing a career, but instead, took classes called shinbu suop to learn how to be a good wife and to prepare herself for marriage. The literal translation of shinbu suop is “training to be a wife,” and according to her recollection, she learned various tasks such as cooking, decorating a vase, and the proper methods of placing the utensils on the table. Factors such as gender division in early public education and gender inequality in the subject choices in higher level education certainly encouraged the gender division of labor, but this attitude did not develop during the period of economic growth. While a status hierarchy based on the traditional class system (yangbang class) became vague during the economic development, the value of education, the core of the Confucian system, survived to dictate over the factory workers.
INTRODUCTION

As the previous chapters made clear, much has been written about South Korean economic development, but most of the stories about this phenomenal economic change have been told from the perspective of the military government and the export industries. In short, the Park regime provided the capitalists, especially the Chaebols with practically everything and anything as long as they carried out the economic development plan successfully. The virtues of Confucianism and the lack of labor unions also played a substantial role in South Korea’s rapid industrialization, but conspicuously absent is any serious attention to the labor force, the millions of working men and women who made the economic miracle possible.

During the decades of industrialization, especially at its peak from 1966 to 1975, more than 5.1 million people migrated from the countryside to the cities (Lee, 1988: p. 196). Also, despite the Confucian belief that women should remain within the four walls of her home, in the 1970s, more than 600,000 women were engaged in the light manufacturing sector (Chun, 2003: 73). But, there is very little written about the workers and their work experience during this period. And, this is not because economists have failed to recognize the importance of low-wage, hard-working labor force. Economists generally agree that the key source of comparative advantage during the South Korean economic development was the abundant supply of cheap and high-quality labor. However, economists have looked at labor as nothing more than a factor of production and confined their analyses to the issues of wages and income distribution. Thus,
in this chapter I will explore why the workers who benefited so much from the economic growth were so discontent with the authorities who developed the South Korean economic development. Then, I will make extensive use of women workers’ essays to show the working conditions and the highly hierarchical relationship women workers had with the capitalists.

3.1 Sacrifice of the Agricultural Sector

Prior to industrialization, South Korea was predominantly an agrarian society and it was the norm for the daughters to help with domestic labor and farming. Also, daughters were under significant restriction from their parents to preserve their virtue until they were married. However, as in other developing nations, rapid industrialization in South Korea drew the majority of its labor force from surplus labor in rural areas. In the 1960s and even through the 1970s, under President Park Chung Hee’s state reform, the vast majority of the agricultural communities were laden with debt. It was President Park’s ambition to spark a competitive advantage in the international market, but with the lack of technology and capital, the only way to maintain a competitive advantage was to maintain a low-wage for workers in the export sector. Consequently, the price of agricultural products, especially the price of grain had to be lowered in order to keep the living costs of the wage workers at the bare minimum (Chun, 2003: p. 74). A consequence of rural poverty and young people leaving for urban industries, between 1967 and 1987, the total number of farming households decreased by 28 percent, from 2,587,000 to 1,871,000 (Lee, 1988: p. 199). Also, the average size of the farm households was reduced from 5.6 to 4.4 people during this period. On the other hand, according to Bank of Korea’s economic statistics yearbook, with the progression of export-oriented industrialization, manufacturing increased in its share of the GDP, from 18.6 percent in 1960 to 41.4 percent in
1980. However, since large-scale, rural to urban migration was the government’s initial agricultural policy, South Korea’s agricultural sector deteriorated continuously. Rather than providing subsidies and rural credits for the debt laden farmers, President Park Chung Hee, also a son of a farmer started importing large amounts of grain during this period.

TABLE 3.1 Imports and Exports of Grain (1,000) metric tons

<table>
<thead>
<tr>
<th>Year/ E &amp; I</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1915-1919</td>
<td>268</td>
<td>41</td>
</tr>
<tr>
<td>1925-1929</td>
<td>840</td>
<td>294</td>
</tr>
<tr>
<td>1930-1934</td>
<td>1,1105</td>
<td>204</td>
</tr>
<tr>
<td>1956-1960</td>
<td>_</td>
<td>517</td>
</tr>
<tr>
<td>1961-1965</td>
<td>_</td>
<td>731</td>
</tr>
<tr>
<td>1966-1970</td>
<td>_</td>
<td>1,394</td>
</tr>
<tr>
<td>1971-1975</td>
<td>_</td>
<td>2,629</td>
</tr>
</tbody>
</table>

As the table shows, South Korea, a major rice exporter in the 1930s, became an importer of rice in the 1960s and 1970s. Since most of the rice export during the 1930s and 1940s were surpluses that were exported to Japan, the acceleration in the importing of rice during the 1960s and 1970s was certainly a consequence of Park’s agricultural policy. Moreover, to induce the flow of labor from rural to urban areas, President Park gave government subsidies to rural farmers in order to introduce industrialization of agriculture that could replace more workers.

The urban-biased governmental policies certainly drew people to urban areas and made millions of rural people into industrial wage workers, but the burden increasingly fell, both in farm and nonfarm sectors, on women laborers. From 1961 to 1975, male unemployment in the

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1 Statistical yearbook of the Bank of Korea (BOK)
countryside rose to over 20 percent (Chun, 2003: p. 78). With the majority of the rice-farming families in debt, families were in a position in which they needed to send their children to the cities in search of employment; however, according to the Confucian tradition, it was imperative for the males of the family to be educated. Therefore, families decided to send their daughters to the factories in order to alleviate their debt and to fund the education of their sons (Chun, 2003: p. 80). In fact, between 1963 and 1985, the number of women employed in the manufacturing sector increased 7.4 times, from 182,000 to 1,353,000 (Koo, 2001: p. 35).

Moreover, the majorities of the female factory workers were predominantly from rural backgrounds, young, single, and had the heavy burden of supporting their family members. In 1966, approximately 90 percent of female factory workers were under twenty-nine, nearly half of whom were under twenty years old (Koo, 2001: p. 36). Nevertheless, the burden of industrialization fell on elderly women as well. As mentioned above, the majority of migrants were young people; accordingly, elderly women had to participate in farming. Although the numbers didn’t increase significantly, the female labor force participation rate in agriculture increased from 38 percent to 45 percent between 1965 and 1985. Thus, it can be argued that women attained a substantial position in the society by gaining recognizable employment in the urban cities; unfortunately, this was a familial sacrifice in order to meet the demand for industrial labor and to carry out farming in rural areas. But most of all, women became factory workers to maintain the notion of male dominance.

3.2 Participation of Women’s Wage Labor

In this section, my objective is to explain through empirical analyses why women workers suffered from sexual division of labor, during the state-driven heavy and chemical industrialization of the 1970s. First of all, during the decades of industrialization, economic
development of the heavy and chemical industries was pursued for the legitimization of Park’s regime and in order to develop a defense industry (Shim, 1994: p. 43). As a result, the number of those employed in the manufacturing industries increased from 649,737 in 1963 to 4,021,136 in 1986, an increase of 6.2 times in 23 years (Shim, 1994: p. 44).

TABLE 3.2 Changes in the Employment Structure²

<table>
<thead>
<tr>
<th>Year/Sector</th>
<th>Light</th>
<th>Heavy</th>
<th>Textile</th>
<th>Chemical</th>
<th>Machinery</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>245,874</td>
<td>156,107</td>
<td>128,470</td>
<td>59,510</td>
<td>59,776</td>
</tr>
<tr>
<td>1973</td>
<td>706,248</td>
<td>479,480</td>
<td>406,620</td>
<td>145,425</td>
<td>247,955</td>
</tr>
<tr>
<td>1982</td>
<td>1,070,174</td>
<td>1,030,617</td>
<td>667,725</td>
<td>277,757</td>
<td>569,933</td>
</tr>
<tr>
<td>1986</td>
<td>1,033,159</td>
<td>1,232,511</td>
<td>678,847</td>
<td>290,090</td>
<td>786,529</td>
</tr>
</tbody>
</table>

But more specifically, although the total labor participation has increased in the light, heavy, chemical, textile, and machinery industries, the number of women workers increased by 52.0 times in the machinery industry compared to only 9.9 times for male workers. The proportions of male and female workers increased in number and in a greater variety of sectors, but female workers’ patterns were not the same. According to the Statistics on Mining and Manufacturing Industry, the proportion of women workers in the Heavy and Chemical Industry only increased from 20.7 percent in 1963 to 38.8 percent in 1986, while the proportion of male workers increased from 49.3 percent to 65.5 percent during the same period. Thus, while the male workers were predominantly in the heavy and chemical industries, women workers were still clustered in the light and machinery industries.

Another thing to keep in mind is that even within the chemical and machinery industries, there were capital and skill intensive sectors, but there were also fields that were not. Hence, even within the same industry, skill among laborers was not the same and their contributions cannot be treated equally. In this context, compared to male workers who were relatively evenly employed in the chemistry and machinery sectors, women in these sectors were concentrated in specific fields which required unskilled and labor intensive work. First of all, in the chemical sector, more than 50 percent of the women workers were engaged in the manufacturing of rubber products in the 1960s, but the percentage went up slightly to over 64 percent during the 1980s (Shim, 1994: p. 51). Women workers were also highly concentrated in manufacturing of chemicals such as paints and detergents which were relatively labor intensive. Within the machinery sector, women laborers were highly concentrated in the traditional women’s sectors such as the production of electronics and electrical equipments. For example, the proportion of women workers in the manufacturing of electrical equipments was only 23.7 percent in 1963, but by 1973, the proportion increased to approximately 59 percent (Shim, 1994: p. 51).

Furthermore, even within specific sectors, blue-collar women workers were heavily dominated by male white-collar workers. White-collar workers were in a position to control blue-collar workers and in sectors such as textile and electronics, women blue-collar workers made up nearly 90 percent of the work force (Shim, 1994: p. 55). There were female white-collar workers as well, but they were limited to secretary and clerk jobs, the lowest positions among the white collar work; hence they had no power to dominate the male blue-collar workers. Within the chemical industry, the proportion of blue collar workers among women workers varied substantially. For example, nearly 90 percent of the women laborers in the manufacturing of plastics and rubber were labeled as blue collar workers, but within the field of petroleum
refineries, which is a highly skill intensive field with high wage, only 19.3 percent of the women laborers were labeled as blue collar workers (Shim, 1994: p. 56). Then, considering the low proportion of blue collar workers in the field of petroleum refineries, most of the women in the petroleum refineries were white-collar workers, but they held office positions which did not require skilled labor.

The phenomenon of labor market segmentation was also reflected in wages. The average weekly wage of women workers in the manufacturing industry as a whole was only 156,405 won in 1986, which was only 50.4 percent of the male workers’ average wage (Shim, 1994: p. 69). Also, within the manufacturing industry, the wages of women workers in the so called women’s field were certainly lower than that of women in the so called men’s field. However, women workers in the heavy and chemical industries did not actually enjoy better wages compared to other women in the light industry because a high proportion of women in the heavy and chemical industries had relatively long working hours and over time work. In contrast, male workers in the heavy and chemical industries enjoyed noticeably better wages compared to male workers in the other sectors. Thus, even though the working hours in the manufacturing and the chemical industries were extremely long regardless of sex, age, and industry, women laborers certainly suffered more because they were highly concentrated in labor intensive sectors with less monetary compensation.

The above analysis shows that only small numbers of women were able to gain access to skilled labor. However, as we will see in the next section, this phenomenon could have been due to the definition of skill and the evaluation of it. Either way, in order to legitimate the military government, the Park regime needed to show visible economic growth to the People of South Korea. But because of the lack of capital and investment, the only way to achieve economic
growth was by excluding the female labor force into relatively labor-intensive, unskilled and low-wage jobs. Furthermore, the Park regime even incorporated traditional patriarchal values, loyalty to the country, and filial piety to the in-factory vocational training program to make women laborers more obedient and willing to accept lower wages (Shim, 1994: p. 56). Because of the reinforcement of traditional values, women rarely voiced their dissatisfaction against this phenomenon of labor market segmentation and hazardous working conditions. Instead, they wrote personal essays as part of writing exercises at night school.

3.3 Gender Division of Labor

In the following section I will use case studies and women workers’ personal essays in order to describe the dreadful working conditions in the labor intensive sectors. The Constitution of South Korea that was promulgated in 1948 and the Labor Standards Act that was enacted in 1953 guarantees minimum standards for working conditions for all employees, bans discrimination on the basis of sex, and provides special protection for female workers. However, the capitalists blatantly ignored the Labor Standards Act and used the virtues of Confucianism to control women worker’s wage and working conditions during the decades of industrialization. For example, according to Article 69, female workers were forbidden from doing overtime work exceeding 2 hours per day. Also, Article 63 states that female workers “shall not be employed for any work detrimental to morality or health,” but as we will see in the next section, female workers were only protected on paper.³

Despite the fact that the Labor Standards Act provided fundamental human rights, discrimination against women was prevalent in South Korea during the period of industrialization. During this period, even though contractual laws were in effect, capitalists and

³ Labor Standard Act of 1953
other authoritative figures sought to ensure workers’ submission and loyalty by appealing to patriarchal family structure. In the traditional Korean society, women were expected to be submissive and loyal to the patriarch in exchange for protection and care. However, this element of mutual relationship was mostly missing for the modern industrial patriarchs. They simply used the patriarchal ideology to socialize women workers into low-wage labor and to make them unaware of the workers’ rights. However, as the case study of ‘Y’ woolen textile company will show, the patriarchal relationship was generally accepted by the factory workers as a natural phenomenon.

In a case study of ‘Y’ Woolen Textile Company, women’s societal position was clearly present in the form of a gender division of labor and skills. As Kim Mi Ju states, the ‘Y’ woolen textile company was a small subcontracting manufacturer that produced silk materials for ‘K’ textile, which supplied raw woolen silk materials for export products and for men’s wear for the domestic market. Like other manufacturing companies during this period, the ‘Y’ woolen textile company did not have a preference for experience or educational backgrounds; however, the company had an overwhelming preference for single women because they were easily exploitable. Within the company, male employees were involved with warp management, engineering work and machinery work, while female workers were heavily concentrated in the simply task of weaving. Warp management is the process of preparing the threads according to specific color, length and density (Kim, 1994: p. 114). Although some women were involved in the parts of warp management, in general, women’s jobs were evaluated as requiring less skill than men’s duty of repairing the machines because women’s skills were considered as given characteristics while male skills were regarded as learned skills (Kim, 1994: p. 113). Furthermore, even in the workplace, women were encouraged to keep their femininity. For
example, male engineers complimented women workers by saying that their positive work results were because of their beauty and femininity (Kim, 1994: p. 117).

Miss Lee, a warp manager at the ‘Y’ woolen textile company, frequently argued that women’s skills went unrecognized because they were evaluated under a male-centered evaluation system. According to Miss Lee, the only characteristic that ultimately separated women’s work from skilled labor was the aptitude of physical strength and training. When Miss Lee first began working at the factory as a warp manager, Mr. Noh, a male director of the department taught her methods of warp management and all other work related skills except fixing the machineries because he believed that fixing screws is work that women lack ability. Because certain techniques and skills were purposefully kept away from female weavers, women perceived their level of skill to be generally lower than that of men. However, to consider the engineer’s work to be more complex and skilled is nonsense since the engineer’s job is only to exchange broken parts of the machine. Hence, even though the engineer’s work was not skilled in comparison to female weaver’s workload, because of physical strength and lack of training, engineering became a symbol of skilled labor.

Furthermore, Miss Lee stated that an experienced female weaver was completely capable of fixing simple errors in the machinery; however, because of gender norms, women tended to believe that weaving was the proper work for them (Kim, 1994: p. 121). Miss Cho, an assistant weaver said, “one year’s experience of weaving familiarized me with the machine even better than one year’s experience of the engineer’s assistance; however, since we are women, how can we do things like lift beams, work with oil, lie on the floor, and even, climb to the top of the machine?” (Kim, 1994: p. 121). In fact, according to Kim Mi Ju, women at the ‘Y’ textile generally held the conviction that in order to be womanly and loved by a future spouse they must
look perfect at work (Kim, 1994: p. 122). Accordingly, female weavers changed their clothes often, put on makeup at work, and disliked tasks such as touching oil or fixing machines. In addition, even though the temporary weavers and assistant weavers were under direct control of their supervisors, they were allowed to leave work an hour early if they had to go home for household affairs (Kim, 1994: p. 123). The president of the company believed the most important thing for women was to keep their household in order.

The case study of ‘Y’ woolen textile company certainly shows the gender division of labor and the hierarchical characteristics that are attached to the workplace. For example, when a male was hired as a weaver, his wages were not as low as female’s, since it was believed that as a breadwinner, male workers needed to support their families. Also, the female weavers recognized that the only way for them to receive a high wage was to take on the male worker’s jobs; but in practice, they did not want to take on the job that required their hands to be stained with grease. Thus, it is important to note that authority by male workers over female workers resulted from technical hierarchy and a male-centered evaluation system coupled with patriarchal control. However, irrespective of rationality, women workers accepted this gender division of labor and accepted the patriarchal control and as a result, received lower wages.

3.4 Dirty, Dangerous, and Dissatisfaction

The military government’s industrial policies combined with the push of rural poverty triggered large-scale labor migration from rural to urban areas throughout the period of industrial growth, but the intensity and long hours of factory work were painful for young girls to endure. According to the labor statistics compiled by the International Labor Office, the average workweek for Korean manufacturing workers during the 1970s was 52.5 hours. Also, there was
no significant variation in the length of workweek for men and women. For example, in 1978, the average workweek in the manufacturing sector was 53.2 hours for men and 52.7 for women, but because of the Confucian culture, with huge emphasis on male education and patriarchy, male workers generally held skilled labor, while women workers were placed in specific occupations with low wages. In labor-intensive sectors, such as the garment, textile, and food processing industries where the majority of workers were young females, workers routinely worked 12 hour shifts.

In this section I will show the brutality of the labor exploitation in South Korea’s factories, as narrated by female worker’s essays. I understand that introducing these essays can add some bias because the workers who wrote these essays did it for educational purposes; hence, they may be more sensitive and conscious of the working conditions than other workers. Thus, my goal is not to generalize about the entire working class or the consciousness of the female workers; however, I cite these essays because I generally believe in these workers’ description of their work hours and conditions. Below is an example of an essay about the working conditions at Kukje Sangsa, an export manufacturer of shoes, from a female laborer’s perspective:

The working hours at Kukje Sangsa are from 7:50 am to 6:30 pm, but this is only a formal rule, and frequently, whenever we fall short of the production target, we have to come to work earlier in the morning and stay longer in the evening. We have to do overnight work two to five times a week, and during the peak season from fall to spring we have to do as many as 15 overnight shifts. The managers’ abusive and violent language is incredible. They gather us two to six times a week, and each time we are subjected to their severe reprimands and swearing. If we are to be absent from work one day for illness, we are called into the office and receive a stiff reprimand, and even corporal punishment (Lee Tae Ho, 1986: p. 125).
For women working at a factory during the period of industrialization in South Korea meant devoting their entire life to working on the factory floor in return for subsistence wage. The workers had to work long hours, finish overnight assignments, and work even on Sunday. Essentially, the workers had to trade in their humanlike life in order to earn money as a machine or an animal. Here is another example of a female worker’s description of the working conditions at another factory:

At night even cattle sleep, but we have to work through the night. As everybody knows, we work 10-12 hours a day, and quite frequently even throughout the whole night. In the morning I barely manage to lift my tired body and carry it to the dusty, noisy, and curse-filled factory. And when I return home at night I am simply too tired even to wash and eat. Repeating this life day after day, I cannot help telling myself, “Oh, I am worse than a machine.” I am afraid that I may pass out one day living like this. (Kim Kyong Sook et al., 1986: p. 154).

Female workers were only required to work 8 to 10 hours a day but the South Korean manufacturers used overtime to keep their factory workers out on the floor shop. Female workers were not required to work overtime, but the base pay for regular work hours was so low in numerous factories that workers had to work overtime in order to increase their pay checks. In that sense, overtime was voluntary, but obligatory at the same time. According to Hagen Koo, female workers even competed among themselves for overtime assignments (Koo, 201: p. 52). Since the base salary was so low it certainly makes sense for female workers to accept overtime when it was adequately paid and when it was within their physical tolerance; however, physical conditions were simply ignored and they were not compensated for their overtime hours. One of the female worker’s personal essay states:
For a long time, we have been forced to report to work 30 minutes before the regular shift and also to work an extra 30 minutes after regular working hours. On Sunday, we start work one hour and a half to two hours earlier. On Saturday, we are supposed to work from 10 pm to 6 am, but we are forced to work until 7 am. Despite all these extra hours we had to work beyond our regular work schedule, we have never been paid for that (Hanguk kidokkyo kyohoe hyopuhioe, 1984: p. 379).

Long hours of factory work and frequent overtime left the female workers vulnerable. In several factories, workers had to work from Saturday morning through Sunday morning and in order to keep to young girls awake, companies such as Pangrim Textile Co. even supplied anti-sleeping pills to workers (Lee, 1986: p. 94). As one worker wrote:

Of twenty-four hours a day, I must spend most of my nonsleeping hours in the factory, and in the remaining time, all the things I do, such as eating, washing socks, and even sleeping, are just a preparation for going back to the factory the next day. Just like a pig, we eat to work, and we sleep to work (Kim, 1986: p. 43).

The factory life deprived girls of their rest and from leisure time, and the grueling working hours damaged the workers’ bodies without any time to heal. For example, from the period 1978 through 1980, approximately 125,000 accidents occurred each year and about 1,402 workers died each year from these accidents (Koo, 2001: p. 55). These accidents occurred because Korean manufacturers did not make enough investments in safety measures, but a substantial number of these accidents also resulted from forcing workers to work numerous hours in unsafe conditions.

The female workers were motivated to work inhumanely because of economic factors, but they were also concerned with their relations at their workplaces. According to a survey conducted by the Federation of Korean Trade Unions, when asked to describe their ideal workplace, 48 percent mentioned places where they would receive humane treatment, while only 11 percent mentioned jobs with better prospects for a future career (Koo, 2001: p. 61). In this
context, “humane treatment” means being respected as a person, but as the essays will reveal, during industrialization, female workers experienced helplessness and hatred against the patriarchal power and structure. One worker wrote about her day in the factory:

Can we get off from a little early today? I keep looking at my watch. Time passes by but there is no sign that our work will end. I guess we have to do overtime work again today. Lately we’ve been doing overnight work continuously for several days. Near the end of the workday, we hear our boss repeating the same words: I am making you work over night for the sake of both you and the company. So even if you may have some complaints, please work hard. You can lie better in your old age by working harder when you are young (Kim, 1986: p. 144).

As this essay shows, consent was not required and economic incentives were hardly offered for overtime work. Like a Confucian patriarch, the employer simply expected complete compliance and loyalty from the female workers. Especially in smaller South Korean firms and companies, managers were despotic rather than patriarchal because they were employing predominantly young female workers. In smaller factories, despotic control over female workers was not restricted to working hours. According to another description of a worker’s ordinary day in the factory, managerial power even took control over the female workers’ privacy. When the female workers gathered for their morning meeting at the garment factory, the manager declared, “You girls won’t be allowed to take telephone calls from now on. Letters, you can receive them, but only after you first open the letter and read it in front of me. You must understand why I do so” (Lee, 1986: p. 100). The workers did not say anything. Control over workers’ personal space and privacy was one of the reasons why in the summer of 1987 there was a nationwide protest in South Korea. When female workers protested against the Hyundai Chaebol in Ulsan,
one of their top demands was the abolition of the company’s restriction on hair length (Koo, 2001: p. 64).

If the working conditions were so horrendous in South Korea, why did South Korean workers work so hard? Why did they comply with employers’ outrageous demands? Why didn’t they refuse overnight work? Many workers had the right to argue against the employers, but they didn’t because the job turnover rate in South Korea, especially in the light manufacturing sector, was extremely high. For instance, during the 1970s, approximately two thirds of the average factory workforce was replaced each year (Koo, 2001: p. 57). Since there was a huge reserve of surplus of labor in rural areas, South Korean capitalists simply replaced workers who wanted to improve their conditions. Thus, from the standpoint of the workers, they had to endure physical pain and inhumane conditions to keep their jobs. One worker from the Bando garment company wrote about this situation in the mid 1970s:

Had the workers expressed their complaints or made demands which were up to their throats, the immediate consequence would be dismissal, which is like a death sentence to the workers. Nothing has changed in this respect. Had there been no danger of being fired, there would have occurred an explosive number of workers’ demands and struggles for better working conditions (Hanguk Kidokkyo Kyohoe Hyopuihoe, 1984: p. 301).

With a surplus of labor, employers did not have to pay attention to any of the workers’ demands and the workers were simply helpless with no bargaining power to negotiate. Female workers especially had to devote themselves to their work and submit to the authoritarian factory structure because they had to support their family members in rural areas. As one worker wrote, “Because overnight work is so hard and painful I hesitate to take it, but thinking of my mother and younger siblings in our rural hometown, I realize I must bear with it however hard it is to me
(Song, 1982: p. 46). Thus, female workers did not endure the self-destructing factory floor because of strong work ethics or a strong commitment to a company; rather they tolerated the situation because they had to support their family members. In short, they self-scarificed for the family and in return, they benefited the capitalists and President Park’s economic development goals.

Through the writings that many female factory workers have left us, we can see how much pain they endured during the early decades of export-oriented industrialization. As mentioned above, in South Korea, labor exploitation on the factory floor were heightened by numerous factors: the power patriarchal ideology, a labor market with unlimited supply of semi-skilled female workers, the nature of South Korea’s economic growth strategy, and the militarized corporate culture. During the early decades of export-led industrialization, Korean industrial firms were modeled after military organizations. In addition, every Korean man was and still is required to serve in the military by law; hence three years of military experience gave male workers the early socialization of hierarchical industrial organization. Thus, all the Korean industrialists and managers had received training in military organizational structure, and consciously or unconsciously, they relied on the military organizational structure in developing their firm. On the other hand, women were slow to adjust to the industrial patriarchs and their dominant organizational norm. Clearly, cultural and political forces in South Korea helped the economy grow at an impressive rate, but in the meantime, the female industrial workers were put in a position to suffer an unbelievable amount of pain.
Modification of Culture

Boss, please, our work is too hard. It’s too cold in your workplace. The machine is running too fast and I’m afraid of getting hurt. Please treat us like human beings rather than always trying to watch over us. Our rice gets cold and stuck. I’d like to have some sleep. I’d like to rest on Sunday. I’d like to attend church regularly. I’d like to read books. It’s too dusty. Dark murky blood comes out of my throat. My arms ache so painfully as if they are being cut off from my body. The smell of poisonous gas gives me a headache. My feet are swollen. I cannot endure it anymore. I’d like to rest. I’d like to rest (Kim, 1986: p. 183).

INTRODUCTION

Through the writings that many Korean factory workers have left us, we can see how much physical and psychological pain they endured during the early decades of export-oriented industrialization. The form of authority found in South Korean firms, large and small, was authoritarian and patriarchal. Rather than exercising their authorities on the basis of legality and contractual relationships, Korean industrialists and mangers exercised their power like the patriarchs in traditional Confucius society. However, it is certainly an understatement to state that the virtues of Confucianism directly translated into the South Korean firms. Thus, in this chapter, I will stress the effects of Confucian traditions into the South Korea’s economic development and modernization. In the subsequent sections, I will mention the self-immolation
of Chun Tae-II to explore how the society’s derisive attitude toward the factory workers changed in the 1970s and throughout the 1980s.

4.1 Portrait of Confucianism

As I have mentioned in the previous chapters, the traditional Korean culture under Confucianism was overtly hierarchical and repressive towards women. Many of the traditional values were reinforced during South Korea’s economic development; hence, there is no doubt in my mind that Confucianism has been a very powerful force in generating a labor-intensive, export-oriented economic growth. However, I do not believe that Confucianism is the key variable in explaining South Korea’s miraculous economic growth. In other words, cultural traits such as loyalty to hierarchy and work ethics certainly provided South Korea with a comparative advantage in its export-oriented economic growth, but it is my contention that the Confucius tradition maintained its influence during the period of industrialization mainly because these values were reinforced during South Korea’s recent turbulent history.

To restate myself, I am not arguing that the collective culture of Korea had nothing to do with South Korea’s economic success. It would be very unwise to maintain that cultural factors had no influence on a country’s economic success. I am simply making a point that cultural traits that have deep roots in the Confucian tradition brought positives effects on South Korea’s economic performance because the South Korean authorities reinforced such values. For example, as mentioned in chapter one, Confucian ethic placed great emphasis on discipline and familial relations. However, the quality of discipline and family orientation could have its root in South Korea’s colonial history with Japan and the recent war with North Korea. First of all, in regards to virtues of discipline, ever since 1953 when the formal peace treaty was signed by both
the Koreas, South Korea conducted civil defense drills every month to prepare for a possible invasion from the North. Even more, by law, every Korean man was required to serve in the military when the military was characterized by authoritarianism and violence (Koo, 2001: p. 47). Thus, the discipline that was displayed by the Korean people during the period of industrialization could have been the influence of militaristic discipline rather than a form of discipline that is rooted in traditional Confucianism.

Second, under Confucius ethics, family life was highly respected. Thus, it is possible to assume that because of Confucianism, South Koreans still regard the family system as the basic unit of social welfare, and this is why so many young girls sacrificed themselves at the factory floors to send their brothers to school. Nevertheless, family values that were displayed during the 1960s and 1970s may have also originated from Korea’s vivid history of colonial rule. Throughout the period of harsh Japanese colonial rule and the Korean War, family has been one social institution that was able to provide welfare and security to its members. Consequently, family orientation and sacrifice that was shown during the period of rapid economic growth may not necessarily carry the same value as the good old Confucius family values. And even if it had equivalent family virtues, it is highly likely that that sort of attitude developed from South Korea’s recent history.

Even more, it can be argued that under the goals of national strength and wealth, the South Korean authorities manipulated the virtues of Confucianism. Whereas traditional patriarchs were expected to provide their household members with protection and care in exchange for submission and loyalty, this element was largely absent for the Korean industrial patriarchs in most Korean industrial firms. Workers were perceived as servants and were expected to be absolutely submissive and respectful toward their managers, but managers were
not required to provide any care and concern for their workers. In short, in explaining South Korea’s economic success, the docility among Korean industrial workers cannot be attributed solely to the Confucian culture. Rather, coupled with economic strategies and authoritarian political control, Confucianism could have indirectly supported South Korea’s economic development.

4.2 Chun Tae-II and the Industrial Workers

The combination of nationalism and Confucianism as it was reinforced under the authoritarian control have brought positive effects in the course of achieving economic growth; however, the lack of artisan culture in Confucianism responded negatively to the industrial workers. Traditionally, on the basis of Confucian legacy, Koreans placed commerce and industry beneath the work of the scholar, farmer, and even the merchant (Pye, 1988: p. 87). Koreans traditionally have not had much respect for industrial techniques or for manual work. In fact, during the Yi dynasty, many of the artisans were slaves and they were mainly hired by the aristocracy to produce goods such as paper, utensils, and special garments (Koo, 2001: p. 139). Hence, in traditional Korea, Confucianism was a drag on economic development and in the early period of South Korea’s industrialization, industrial workers had to inherit a negative legacy, as reflected in the various terms, such as kongdoli (factory boy) or kongsuni (factory girl). The word kong literally means factory, and doli and suni are old-fashioned names for lower class boys and girls. (Koo, 2001: p. 139). Thus, these words represent a projection of the traditional Confucian status hierarchy onto the modern industrial sphere.

Even when the First-Five Year Economic Development Plan was enacted in 1962, people recognized the vital role industrial workers played in the industrialization process, but they still
viewed the workers with scornful attitude. Especially for young women workers who left their rural homes with high aspiration of upward social mobility, the label *kongsuni* caused great pain. One factory worker wrote about her feelings towards the way people used condescending words to label factory workers:

> Women working in factories are *kongsuni*; men working in factories are *kongdoli*. *Kongsuni* and *kongdoli* are mean guys, nothing worth counting, just loose folks. They describe us in this way as a whole group. We must become *kongsuni* even if we hate it, simply because we work in the factory. If someone asks us where we are working, we simply say, “I work at a small company.” But, *kongsuni* cannot really hide their true identity. They show it however hard they try to put makeup on and dress well. They pay more attention to clothes, hairdo, and make up in order to hide it. People blame us for spending so much on our appearance when we don’t make enough money, but the reason is because we want to remove the label of *kongsuni* they put on us (Kim, 1986: p. 111).

Thus, as I have mentioned, the relevance of Confucian tradition on South Korea’s economic sphere is rather slim. But status hierarchy based on traditional Confucianism lingered in the minds of many Koreans and, to a great extent, the society’s disdainful attitude toward factory workers supplemented the highly authoritarian practices of authority in South Korean factories.

Surprisingly, it was the Park’s regime that tried to alter the inferior status image associated with physical and manual labor. For example, during the late 1960s, the government frequently used the terms *sanup chonsa* (industrial warriors) or *sanup ui yokkun* (builders of industry) to create a positive image for the industrial workers and to equate the industrial workers as soldiers fighting for South Korea’s national defense (Koo, 2001: p. 140). The government and the mass media used these terms to promote exports and to celebrate the industrial workers as patriotic soldiers, but these nationalistic efforts had very little effect on the consciousness of the workers and the viewpoint of the middle class. Industrial workers’ self-
identity began to grow eventually in the late 1970s, but it was Chun Tae-II’s act of bravery in the Peace Market that sparked the change in industrial workers’ self-conception and awakened the middle-class to the dark side of export-oriented industrialization.

The Peace Market was a one block long, four story high maze of small garment factories and clothing shops. According to Chun Tae-II’s personal survey conducted in 1970, of the 20,000 people employed in the factories located in the Peace Market, about 90 percent were women, between the ages of 14 and 20 (Chun, 2003: p. 80). Also, in an interview, Chun Tae-II recalled “The place of work is no bigger than eight pyung (four and a half square metres), which means that there are four workers in every pyung. The space is so cramped, with tools, fixture, and sewing equipment taking up so much room that there was none remaining for workers to stretch freely in their chairs” (Chun, 2003: p. 82). They were forced to work, on average, 14 hours a day and received less than $30 a month in wages. In addition, apprentices constituted more than one-third of the workforce and they received only one-fifth of the regular workers’ wages Cho, 1991: p. 110). In fact, according to numerous interviews, women indisputably agreed with Chun Tae-II’s remarks on the working conditions within the Peace Market.

According to a young girl who worked in the Peace Market from 1964 to 1970s, the management behavior was horrendous “The jaedansha (manager) would never refer to us by name; it seemed that it would be humiliating for them to do so. I was treated as though I were not human at all, but a thing” (Chun, 2003: p. 84). More than just being called numbers, women’s wages were approximately 78 percent lower than that of male workers as well (Chun, 2003: p. 84). Thus, Chun Tae-II began his labor struggle out of his concern for these young women workers and this is shown in his letters to his friend:

“We usually start work at 8:30 in the morning and finish at 10 or 11:30 at night. What do you think about it? Don’t you think it’s too grueling? Fourteen hours a day! How can these young apprentices
bear such long hours of work? Although they are denied an affluent environment, aren’t they also human beings with human frailty? Dear Won-Sup, as a tailor I must spend a whole day with them. That’s too painful for me. At the age of fourteen, they are only children, but they must toil the whole day doing such difficult work, and then they often get scolded by the tailor for not finishing their jobs on time, and during lunch time, they eat their tiny packed lunch box they brought from home, just like an elephant eating biscuits. Why must these pure and unspoiled young girls become manure for the dirty and greedy rich people? Is this the reality of society? The rule of the rich and the poor? (Chun, 1988: p. 122).

As documented by Chun Tae-II, regarding all the abusive treatments and the harsh conditions in the Peace Market, it seems sensible for the women workers to organize in order to improve their well-being, but it was difficult for women to initiate a united action because once again, the cultural and traditional values were so deeply embedded in nearly all female laborers. First of all, women received significantly less income than male workers, so it was very common for the vast majority of the women workers to occupy a space in the dormitory provided by the factory (Chun, 2003: p. 90). Unlike the female workers, male workers did not have to settle at a dormitory because they were able to afford rent. Moreover, for male workers, living in the company dormitories meant they had to participate in domestic activities. Nevertheless, that was against the virtues of being a man, so male workers tended to reside at a place where domestic activities were taken care for them.

Then, considering the arduous working conditions in the factories, female workers only knew two places, the factory and the dormitory provided by the factory. They did not have any information regarding the working conditions in different locations. Also, according to the virtues of Confucianism, they just simply accepted the working conditions that were given to them. However, Kim Hae Soo, a machinist at the Peace Market, was one of the first women to
revolt in order to increase women’s wages, but she was not successful. When she argued against
the managers, she was told that women had no rights to take these actions (Chun, 2003: p. 94).
Subsequently, when she tried to persuade the other women workers, they were too scared to lose
their job and they did not want to break away from their accustomed virtues of being a woman.

Then, on the afternoon of November 13, 1970, a small protest occurred in the Peace
Market. A dozen young male workers shouted demanding the improvement of working
conditions for Peace Market garment workers. But shortly after they gathered, the police and
market security rushed in and broke up their protest. These protesters were the members of a
small labor group, called Samdonghoi, composed of young male tailors working in the
sweatshop district of the Peace Market. The man who organized the group and also the
demonstration was a 22-year-old tailor named Chun Tae-II (Cho, 1991: p. 281).

As a worker of the Peace Market, the collection of garment factories located in the
western section of Seoul, Chun Tae-II, the father of the labor movement in South Korea was
deeply concerned with the wretched working conditions and had devoted a great deal of his time
to find ways to improve the working conditions for the 20,000 workers. Chun Tae-II wrote
petition letters to the Bureau of Labor, to newspapers, and even to the president, pleading for
their attention to the human suffering that was going on in the garment district. However, his
requests were simply disregarded, or responded with false promises. Finally, Chun Tae-II came
to the conclusion that there was no other choice than an extreme act of protest. As he prepared
for the demonstration on November 13, Chun Tae-II prepared to sacrifice himself for the other

While the protesters and the police and market security were wrestling with each other,
Chun Tae-II disappeared into the crowd for a few minutes. When he returned, he was holding a
can of gasoline in his hand. After making excessive noise to gather attention, he poured the gasoline over his body and set himself on fire. His body was immediately wrapped in flames. The stunned crowd heard Chun Tae-II shouting from within the flames: “We are not machines! Let us rest on Sunday! Abide by the Labor Standard Laws! Stop exploiting workers!” (Cho, 1991: P. 283). Then, he held up a booklet of the Labor Standard Laws, a booklet he studied carefully. When his fellow workers finally extinguished the fire, his body had already been burned dark. He was taken to a hospital, where his final words were to his mother, Lee So-Sun: “Mom, please accomplish the work which I haven’t succeeded in accomplishing.” Then, breathing his last, he again told his mother, “Mom, I am hungry” (Cho, 1991: p. 286). In many ways, Chun Tae-Il’s ultimate sacrifice marked the beginning of South Korea’s working-class formation. Although it was a small protest, it showed the spirit of resistance and most importantly, it gave the middle class a sense of what was happening on the factory floors to produce the economic growth.

Chun Tae-Il’s self-immolation sent a shock wave across society; however, during the first half of the 1970s, workers had little effect in bringing the desired change to the industries. After Chun Tae-Il’s death, several other workers attempted self-immolation in protest against mistreatment at work. Moreover, in some cases, protesting workers turned into an angry mob. For example, in 1974, three thousand angry workers at the Hyundai shipyard, outraged by the company’s introduction of new subcontracting system, destroyed company buildings and set fire to managers’ cars and other company property (Koo, 2001: p. 72). However, these spontaneous protests had little effect. They generated only a short period of public sympathy and were treated simply as a temporary nuisance.

True labor activism did not begin until the late half of the 1970s, when workers finally realized that representative unions were the most effective means of acquiring a new perspective
on themselves and their role in the society. The first major attempt to organize an independent union occurred at the same place where Chun Tae-II sacrificed his life. On November 18, 1970, two days after Chun Tae Il’s funeral, his fellow workers in the Peace Market organized a union, called the Chunggye Textile Union, representing more than 20,000 garment workers (Koo, 2001: p. 73). Given the nature of the Peace Market, the majority of its members were female workers, while the leadership was held by male tailors. However, the union was under constant surveillance; its leaders were constantly imprisoned; and eventually the union was closed down in 1980. Just as Chun Tae II sparked the garment workers to unionize, in many ways, the Chunggye union played a leading role for the grassroots labor movement during the 1970s and through the 1980s. In the second part of this chapter, I will elaborate the work of Chun Tae-Ii by adding the interviews I had in South Korea.

4.3 Unexpected events

It was six in the morning when I arrived in Pusan, South Korea’s second largest metropolis after Seoul and the largest port city in South Korea. Pusan is located on the southeastern tip of the Korean peninsula and it is where I was born. As I walked out of the airport, my cousin Bae Min-Sung greeted me with a big hug.

“How was the flight?” He asked.

“It was pretty good; I slept most of the way.”

“That’s good, let’s smoke a cigarette.”

“Yes, I really need one.”

After we finished our cigarettes, we walked silently towards his car. Then, in the car, he started asking more questions.
“So you are here to do your senior thesis?

“Yes.” I replied.

“Don’t lie to me man, you are here for 17 days and you only have one interview scheduled with my professor, what are you going to do for 16 days?”

“I don’t know, probably do some research and try to find more interviews?”

“It’s okay; I won’t tell your mom. Let’s just have some fun.” He laughed.

“So when can I meet your professor?” I asked with another lit cigarette.

“As soon as this traffic clears up.” He answered with another cigarette in his mouth. “I scheduled a meeting with him at 8:00 AM, so we can meet family members during the day, and drink at night.”

I panicked for a second, but I also wanted to finish the interview as soon as possible.

After spending two hours in the car with two more cigarettes, we finally arrived at the Pusan National University where I was scheduled to meet with Kim Ki-Uh, graduate professor of political science. I wasn’t sure what I was going to get out of the interview, but I wanted to talk to someone who was familiar with the economic development. After a quick introduction from my cousin, our interview started abruptly. “Do you smoke?” Professor Kim asked with two cigarettes in his hand. I reached over with two hands and started smoking in his office as the interview continued. “So, what do you want to know? Start asking questions,” Professor Kim said. “Can you tell me anything about Chun Tae-Il?” I asked. After a brief second, Professor Kim spoke:

What Chun Tae Il did was truly amazing, but in my opinion, the most important aspect of his self-immolation was getting the college students involved with the issue. Prior to this event, college students were always protesting, but it was only against the military government. Essentially, we
were fighting for democracy, but after this incident, college students realized the dark side of export-oriented industrialization and it provided them with a reason to fight against labor problems. Thus, Chun Tae Il’s tragic death provided a interlinkage between students’ political struggles for democracy and workers’ struggles for economic justice. On the day of Chun Tae Il’s funeral, thousands of college students held memorial services for Chun Tae Il on campus. I was at the memorial service that was held on this campus, and it was truly amazing.

So, were you ever involved in protests? I asked. After a brief laughter, Professor Kim went on. An-to-ny, I want you to understand that most of the factories and companies were wrongful, but not all. There were some factories that provided the workers with formal education. The Peace market where Chun Tae Il worked was in the ghetto and until the whole incident was publicized one the radio, college students thought that the working conditions were generally fair in most of the factories. On the newspaper and on the radio, we were always told that the economic development is working and that the factory workers were paid $1 a day with free food, and free dormitory. So, we really thought that the workers and the companies were reaping the benefits together. But, we were completely wrong. So, I started protesting when I was a senior in college, but it certainly wasn’t spontaneous and it wasn’t by myself. When I was in college we had a group called the democratic students party. We met frequently to plan our protests, but more often than not, we were chased down by the police, government agents, and even from the school board. If I think about it now, I don’t know how I survived, I weight only 130 pounds and I am 6ft tall. We first started by yelling and screaming better pay and better working conditions for the women workers, but that didn’t work, so instead, we started applying to the companies as part time mangers and security officers. We thought the best way to improve the situation was by getting the women workers involved with the issue.

At this point in the interview, I felt like a child listening to folktales, but I wanted to seem professional, so I started asking more questions. “So, were you hired by any companies and if you were, what did you do exactly to get the women workers to be socially conscious of their
situation? Professor Kim continued on after offering me a cigarette again, but I kindly denied his offer.

I hope my stories help with your senior thesis. Well, I was hired, and actually that’s where I met my wife. I am eating lunch with her today so you should try to interview her too. I got hired at a company called the Dongyang Pojang (East Asian Boxing Company) as a part time security officer. It was a small size company that made large boxes for exports. There were about 250 workers and I would say about 200 of them were women workers and the rest were male workers. I went to the company every day after I finished school, but the managers didn’t know I was a college student. I just lied to them that I had another part time job in the morning. As a security officer I was supposed to report to the managers when the workers were slacking off on their overnight shifts or when they arrived late or left late. From my perspective, the managers at the company did not plan ahead and they were very casual about reducing or increasing the number of workers. When there are no orders placed with the company they fired workers without a second thought, and when a rush of orders came in, they took all the orders with no consideration of how much burden it was put on the workers. Of course my mission was to help these poor young girls, so I barely reported anything to the managers. But even then, the girls did not trust me. I told them I was a college student and I told them that I was trying to help them live a humanlike life, but they still didn’t trust me. They thought I was lying to them.

Although Professor Kim was heavily involved with the protests during the 1970s as a college student, I thought introducing his interviews could cause some problems because his thoughts may not represent the level of consciousness of ordinary workers during the 1970s. As a college student and as a protester, his ideas and thoughts may reflect somewhat higher level of humanlike life awareness and sensitivity than those of the ordinary female laborers. Thus, with Professor Kim’s interviews, I am not trying to make generalization about the female working
class as a whole; rather, I use his interviews primarily for the purpose of looking into his experience as a protestor.
Conclusion

When I first came to know Korea in the 1950s, it was 80 percent rural and practically nobody had more than a high school education because the occupying Japanese hadn’t allowed it. There was no industry because the Japanese didn’t allow anyone to have more than a few employees. Today, Korea is almost 90 percent urban, an industrial powerhouse, and its population is highly educated. All in forty years (Drucker, 2002: p. 161).

As I have indicated in the introduction, this study had two purposes: to identify social factors that contributed to South Korea’s economic development during the two decades since the Korean War and to attempt to shed light on how the decades of industrialization have influenced the lives of working class South Korean women. With respect to the first task, economic development via industrialization was successful in South Korea mainly because of the strategies adopted by the authoritarian government. The central elements of the strategies were: protection of domestic industries against foreign competition, high rate of investment through foreign resources, efficient use of labor-intensive activities, promotion of exports in a vigorous manner by providing strong incentives for industry leaders to compete in the world market, and propaganda to motivate the Korean people to support the spirit of economic growth by reinforcing a sense of nationalism. It therefore follows that the authoritarian government was the most dominant institution in South Korea’s economic development; however, cultural features such as collective solidarity, docility, motivation for education, and respect for hierarchy which all have Confucian roots must also be appreciated. Even though the principal element in South Korea’s economic success was the government’s intervention in the economic sphere, a set of Confucian virtues were also targeted by the government, some of which had a positive effect on the society’s performance. Thus, even though Confucianism itself did not have a significant
contributory factor in the effort to accomplish rapid economic growth, the Confucian culture provided a background of values which was diligently reinforced by the authoritarian government to bring out values such as obedience and respect for authority.

I am strongly inclined to believe that the relevance of Confucian tradition on South Korea’s economic development is rather thin, but it would still be unwise to state that South Korea’s success was solely due to the policies and strategies. Looking back now, because South Korea’s economic development was so successful, we tend to foster the idea that the Korean policymakers were generally ‘right’ with their economical and political decisions, but without the compliance on the part of the Korean people, it is possible that the policies would not have been ‘right’. In short, whether it was the issues of national survival or the nonrational psychic force of the Hahn, several concrete traits derived from the cultural tradition played their roles in South Korea’s development process.

In regards to the effectiveness of cultural factors in the process of economic development, there is no immediate right or wrong answer, just a general agreement that it had positive effects in the development process. What is irrefutable, however, is that during the Korean industrialization, cultural factors coupled with political policies limited women’s jobs to monotonous jobs characterized by low pay and long hours. Since South Korea lacked capital and skilled-labor during the early stages of economic development, it was South Korea’s goal to export products that could exclusively use unskilled labor. By emphasizing the use of the labor force in labor-intensive industries, South Korea was able to rapidly increase the supply of scarce capital. As numerous economists acknowledge, South Korea’s successful export-oriented industrialization depended on the low-wage, hard-working female labor force. However, to the extent that developmental economists have paid attention to the labor force, they have confined
their research to the issues of wages and productivity level of the labor force. Thus, it was my 
goal to look at labor as more than a factor of comparative advantage, and as I have shown in 
chapter 3, female factory workers suffered tremendous amounts of physical and psychological 
pain in their daily experience in the factory.

The narratives that I have shown in chapter 3 clearly demonstrate that the ultimate source 
of labor formation in South Korea was the extremely abusive and despotic work relations in the 
factories. Especially for female works, they were not only economically exploited but also 
culturally oppressed. In order to suppress the Korean worker’s resentment towards the despotic 
management, the government praised hard working workers as patriotic warriors, even equating 
industrial relations as family relations, based on sacrifice for the good of the collectivity; 
however, with the help of Chun Tae-II’s self-immolation, the female workers and the workforce 
as a whole was able to develop a work identity and eventually organize into successful unions in 
the 1980s. Throughout the 1960s and 1970s, the South Korean government approached 
industrial relations with an obviously biased attitude: pro-capital and anti-labor. And I suspect 
that this exclusionary approach towards labor was directly responsible for the violent and 
aggressive labor unrest, known as the Great Worker Struggle, which occurred in the summer of 
1987.

Beyond salient economic and cultural features, another important feature of South 
Korea’s rapid economic growth was that that of Japanese colonial heritage and the division 
between north and south. In terms of economic growth, the Japanese colonial heritage was a 
mixture of positive and negatives elements. Despite sever Japanese discrimination against 
Koreans in leadership positions, the Japanese essentially introduced manufacturing firms into 
Korea. Hence, the Japanese contribution to the modernization of Korea is undeniable. The
division of the country at the 38th parallel in 1945 was certainly a disaster for South Korea because the principal sources of electric power and heavy industry were mainly in the north. However, the fear of another attack from the north always motivated South Korea. In the 1960s, South Korea was in many respects behind North Korea; hence, the main objective of South Korea’s economic plans and policies was to catch up with North Korea. Then, by 1969, South Korea was able to exceed North Korea in terms of per capita income. During the 1970s, with the reduction of American forces stationed in Korea, South Korea was in an urgent need to produce domestically all weapons and military equipment necessary for self-defense against North Korea (Song, 2003: p. 300). During the 1970s, South Korea forced the development of the heavy and chemical industry for reasons of national security, and as a result, South Korea was able to leap forward as a self-reliant economy. In addition, the strong and repressive government of President Park Chung Hee was able to contain the labor movements during the early periods of industrialization by accusing the union leaders as North Korean Spies.

Lastly, another source of impact on South Korea’s economic development came from economic assistance. During the period of 1953 through 1962, economic assistance from the United States amounted to roughly $2 billion and military assistance to roughly $1 billion (Mason et al., 1980: p. 181). In addition throughout the period of 1963 to 1975, the United States economic assistance towards South Korea was at a level of about $200 million a year. Yes, the economic achievements happened in South Korea. Yes, cultural factors and political strategies aided the process of development. However, I would argue that, South Korea, even under the most favorable set of policies and cultural legacies, could not have achieved the level of industrialization without the financial support from the United States and the reparations from Japan.
Overall, my study indicates that the authoritarian government’s export-oriented industrialization policies were the main catalyst in South Korea’s economic development, but the policies were made possible because of foreign aid and the cultural factors that served as a comparative advantage. There is an old Chinese saying that any big historical event is always made possibly by three conditions: heavenly timing, geographic advantages, and human harmony (Huang & Hsiao, 1988: p. 22). Although this is just an old saying, an overview of South Korea’s economic development has made me feel that South Korea may indeed consist of the same three characteristics: military takeover by President Park Chung Hee, the financial dependence on the United States under geopolitical confrontation with North Korea, and the legacies of Confucianism. It is beyond my knowledge to seek out the order of their importance, but my studies on South Korea’s economic and cultural studies seems to indicate that all three of the features, on the whole, had a positive effect on South Korea’s economic development.
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