

join the international peace-keeping force but did not feel able to. In 1988, the South felt unable to respond either with naval forces or direct financial help to U.S. requests for assistance in the earlier Gulf crisis. In the 1990-91 crisis, however, the South cautiously moved into action. Undoubtedly, South Korea is now a much more mature economic and political entity. Concern about the US relationship remains important, but an aspiration for a more independent approach is also clear. One Foreign Ministry official said that the Gulf crisis had made the government "realise the limitations" of its diplomacy. 1991 marked the time to diversify diplomatic activities and to develop independent capabilities.

#### NOTES

This paper draws predominantly on contemporary Korean, European and Japanese newspapers and journals, the BBC's Summary of World Broadcasts, and the FBIS Daily Report. These sources are supplemented with interview material.

For additional background refer to:

1. Chung-in Moon, "Between ideology and interest: North Korea in the Middle East," in Jae Kyu Park, Byung Chol Koh, and Tae-Hwan Kwak (eds), *The Foreign Relations of North Korea* (Seoul: Kyungnam [Kyōngnam] University Press, Seoul, 1987).
2. Dalchoong Kim and Euisoon Shin (eds), *Energy Policies in Korea and Japan* (Seoul: Yonsei University Press, 1986).

## EXPLAINING KOREAN DEVELOPMENT:

### Some issues of ideology and method

AIDAN FOSTER-CARTER

#### Introduction

Few, if any, topics in the social sciences have been the subject of such a variety of competing explanations as has the economic development of South Korea. In an earlier essay (1987a: 252-253), I listed over 20 factors—many mutually contradictory, and covering the full span of economic, political, and cultural variables—which different authorities have pin-pointed as significant in this context.

The present brief paper pursues a similar goal, but more broadly. Rather than individual factors, my focus here is on four main approaches or schools which have become prominent in the literature: market forces, dependency, étatiste, and Confucianism. Although none is (in my view) wholly devoid of merit, all suffer in varying degrees from at least two kinds of defects, namely, ideological bias and methodological problems. My modest hope is that identifying these may encourage both reflection and better communication among scholars working in this area in future.

### A note on ideology

While the notion of methodological problems is uncontroversial, the word "ideology" may raise eyebrows or even hackles. All I am suggesting is that scholars writing on Korea, as on anything or anywhere else, tend to have wider political, moral, cultural, or just disciplinary commitments. These may be explicit or implicit, but in either case are fairly evident. Just as Korea itself 40 years ago was a battleground for rival global systems and ideologies, so has the interpretation of modern South Korea become a talisman for broader controversies—whether within the social sciences, or in respect to political commitments.

Two further clarifications. First, without getting into a deep theoretical debate, I would just clarify that to expose ideology is not to expunge it. Unlike Max Weber, I do not believe that social science can attain *Wertfreiheit* (value freedom). But importantly, this does not mean a free-for-all. Rather, the task is to make ideological elements explicit, and then compare the adequacy of rival explanations. Second, it of course follows that this exercise itself can never be wholly "scientific". Here, I try to practise what I preach and make my own ideological commitments (past and present) as transparent as possible.

### Market forces

As is well known, one major interpretation of South Korea's economic success attributes it to textbook economics. Authors and writings associated with the World Bank (Balassa, Krueger, Little) and others (Galenson, Hicks

and so on) see Seoul's success as vindicating the general tenets of neo-classical theory and laissez-faire practice—often summarized in the slogan "getting the prices right". As such South Korea, as well as the three other East Asian NIEs which are similarly characterised but which are not my concern, has been touted as a model of an "open" economy which other would-be developing countries should emulate.

Despite its wide currency and respectable credentials, this approach suffers from a fairly major methodological defect: it is largely untrue. As overwhelmingly demonstrated by Amsden (1989) and the IDS-Sussex "Gatsby" project authors—Wade (1982), Wade and White (eds) (1984), White and Wade (eds) (1985), Luedde-Neurath (1986), White (ed.) (1987)—the South Korean state has been highly interventionist and even *dirigiste* in almost every field of economic policy: export promotion, credit control, import restrictions, agriculture, industrialization, technology transfer, etc. etc. In Amsden's memorable phrase, "getting relative prices *wrong*" in order to create comparative advantage, dynamically, would be a more appropriate characterization than "getting the prices *right*".

A brief summary like this runs the risk of caricature (which, indeed, has not been absent in some of the mutual sniping, rather than direct debate, which has characterized the field thus far). But it does seem clear that the impetus to portray the South Korean case as a free-market flagship forms part of a more general move, which Toye (1987) has dubbed a "counter-revolution" in development studies. The authors cited above (especially Little) are generally critical of earlier paradigms in development economics, especially the penchant for import-substituting industrialization (ISI) once associated with the U.N. Economic Commission for Latin America (ECLA or CEPAL).

That South Korea and the other NIEs represent a break with ISI is plausible. Even this is not uncontentious, since in South Korea ISI both preceded (in the 1950s) and arguably continued alongside the more obvious and celebrated export-orientated industrialization (EOI). And today the home market is far from negligible.

Nonetheless, the kernel of truth in the market forces school lies in South Korea's export-orientation, and more especially in the rare subtlety and effectiveness of the policy instruments deployed (such as access to foreign exchange and import licences, the timing of devaluations, and so on). Yet that conceded, two criticisms must stand. First, even these interventions—for interventions they undoubtedly were—surely go beyond "getting the prices right". Using White's (1984) terminology, state intervention in South Korea was "pervasive" and not merely "parametric". And second, acute sensitivity and responsiveness to world market conditions by no means entailed either an "open" economy (as regards imports or foreign investment) or a *laissez-faire* approach at home.

Finally, the fact that over the past decade (largely since Chun Doo Hwan [Chŏn Tuhwan] came to power) the South Korean economy has *become* less *étatiste* should not lead to erroneous assumptions that it has been that way all along. In particular, to view the earlier Park Chung Hee [Pak Chŏnghŭi] regime as one dominated by market forces is surely unsustainable.

### Dependency

With dependency theory we enter very different territory. For one thing, alone among the four schools I consider here, dependency theory sees itself as seeking to explain failure rather than success. Less extreme versions might qualify this, but would still insist that South Korea's development is fragile, circumscribed by, or otherwise dependent on, an unpredictable global economy.

For anyone without an ideological axe to grind, the idea of South Korea as an economic failure seems bizarre. (What, then, would one point to as *success* in this mortal life?) Indeed, it is tempting to suggest that the dependency approach shares all the empirical implausibility of its free market polar opposite, while enjoying none of the latter's respectability. Yet this school remains influential in South Korea itself, if not outside.

In an earlier work (1987a) published as part of a collection devoted to this topic, I undertook an exhaustive examination and critique of dependency propositions concerning South Korea. Like most foreign observers, and including those sympathetic to the general dependency approach, the conclusion I drew from the evidence was that Seoul stands out precisely as having *avoided* the pitfalls and traps which an outward-oriented strategy risks. More precisely: although in the past South Korea did present the picture of an export-dependent, low-wage, high-debt, labour-intensive dictatorship, in retrospect all these appear only as stages *en route* to something altogether healthier. In Luedde-Neurath's happy phrase, even if South Korea over time has in a sense grown more dependent on the world economy, it has simultaneously become more independent within it.

The few outside Korea who continue to deny this (eg, Sunoo 1988) produce work whose ideological prejudice is as obvious as their arguments are unconvincing. Many who once held similar views have either gone over to the étatistes (like myself) or made some other retreat. One luminary of dependency theory, Samir Amin, seems to have collapsed into culturalism: if South Korea (and Taiwan) have escaped from dependency, then thank Confucianism (1987: 54)!

Still another tack (in a work from which I have thus far only seen extracts) is to shift in a sense from red to green. Bello and Rosenfield's *Dragons in Distress* emphasises the environmental as well as dependency risks in South Korea's development pattern. While undoubtedly there are real issues here, the suspicion persists that the main aim is a debunking exercise (to puncture the "miracle") rather than dispassionate scholarship.

One dependency proposition which does raise real questions arises on the kindred terrain of world-system theory (WST), and has been posed in a recent article by Bruce Cumings (1989). In general, WST allows for limited upward mobility by a few "semi-peripheral" countries within the hierarchical world-system, at certain times and under conditions dictated by the "core". In particular, Cumings argues that the regional economy which emerged in North East Asia over the past quarter-century found its niche in manufacturing for U.S. markets—but the very fact that it did so meant that Latin America could not, since there was not room for both.

Although such propositions are inherently difficult to prove or disprove, to me the notion of some systematic or relational constraints or effects (put quite simply, how some countries' development alters the prospects for others) is in principle more convincing than the naive "methodological

country-ism" of the free marketeers, for whom it seemingly suffices for any and all countries, anywhere and anytime, to open up and let rip (see Crook 1989). On the other hand, overstating systemic constraints can lead to a "zero-sum" pessimism which risks being refuted by successive waves of NIEs, NNIEs (next NIEs), NNNIES (nearly next NIEs)...

Excepting this one WST argument, then, dependency analyses of South Korea are in the 1990s largely unconvincing. They are nonetheless of great ideological interest, particularly within South Korea. Not only are quite extreme versions of the dependency approach, which elsewhere in the world has been in decline for well over a decade, still influential among the student movement. But in a more diffuse sense these also resonate with a wider Korean scepticism. Why is this?

The answer can be found in Gavin Kitching's (1989) concept of populism. From the beginning, he argues, the horrors of industrialism tend everywhere to produce a typical ideological reaction: a mix of moralism, ruralism, and nationalism. *Minjung*-philosophy fits this bill exactly. This is the ideological response of people who feel, rightly or wrongly, that they have been victims rather than makers of their own history. Hence the strange paradox, that where foreign observers and empirical evidence show a strong Korean state and Korean corporations (*chaebŏl*), "radical" students claim to see rather the hidden hands of America and Japan. Stranger still is their notion that North Korea's economy, while palpably ailing and inferior in every department to that of the South, somehow represents a more authentic type of development.

If this analysis is correct, one would predict that dependency analyses in Korea will eventually lose their appeal, as the national psyche comes to terms with the fact

of success. Reunification, following North Korea's imminent collapse, will also give a boost. But for now, to rework a Korean proverb, this is a dolphin which thinks it is still a shrimp.

### Étatisme

The third school goes under various names: étatiste, statist, mercantilist (Haggard and Moon 1983), or neo-Listian (Foster-Carter 1985). Its key feature, as already mentioned, is insistence on the role of active state intervention in promoting or even causing economic development.

This approach (which is where I would place myself) has perhaps been subject to too little critical—or self-critical—scrutiny. Two points need making at the outset. First, we are a very heterogeneous and quite odd ideological collection. And second, our core proposition on the developmental state, while empirically true, is as it stands barely more than descriptive: a starting point and not a conclusion for scholarly investigation.

Ideologically, the bias for state intervention in this camp is at least as clear and as strong as was the free marketeers' prejudice against it. But the étatistes represent a coalition of at least three possible broader worldviews: Keynesian (eg, Michell, Wade), socialist-Marxist (Amsden, White), and right-wing corporatist (nobody known to me in the current literature on Korea, but the links back to List via Manoilescu are intriguing and evident). Amsden is particularly interesting here. Having earlier written similarly on Taiwan for a volume entitled *Bringing the State*

*Back In* (Evans et al [eds] 1985), her work on Korea seems theoretically and practically segmented for audiences as diverse as management schools (where she has worked) and the *New Left Review* (eg, 1990).

This ideological heterogeneity is arguably a strength, in that these authors are on to something. The question is what, and how to explain it. For Marxists, the relative (if not absolute) autonomy of the South Korean state, which seems to have been more the creator than the creature of a ruling class, poses difficult problems (see, for example, Hamilton 1986; Cotton 1991 gives an excellent general discussion). For Keynesians, the success of intervention in the Korean case raises the question of what made the difference, as compared with the often dismal record of planning elsewhere in the developing world.

At least two other general problems are already evident in the étatiste camp. One is the danger of reifying "The State", just as neo-classicism arguably reifies "The Market". The risk lies in assuming either that the South Korean state was or is unitary and homogeneous, and/or that its interventions were always efficacious and successful. Amsden may be vulnerable here. It is certainly thought-provoking to contrast her "black box" account with Michell's (whose work she does not cite) picture of a buzzing hive, full of inter-ministerial rivalries and subordinates who talk back (1984). The other issue is how to treat culture. At least some of those who are happy—indeed insistent—to "bring the State back in" in order to avoid economic reductionism (be it Marxist or laissez-faire) are distinctly less happy to extend the same privilege to the cultural domain. Yet to treat the South Korean state simply as a highly effective policy machine risks abstracting it from its very particular institutional and cultural context. Here again Michell's work is a valuable exception: for example, his suggestive

comments show how business-state relations are often mediated by classmate ties (1984).

### Confucianism

If some étatistes eschew culture, conversely there are others for whom it makes up virtually the whole picture. The idea of a "Confucian ethic" as explaining East Asia's economic "edge" (Hofheinz and Calder 1982) has had wide currency in the last decade or so. Here too, as with dependency, I shall just draw out some points from an earlier paper (Foster-Carter, 1987b). While this idea is superficially attractive, it has a glaring methodological flaw. Quite unlike Weber's "Protestant ethic" argument, which at least attributed one novelty (the birth of capitalism) to another contemporaneous trend (Protestantism), the idea of a "Confucian ethic" purports to explain something very new (development) in terms of something much older. If this were so, why didn't Korea's take-off start in 1392, with the strongly neo-Confucian Chosŏn dynasty? Clearly, this cannot constitute a complete explanation; one would have to ask what enabled Confucianism to take effect in recent decades, and what stopped it in previous centuries.

On another tack, even the suggestive propinquity of Japan and the "four dragons" might reflect not culture so much as very material political and economic ties, forged by the region's modern history (Cumings 1984). Or again, emphasis on a work ethic may seem very positive, but is this any less of a stereotype than yesteryear's racist Japanese clichés about Koreans' alleged fecklessness and irresponsibility?

I suspect that at least two ideological elements are at work in the notion of a "Confucian ethic". One is a Western effort to construct a common-sense conservative role-model, particularly in terms of learning from Japan. (A mirror-image variant inverts the role model as a cultural or economic threat: these are their unnatural practices...) The other is some East Asians' own wish to construct a regional or national "uniqueness". Notwithstanding Said's (1978) strictures against western "Orientalism", my impression in Korea is that ideological enthusiasm for separating "east" from "west" is by no means confined to westerners.

Most of this, it seems to me, is data for social science rather than itself constituting social science. But of course culture matters, if only (although not only) because people think it matters and act accordingly. A more radical view would be that people of necessity think *within* and through different cultures: it is the air we breathe. Unfortunately, sociology's conceptual armoury does not yet seem well equipped to tackle this area with much subtlety. Yet it appears at least plausible, and worthy of investigation, that the varied (by no means identical) "group-isms"—family, firm, state—of different East Asian societies might have an input into economic development. At all events, attempts to study either "state" or "market", without full awareness of how these work—or indeed what they *mean*—in a given cultural and historical context (itself many-layered and dynamic: talk of "tradition" will not get us far), will surely be inadequate.

### Conclusion

None of the above approaches alone can serve as an adequate explanation of South Korean economic development. Although there has been little constructive communication between the theorists of each, a more rounded account would have to take elements from all four.

South Korea has become a successful and skilled operator in a capitalist world economy, but this has not meant unbridled *laissez-faire*. Such an external orientation carried risks, but they have largely been surmounted. The role of the state has been crucial, but this has to be disaggregated and explained. Part of that disaggregation will involve cultural variables, but these on their own explain little.

More direct debate and fruitful interaction among scholars in this field would in itself be a step forward. One might also predict a likely divergence between the specific task—historical, or becoming so—of explaining South Korea's success, and the more hazardous enterprise of trying to extract a "model" or even lessons for others. In either case, a greater degree of methodological sophistication than we have sometimes seen hitherto is needed.

A full explanation for the South Korean case will have to examine economic, political and cultural dimensions. Each of these categories in turn may subdivide into both endogenous factors, and ones external to Korea. Nor should one exclude sheer contingency (as in Korea's partition). Finally, all the above "objective" and/or structural factors can be in principle, and have been in practice, transformed dialectically by people as acting subjects—whether it be

Park's South Korea clawing its way up the global hierarchy, or the democratic movement in 1987 which toppled the dictatorship which in a sense had produced it. (I expand on these rather crude methodological principles elsewhere; 1987a: 254-257.)

To end on a personal note. My own original motivations for getting interested in Korea, more than 20 years ago, were frankly ideological and nomothetic. I hoped to use Korea to prove a general point about the superiority of self-reliant socialism in P'yŏngyang over dependent capitalism in Seoul, with consequent lessons for the Third World. As that dream died (in Korea, and in my head), and also as I got to know Korea better, I have found *any* kind of nomological (generalizing) statements increasingly difficult to make. Instead, it is Korea's specificity and particularity—the "idiographic", in the terms of the German *methodenstreit* debates—which now seems crucial. If that is so, then while the task of explaining South Korea remains, the possibility of generalizing its lessons may prove chimerical.

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