

# **Political Economy of Korean Development**

Graduate School of Pan-Pacific International Studies

Kyung Hee University

Spring 2017

Tuesday and Wednesday 09:00-10:15

Room XXX

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Office Hours: Tuesday 14:00-17:00 and by appointment

## **Course Description**

The South Korean development experience poses many puzzles. Why did Korea fail at modernization at the turn of 19<sup>th</sup>-20<sup>th</sup> Century while Japan succeeded? Was the developmental state alone that was behind the post-independence Korean success story? If the state indeed played a decisive role in promoting economic development of Korea, where did this developmental state originate from? How could Korea achieve “growth with equity” in the course of industrialization? Because of the earlier land reform? Then, how could the Korean land reform succeed when similar efforts in many other countries failed miserably? Why did organized labor remain docile during the 1950s and 1960s and then suddenly become assertive in the 1970s? Why did the authoritarian regimes collapse despite their brilliant economic performance? If Korea was so successful in industrialization and rapid economic growth, why did it fall victim to the financial crisis of 1997-98? Was the Korean model of development that was wrong or what?

Focusing on the interplay between politics and economy, this course tries to answer these and many other puzzles of Korean development after 1945 and by doing so to draw lessons for the developing countries that are still struggling with issues of economic and political development.

The primary method of instruction is lecture, occasionally complemented by in-class discussions. Audio-visual presentation will be utilized where possible. Proper preparation on the part of the students is essential and participation is strongly emphasized.

## **Requirements and Grading**

1. The students read the assigned readings before they come to the class.
2. The students participate actively in the class discussion.
3. The students take mid-term and final exams.
4. Each student writes a 10-page term paper on a particular aspect of Korean development that is puzzling in comparison with the experience of his or her home country. The paper is due on the day of the last class meeting.

#### Summary of Requirements

Class Participation	20%
Mid-Term	30%
Final Exam	30%
Term Paper	20%
Total	100%

#### **Primary Texts**

Kim, Byung-Kook, and Ezra Vogel, eds. *The Park Chung Hee Era: Great Transformation*. Cambridge, Mass.: Harvard University Press, 2011

Lee, Young Jo. "Legitimation, Accumulation, and Exclusionary Authoritarianism" (Ph.D. diss., Harvard University, 1990).

Im, Hyug Baeg. "Politics of Democratic Transition in Korea" (Ph.D. diss., University of Chicago, 1990).

Diamond, Larry, and Doh Chull Shin, eds. *Institutional Reform and Democratic Consolidation in Korea*. Stanford, CA: Hoover Institution Press, 1999.

#### **Class Schedule**

##### **Week 1 Introduction to the Course; Why Joseon Korea Failed in Modernization While Meiji Japan Succeeded**

Palais, James B. *Politics and Policy in Traditional Korea* (Cambridge and London: Harvard University Press, 1975), chaps. 1 and 14.

Henderson, Gregory. *Korea: The Politics of the Vortex* (Cambridge: Harvard University Press, 1975), chaps. 1-2.

Reischauer, Edwin O. 1963. "Modernization in Nineteenth-Century China and Japan." *Japan Quarterly* 10, no. 3 (July-September): 298-307.

Perkins, Dwight H. 1967. "Government as an Obstacle to Industrialization: The Case of Nineteenth-Century China." *The Journal of Economic History* 27, no. 4 (December): 478-92.

Lee, Young Jo. "Development and Underdevelopment in Early Modern East Asia." Talk at Catholic University of America, Washington, DC, March 31, 1989.

## **Week 2 Legacies of Japanese Colonial Rule: Origins of the Strong State**

Cumings, Bruce. "The Legacy of Japanese Colonialism." In *The Japanese Colonial Empire, 1895-1945*, ed. Ramon H. Meyers and Mark R. Peattie (Princeton: Princeton University Press).

Kohli, Atul. "Where do high growth political economies come from? The Japanese lineage of Korea's 'developmental state'." *World Development*, Vol. 22, No. 9 (1994): 1269-1293.

Haggard, Stephan, David Kang, and Chung-In Moon, "Japanese colonialism and Korean development: A critique." *World Development*, Vol. 25, No. 6 (1997): 867-881.

Kohli, Atul. "Japanese colonialism and Korean development: A reply." *World Development*, Vol. 25, No. 6 (1997): 883-888.

Cha, Myung Soo. "Facts and Myths About Korea's Economic Past." *Australian Economic History Review*, Vol. 44, No. 3 (November 2004): 278-293.

## **Week 3 Origins of the State Autonomy: Land Redistribution & the Korean War**

Lee, "Revolution by Stealth."

Yoo, Se Hee. "The Communist Movement and the Peasants: The Case of Korea." In *Peasant Rebellion and Communist Revolution in Asia*, ed. John Wilson Lewis (Stanford, Cal.: Stanford University Press, 1974), pp. 61-76.

## **Week 4 Beginnings of the Bonapartist Developmental State: Politics and Economy of the 1950s**

Lee, "Legitimation..." pp. 140-162.

Kim, Kyong-Dong. "Political Factors in the Formation of the Entrepreneurial Elite in South Korea," *Asian Survey* 16, no. 5 (May 1976): 465-77.

## **Week 5 Bonapartism at Its Height: Politics of the Earlier Park Chung Hee Regime (1961-72): Green Uprising**

Lee, Young Jo. "The Countryside." In Kim & Vogel.

Kim, C. I. Eugene, Young-Whan Kihl and Doock-Kyou Chung. "Voter Turnout and the Meaning of Elections in South Korea." *Asian Survey* Vol. 13, No. 11 (Nov., 1973), pp. 1062-1074

Kim, Jae-On, and B.C. Koh. "Electoral Behavior and Social Development in South Korea: An Aggregate Data Analysis of Presidential Elections." *Journal of Politics* 34, no. 3 (August 1972): 825-59.

### **Week 6 Bonapartism at Its Height: Economy of the Earlier Park Chung Hee Regime (1961-72): Export Industrialization and the Agricultural Squeeze**

Lee. "Legitimation...," pp. 242-79.

Kim, Byung-Kook "The Leviathan: Economic Bureaucracy under Park" In Kim & Vogel.

Kuznets, Paul W. "Government and Economic Strategy in Contemporary South Korea." *Pacific Affairs* 58, no. 1 (Spring 1985): 44-67.

### **Week 7 Exclusionary Authoritarianism, Heavy-Chemical Industrialization and Its Political Fallout: The Later Park Chung Hee Reime (1972-1979)**

#### 1. Rise of the Yushin Regime

Lee. "Legitimation...," chap. 5.

Im, Hyug Baeg. "Origins of the Yushin Reime." In Kim & Vogel.

#### 2. Heavy Chemical Industrialization

Lee, Nae-Young. "The Automobile Industry." In Kim & Vogel.

Rhyu, Sang-young, and Seok-jin Lew. "Pohang Iron & Steel Company." In Kim & Vogel.

#### 3. Challenges to the Yushin Regime: Rebirth of Radicalism

Park, Myung-Lim. "The Chaeya." In Kim & Vogel.

Im, chaps. 3 & 4.

### **Week 8 Mid-Term Exam**

### **Week 9 The Long and Winding Road to Democracy**

Im, chaps. 5-10.

### **Week 10 Kim Young Sam Reforms**

Lee, Young Jo. "The Rise and Fall of Kim Young Sam's Embedded Reformism." In *Institutional Reform and Democratic Consolidation in Korea*. Ed. Larry Diamond and Doh Chull Shin. Stanford, Cal.: Hoover Institution Press, 1999. Pp. 97-125.

Mo, Jongryn. "Political Culture and Legislative Gridlock: Politics of Economic Reform in Precrisis Korea." *Comparative Political Studies* 34, No. 5 (June 2001): 467-492

## **Week 11 Financial Crisis**

- Krueger, Anne O., and Jungho Yoo. "Chaebol Capitalism and the Currency-Financial Crisis in Korea."
- Kang, David C. "Bad Loans to Good Friends: Money Politics and the Developmental State in South Korea." *International Organization* 56, no. 1 (Winter 2002): 177–207.
- Kim, Youn-Suk, and Hyeng Keun Koo. "Asia's Contagious Financial Crisis and Its Impact on Korea." *Journal of Asian Economics* 10 (1999) 111–121.
- Haggard, Stephen, and Jongryn Mo. "The political economy of the Korean financial crisis." *Review of International Political Economy* 7, no. 2 (Summer 2000): 197-218.
- Lee, Young Jo. "Asian Financial Crisis: The Twilight of the Asian Development Model or the Crisis of Global Capitalism?" A paper presented at the international conference on Economic and Political Relations in East Asia toward the 21st Century organized by Nihon University, March 16-17, Tokyo, Japan.
- Lim, Hyun-Chin, and Joon Han. "The Social and Political Impact of Economic Crisis in South Korea: A Comparative Note." *Asian Journal of Social Science* 31, no. 2 (2003): 198-220.

## **Week 12 Paradox of Liberal Reforms of Kim Dae Jung Government and Roh Mu Hyun Government**

- Haggard, Stephen, et al. "Reforming Korea Inc.: The Politics of Structural Adjustment under Kim Dae Jung." *Asian Perspective* 29, no. 3 (1999): 201-235.
- Kim, Sunhyuk. "The Politics of Reform in South Korea: The First Year of Kim Dae Jung Government." *Asian Perspective* 24, no. 1 (2000): 163-185.
- Hunt, David. "A Legitimate Paradox: Neo-liberal Reform and the Return of the State in Korea." *The Journal of Development Studies*, 41, No.2, February 2005, pp.242-260.
- Minns, John. "Of Miracles and Models: The Rise and Decline of the Developmental State in South Korea." *Third World Quarterly*, Vol. 22, No. 6, The Post-Cold War Predicament (Dec., 2001): 1025-1043.
- Lee, Young Jo. "Commissioning the Past: South Korean Efforts at Truth and Justice after Democratization." Paper presented at the ISA-Midwest, The Hilton at the Ballpark, St. Louis, Missouri, USA. November 5, 2010.
- Lee, Young Jo. "The Sunshine Policy Is Dead, Long Live the Sunshine." Paper presented at the international conference on "Peace in the Korean Peninsula: The Role of the European Union," organized by the Royal Institute for International Relations (IRRI-KIIB) and the Center for Socio-Political Studies Belgium-Korea, Palais d'Égmont, Brussels, Belgium, October 21, 2002.
- Kihl, Young Hwan. "The Past as Prologue: President Kim Dae Jung's Legacy and President Roh Moo-Hyun's Policy Issues And Future Challenges."

### **Week 13 From Neoliberalism to Economic Democratization: Lee Myung-bak and Park Geun-hye Governments**

- Kwon, Hyeok Yong. "Economic perceptions and electoral choice in South Korea: the case of the 2007 presidential election." *The Pacific Review* 23, no. 2 (2010): 183-201.
- Kim, Sung Young. "Developmental Environmentalism: Explaining South Korea's Ambitious Pursuit of Green Growth." *Politics & Society* 43, no. 2 (2015): 213-240.
- Heo, Inhye. "The Political Economy of Policy Gridlock in South Korea: The Case of the Lee Myung-bak Government's Green Growth Policy." *Politics & Policy* 41, No. 4 (2013): 509-535.
- Park, Mi. "Framing Free Trade Agreements: The Politics of Nationalism in the Anti-Neoliberal Globalization Movement in South Korea." *Globalizations* 6, no. 4 (December 2009): 451-466.
- Connell, Sean. "Building a creative economy in South Korea: Analyzing the plans and possibilities for new economic growth." *2014 On Korea Academic Paper Series, Volume 7* (2014): 3-21.
- Kang, David C. "The North Korean Issue, Park Geun-hye's Presidency, and the Possibility of Trust-building on the Korean Peninsula." *International Journal of Korean Unification Studies* 22, No. 1 (2013): 1-21

### **Week 14 Challenges: The Degraded Developmental State, Regionalism, Welfarism, Ideological Division, Hyper-democracy, North Korean Nuclear Threat**

- Sonn, Hochul. "Regional Cleavage in Korean Politics and Elections." *Korea Journal* (Summer 2003): 32-54.
- Kang, David C. "Why regional politics in Korea is not a threat to democracy."
- Chae, Haesook, and Steven Kim. "Conservatives and Progressives in South Korea." *The Washington Quarterly* 31, no. 44 (Autumn 2008): 77-95.
- Han, Jongwoo. "Korea's beef crisis: The Internet and Democracy." *Australian Journal of International Affairs* 63, No. 4 (2009): 505-528.
- Shinn, Do Chull. "Is Democracy the Only Political Game Worth Playing in Korea?" (2011).

### **Week 15 Final Exam**