THE KOREAN STUDIES ASSOCIATION OF AUSTRALASIA

Linking Korea and Australasia for the New Century

Proceedings of The First Korean Studies Association of Australasia Conference

EDITED BY DUK-SOO PARK & CHUNG-SOK SUH

27-28 September 1999

Hosted by School of International Business University of New South Wales Sydney, 2052, Australia
Preface

This volume contains 32 papers presented at the First Korean Studies Association of Australasia (KSAA) Conference—Linking Korea and Australasia for the Next Century—held at the University of New South Wales, 27-28 September, 1999. Papers in this volume were selected through the blind reviewing process by two referees in each academic field concerned. Our criterion for selection, however, reflected the need to include a cross-section of research in diverse disciplines of Korean studies. The volume embodies insightful aspects on Korea from a wide range of disciplines—business and management, economics, history, language education, literature, religion, politics, sociology and women’s studies. The spectrum of research works in this volume reflects the growth of Korean studies in the region.

This conference provides an opportunity for scholars in Australia and New Zealand to present and discuss outcomes of their research and establish professional bonds with colleagues in the region across disciplinary boundaries. We hope this humbling beginning has made its small contribution to the advancement of Korean studies in the region and future conferences will continue to do so.

We are indebted to all the participants of the conference, presenting their papers with exemplary intensity and enthusiasm and contributing towards the success of the conference. As organizers of the conference and the Editors of this volume, we would like to express our gratitude to the many organizations from which we received financial support, and, in particular, to the Korea Research Foundation, the Australia-Korea Foundation, the Consulate General of the Republic of Korea and KOTRA Sydney Office. We are also grateful to the host of our conference, School of International Business of the University of New South Wales which provided necessary resources and administrative support for the conference. We thank the other two members of the conference organizing committee, Dr Kenneth Wells and Dr Adrian Buzo, for their cooperation. Finally, we gratefully acknowledge the editorial assistance rendered by the Conference Secretary Ms Sue Richardson at the School of International Business of the University of New South Wales.

Chung-Sok Suh
Duk-Soo Park
September 1999
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<table>
<thead>
<tr>
<th>Name</th>
<th>Title of Paper</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PLENARY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park, Chan Wook</td>
<td>Party, Electoral, and Legislative Politics in Democratizing Korea: An Assessment</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>and Suggestion for Reform</td>
<td></td>
</tr>
<tr>
<td>Sohn, Ho-min</td>
<td>Whither Teaching of Korean in Australasia in the Next Century?</td>
<td>13</td>
</tr>
<tr>
<td><strong>BUSINESS &amp; MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jung, Sunseop</td>
<td>Legal Development in Korean Financial System after 1997 Financial Crisis</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Financial Reporting of Selected Korean Listed Companies – Disclosure Practices</td>
<td>40</td>
</tr>
<tr>
<td>Kim, Young-Ok</td>
<td>Korean Employment Relations in the Context of East Asia</td>
<td>65</td>
</tr>
<tr>
<td>Leggett, Christopher</td>
<td>Is there a Confucian Multinational Type? A Preliminary Study of Japanese and</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Korean Multinational Enterprises in Australia</td>
<td></td>
</tr>
<tr>
<td>Nicholas, Stephen</td>
<td>A Study of Real Estate Trust Institution in Korea</td>
<td>118</td>
</tr>
<tr>
<td>Suh, Chung-Sok</td>
<td>A ‘Stroke’ Hypothesis of Korea’s 1997 Financial Crisis: Causes, Consequences and</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>Prospects</td>
<td></td>
</tr>
<tr>
<td>McKay, John</td>
<td>The Restructuring of the Korean Economy Since 1986 and the Onset of the Financial</td>
<td>146</td>
</tr>
<tr>
<td></td>
<td>Crisis: The Industrial-Financial Nexus</td>
<td></td>
</tr>
<tr>
<td>Seo, Jung-So</td>
<td>Recent Trends and Development of Inward Foreign Direct Investment in the Crisis</td>
<td>154</td>
</tr>
<tr>
<td></td>
<td>Ridden Korea</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title of Paper</td>
<td>Page</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td><strong>HISTORY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allen, J Michael</td>
<td>Anarchism as a Response to Imperialism: The Case of Korea</td>
<td>162</td>
</tr>
<tr>
<td>University of Auckland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barracloough, Ruth</td>
<td>Women, Labour and Colonialism in Korea, 1920s and 1930s</td>
<td>173</td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buzo, Adrian</td>
<td>Change and Dynamism in Choson: Antecedents for ROK Civil Society?</td>
<td>180</td>
</tr>
<tr>
<td>University of New South Wales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lankov, Andrei</td>
<td>North Korean State-Building</td>
<td>190</td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petrov, Leonid</td>
<td>Historiographical Debates among the Nationalist Left: 1920s and 1930s</td>
<td>202</td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wells Kenneth</td>
<td>The Dissolution of the Shin’ganhoe</td>
<td>217</td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LANGUAGE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cho, Young-A</td>
<td>Integrating Culture with Language in Context</td>
<td>224</td>
</tr>
<tr>
<td>Monash University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kim, Myung-Hee</td>
<td>A Developmental Study of Discourse Management Skills in Korean</td>
<td>234</td>
</tr>
<tr>
<td>Kangwon National University/University of Melbourne</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lee, Dami</td>
<td>The Construction of Relative Clauses in Kororan and Pedagogical Grammar</td>
<td>259</td>
</tr>
<tr>
<td>Hanyang University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park, Duk Soo</td>
<td>Phonological Interference from English to Korean</td>
<td>245</td>
</tr>
<tr>
<td>University of Sydney</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shin, Kyu</td>
<td>Using e-mail Exchanges to Enhance Korean Language Learning and Teaching</td>
<td>271</td>
</tr>
<tr>
<td>Curtin University of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Son, Jeong-Bae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Griffith University and University of Queensland</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LITERATURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choi, Ann Y</td>
<td>“From Sea to Young Boys” to “Fireworks” (1908-1919): Poems on the Horizon of Korean Literary Modernity</td>
<td>279</td>
</tr>
<tr>
<td>Claremont McKenna College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epstein, Stephen</td>
<td>Gender, Politics and the Household in the Short Stories of Pak Wan-so</td>
<td>294</td>
</tr>
<tr>
<td>Victoria University, Wellington</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evon, Gregory Nicholas</td>
<td>Ghostly Voices and their Avatar</td>
<td>306</td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title of Paper</td>
<td>Page</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td><strong>RELIGION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bell, Kirsten</td>
<td>Creating a Heavenly Paradise on Earth: Cho’ondogyo and Korea’s New Religions</td>
<td>322</td>
</tr>
<tr>
<td>James Cook University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jorgensen, John</td>
<td>Millenarianism, Apocalypse and Creation in Contemporary Korean New Religions</td>
<td>336</td>
</tr>
<tr>
<td>Griffith University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood, Colleen</td>
<td>Esoteric Buddhism in Korea</td>
<td>342</td>
</tr>
<tr>
<td>Victoria Department of Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOCIIOLOGY &amp; WOMEN'S STUDIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Han, Do Hyun</td>
<td>Global Food System and Romantic Agrarian Nationalism in 1990s; South Korea</td>
<td>348</td>
</tr>
<tr>
<td>Academy of Korean Studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jung, Kyung-Ja</td>
<td>Body Politics in Korea Focused on Virginity Ideology</td>
<td>358</td>
</tr>
<tr>
<td>University of New South Wales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Synott, John</td>
<td>Chunkyojo, the Korean Teachers and Educational Workers Union: An Analysis of Key Collective Action Frames of the Teachers Union Movement</td>
<td>369</td>
</tr>
<tr>
<td>Queensland University of Technology</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PARTY, ELECTORAL, AND LEGISLATIVE POLITICS IN DEMOCRATIZING KOREA: AN ASSESSMENT AND SUGGESTION FOR REFORM

Chan Wook Park
Seoul National University

The Democratization of the Korean Polity

In the last decade or so, Korea has made a successful transition from authoritarian to democratic politics. Formally, its recent transition to democracy began on June 29, 1987 when Roh Tae Woo, then the ruling party's presidential candidate handpicked by President Chun Doo Hwan, announced a concession to tremendous popular pressure for the democratization of the Korean polity. Shortly afterwards, political leaders and their parties negotiated on the new constitutional framework. In December 1987, Roh was elected president by the direct popular vote for the first time in 16 years. Kim Young Sam, who joined with President Roh in the ruling party in early 1990, won the 1992 presidential election. President Kim Young Sam was the first civilian president since the military intervention in 1961. In December 1997, Kim Dae Jung was elected in his fourth presidential bid. This marked the first peaceful change of presidential power to the opposition. The Korean polity has established a structure of governance featuring the periodic participation of the mass public in free and competitive elections.

Despite these achievements, however, Korean democracy has yet to be consolidated. Democratic consolidation, which usually takes longer than democratic transition, is a multifaceted phenomenon involving a considerable degree of normative and behavioral commitment by both the elite and citizens to the ideals and rules of the democratic game. In the Korean polity, the consensus on the rules of the political game among politicians remains shallow and fragile. A significant number of politicians are calling for a change from the current presidential system of government to a parliamentary one. The prosecution's lack of political impartiality is at issue. Political contributions from the business still disproportionately favor the ruling party or coalition against the opposition. In spite of their zeal for democracy, citizens are not much supportive of democracy-in-action and even have nostalgia for the authoritarian past due to the country's troubled economy. All in all, the Korean polity remains a fledgling democracy that needs to be settled. In this vein, I describe newly democratized Korea as still democratizing.

Democratic consolidation can be facilitated by several factors, including changes in elite behavior, political culture, civil society, institutional structure, and economic performance. In this presentation, I will focus on the role of political institutions, which provide political actors with constraints and opportunities as well. Specifically, I am concerned with political institutions linking the state and society, or the government and citizenry, such as political parties, elections, and the national legislature. I will first elaborate on the problems in the workings of these institutions and then explore directions for reforming Korean party, electoral, and legislative politics.

Political Parties and the Party System

Korean political parties are personality-dominated, and rally around particular bosses to maintain their vigor. As a chaebol conglomerate is identified with its owning family, the existing political party is closely associated with its focal leader. President Kim Dae Jung
sways the National Congress for New Politics (NCNP), and Prime Minister Kim Jong Pil is the "owner" of the United Liberal Democrats (ULD), the NCNP's junior partner in the ruling coalition. Although Lee Hoi Chang is not so charismatic a leader as these two Kims, no other politician is capable of challenging his leadership within the opposition Grand National Party (GNP). The fate of a party, including a split or the forming of a new party, hinges on the decision of its boss.

Personalities loom large in party politics, and existing parties do not diverge much in ideologies or policy programs. Political parties represented in the national legislature are all centrist or conservative. The ideological horizon of Korean politics has been substantially reduced since the partition of the Korean peninsula, which remains still the last arena of the Cold War. A progressive party is hardly viable in institutional politics. Progressive politicians gain access to the legislature not through parties of their own ideological tints but through the conduit of existing parties. In the authoritarian era, the issue of democratization gained salience in dividing the ruling and opposing parties. In the democratic era, this issue has lost much of its vigor, but no other major ideological or policy issue has become so divisive yet. Being identified with its top leader, an existing party's crucial base for mobilizing electoral support is the region in which the leader is the native son or with which he has special connection.

The Korean party is typically a highly centralized party which lacks both a truly strong base at the grassroots and internal democracy. Even when the ruling or main opposition party may claim that it has millions of people as party members, it is never a genuinely mass party. Ordinary members of a party neither have a common ideological goal nor a sense of belonging to the party. Most of them have been involuntarily mobilized by politicians seeking their electoral success. Ordinary members do not fulfill their duties, such as paying dues or taking part in campaign work. Unsurprisingly, they have no voice in making decisions over candidate selection, party platform and policies, or other important party affairs. In a strict sense, Korean parties are rather cadre parties. Party politics revolves around top political leaders and legislative members. In the ruling party headed by the president of the nation or in the opposition party led by a charismatic or popular leader, leadership is highly centralized even within the party elite. In case a party lacks a strong focal leader, the centrifugal force such as factional strife works damagingly enough to make the party fragile. Because political parties come and go all the time, as described below, stable psychological attachments to them are not likely to be fostered among ordinary citizens. In fact, many of them have become disillusioned with existing parties.

The fluidity of Korean political parties is phenomenal, and thus the party system is ever-shifting. Members of the National Assembly have changed party affiliation according to their relationship with focal leaders or political convenience.

In the 1987 presidential and Thirteenth Assembly elections, four major parties competed: the Democratic Justice Party (DJP), the Reunification Democratic Party (RDP), the Party for Peace and Democracy (PPD), and the New Democratic Republican Party (NDRP). The DJP was created to buttress President Chun's rule when he, as an Army major general, seized

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1 The GNP is the successor to the previous ruling party under President Kim Young Sam, the Democratic Liberal Party or later, the New Korea Party. Interestingly, only the former President Kim, who maintains an influence on his followers in the GNP, can threaten Lee's leadership.
control of South Korea in a coup in 1979. Roh Tae Woo of this party won the presidency in the 1987 presidential election. Kim Young Sam and Kim Dae Jung had jointly led the RDP until the two Kims failed to agree on a single presidential candidate and the latter Kim formed the PPD in late October 1987. Kim Jong Pil, a former prime minister under President Park Chung Hee, rehabilitated the old ruling party, the Democratic Republican Party and named it the NDRP.

The contour of party politics underwent a sudden reshaping when President Roh, Kim Young Sam, and Kim Jong Pil made a surprise announcement on January 22, 1990 of the agreement to merge their parties into the Democratic Liberal Party (DLP).

This ruling party could command over a two-thirds majority in the National Assembly. On the opposition side were two parties: Kim Dae Jung's PPD and the minor Democratic Party (DP) organized by a small fraction of former Kim Young Sam's followers. Kim Dae Jung had these two opposition parties merged under the banner of the DP in the fall of 1991.

In the election of the Fourteenth Assembly held in March 1992, a system comprised of three parties emerged: the ruling DLP, the DP, and the Unification National Party (UNP). Chung Ju Yung, the founder of Hyundai business conglomerate, organized this new third party. Kim Young Sam of the DLP won the presidential election in December 1992, in competition with Kim Dae Jung and Chung Ju Yung. Due to his electoral defeat, Kim Dae Jung withdrew from politics as well as from the top leadership of the DP. Chung and his UNP were politically buried after the election. As a result, by the year of 1994, a bipolar configuration emerged within the National Assembly in format of the DLP versus the DP.

In January 1995, Kim Jong Pil and his followers bolted from the DLP when he was put under heavy pressure of resignation from the leadership position, second only to President Kim Young Sam within the ruling party. Kim Jong Pil subsequently founded the ULD. Kim Dae Jung was highly encouraged by the DP's impressive showing in local elections held in June 1995. A few months afterwards, he decided to come back to the political stage and organized the NCNP by drawing his loyal followers away from the DP. The partisan configuration turned into a new four-party system: the ruling DLP, the NCNP, the ULD, and the DP. The ruling party changed its name into the New Korea Party (NKP) in late 1995, about four months prior to the general election for the Fifteenth Assembly.

The Fifteenth Assembly election changed a four-party competition format into a three-party one. Of those four, the DP failed to earn at least twenty seats to form a party group in the national legislature. This party terminated its formal existence in the middle of the campaign for the 1997 presidential election as further described below.

In the December 1997 presidential election, three major candidates competed for victory. The ruling NKP nominated Lee Hoi Chang on July 21, 1997. After getting nominated, Lee's popularity continued to drop from mid-August through early November, mainly because his two sons allegedly dodged military conscription. This situation induced Rhee In Je, the runner-up in the nomination race, to break away from the NKP to declare his candidacy under the banner of the New Party by the People (NPP) in mid-September. By mid-November, Lee managed to revamp his party by merging with the DP into the GNP. Unsurprisingly, the main opposition NCNP nominated Kim Dae Jung as its presidential candidate. This Kim succeeded in persuading Kim Jong Pil of the ULD to quit running for the presidency and to build an election coalition, the DJP alliance, for Kim Dae Jung's triumph. The two parties
agreed that they would share power under the prospective Kim Dae Jung presidency until early 2000 and then form a coalition government under a newly introduced parliamentary system.

Kim Dae Jung rose to the presidency in the second year of the current Fifteenth Assembly. At that time, President Kim's NCNP could not command a legislative majority, even when combined with its coalition partner, the ULD. These two parties have gradually recruited some legislative members from the other side of the aisle. For instance, the NPP was merged into the NCNP in the fall of 1998. From this time on, the ruling coalition has occupied a combined majority status in the National Assembly. The GNP, though still the largest party, has fallen into the minority opposition in the legislature. Currently in Korean party politics, a bipolar political competition is being waged amid a three-party format.

The conditions for the competition between the ruling and opposing parties have changed increasingly for the fairer, but are not yet fully equitable even in this democratic era. In the authoritarian past, the ruling party clearly had an upper hand in all kinds of resources, human or material, over the opposition. Due to this advantage, the ruling party readily mobilized and even manipulated support from the mass in elections. Now this situation has changed, but only to a limited extent. For example, whether a party is in power or not still makes a big difference for the party's fund raising. In the year of 1997, when parties were in great need of political funds due to the presidential campaign, the ruling GNP had an official income of 193.5 billion won. This amount was about four times as much as the official revenue of the largest opposition NCNP, 51.6 billion won. In the next year, the GNP officially collected 84.1 billion won from all funding sources. This party remained the largest in the number of legislative seats, though it lost presidential power. The NCNP, the new ruling party, surpassed the GNP in the officially reported party revenue, 93.9 billion won to 84.1 billion won. A major source of party income is the contributions channeled through the Sponsors' Association (SA) linked to the party. The SA collects political funds by levying fees on their members or by raising money from non-members according to the provisions of the Political Funds Law. The difference in the level of income between the ruling and opposing parties suggests that wealthy individuals or business corporations are much more reluctant to make contributions to the opposition's SA than to that of the ruling party. This point is made clear when one compares the average income of SAs linked to individual legislative members between the ruling and opposition party. In 1998, a legislative member from the NCNP received an average of 189 million won through his or her SA, whereas the comparable politician from the GNP collected an average of 78 million won through the same conveyor organization for political financing. The ruling status continues to give a party ample leverage in gaining access to resources for political competition.

Rules of the Electoral Game, Campaign Practices, and Electoral Cleavage

In the democratic era, three general elections for the National Assembly have been held in April 1988 (Thirteenth Assembly), March 1992 (Fourteenth Assembly), and April 1996 (Fifteenth Assembly). The electoral systems for these three Assemblies vary in details, but they all belong to a one-vote mixed system in which a nominal component of proportional representation (PR) is added to the single-member plurality system. A voter does not cast a separate vote for choosing a party's slate of candidates but a single ballot to elect the district representative. This vote is counted again as the vote for the chosen candidate's party list. Let me further illustrate this system by referring to the general election for the Fifteenth Assembly. Out of a total of 299 legislative seats, 253 are elected from single-member
districts, while the remaining 46 are filled by the means of nationwide party lists under a proportional system. In this one-vote mixed system, the plurality component is overwhelming.

In the election, larger parties gained a disproportionately greater share of legislative seats. Especially, the ruling NKP won 46 percent of the total seats with 35 percent of the vote. The fourth largest DP suffered under the system: it obtained only 5 percent of the total seats with a bit more than 11 percent of the vote. For the splinter party, the PR component did not much adjust the disproportionality produced under the plurality component.

The electoral system discourages the representation of not only smaller parties but also that of geographically spread-out minorities. The rate of female representation in the National Assembly is a case in point. In the democratic era, female legislative members constitute on average merely 2 percent. Furthermore, the system discriminates against newly emerging, and alternative political forces with fresh ideas.

In terms of the effect of the electoral system on the party system, the current Korean electoral system is conducive to a multiparty system. Although the single-member plurality system is generally associated with a biparty system, the Korean system dominated by the single-member plurality component does not work so. As examined later, regional cleavage is a salient factor in the electoral politics of democratizing Korea. A multipolar pattern of regional cleavage inhibits the plurality-dominated electoral system from suppressing party fractionalization. The present system has shortcomings in that it does not bring about fair representation or accountable government.

Elections have become increasingly clean and fair. Campaign violence and corrupt campaign practices, including vote-buying attempts, were seriously widespread in the beginning of the democratic era. It is true that these practices have notably diminished over the decade. But a concern about high-cost, clandestine voter mobilization schemes has not thoroughly dissipated. It was a common estimate that many candidates had exceeded the campaign spending limits in most elections. There were very few voluntary campaign workers and activists. Many of them expected to be paid for their activity, and others expected at the least to be fed meals. Some voters also came to expect pay for their votes.

Regional voting is a salient pattern of the Korean electorate's behavior in the democratic era. In presidential elections, a voter supports the candidate who hails from the same region as the one where the voter was born or with which the voter strongly identifies. In the National Assembly elections, a voter supports the candidate of the party whose leader is a favorite son of the voter's region. Regional voting was dramatically conspicuous in the 1987 presidential election. Roh Tae Woo dominated in the northern part of the Yongnam region. Kim Young Sam's strength was centered in the southern part of the Yongnam region. Kim Jong Pil enlisted the strongest support in his native southern part of the Chungchong region. But these three leaders were not on a par with Kim Dae Jung in terms of fervent support in his native Honam region. Such a high level of regional cleavage has persisted on the electoral

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2 The nationwide at-large seats are divided as follows. One seat is first allocated to that party which has won no single district seat but received 3 percent or more and yet less than 5 percent of the vote. The remaining seats are assigned in proportion to each party's nationwide vote share among the parties with at least 5 district seats, or with 5 percent or more of the vote.
An overwhelming degree of regionalism stifles policy-based electoral competition, and makes voters swayed by emotion and sentiment. Given the fact that political parties differ little in ideologies or key policy directions, the variety of elections issues and the range of voters' choice are limited. The lack of policy contest in elections leads to the rampant use of personalized negative campaigning. The election is ridden by a variety of undesirable practices, such as personal attack, mudslinging, groundless accusation, black propaganda, the arousing of regional antipathy, and the like.

Policy Influence of the National Assembly, and Inter-Party Dynamics in the Legislature

Not only the members of the National Assembly but also the executive branch can introduce legislative bills. The latter type of legislative proposal is called a government bill. The executive branch takes the initiative to draft legislative proposals to a great extent. In every session, the ruling party's legislative members introduce some bills prepared by the executive branch. "Reform measures," such as public officials' ethics law, election law, and the like, were enacted in the Fourteenth Assembly. This Assembly even made a special law to prosecute those involved in the military coup d'état and brutal crackdown of the Kwangju Uprising, including two former presidents. Actually, most of these bills were initiated and prepared by presidential aides, and then delivered to the ruling party for formal introduction.

The extent of the legislature's modifying government bills suggests its policy influence through lawmaking. In the National Assembly, the notion of bill amendment refers mostly to changes in a bill's title, improvements in wordings and legal formalities, and other minor adjustments. The backbone of an executive proposal remains intact regardless of such amendments. Moreover, the National Assembly does not allot adequate amount of time enough to add significant amendments to a bill. Committee and floor procedures for legislation proceed too hastily. The average time elapsed between a bill's introduction and its final passage was forty-five days in the Thirteenth Assembly, and sixty-one days in the Fourteenth Assembly. The actual time given the deliberation of a bill at committee and plenary meetings is likely to be a tiny portion of the elapsed time: probably, some hours or even several minutes. The National Assembly is habituated to terminate deliberation in a hurry ad deciding upon a number of bills in clusters at the end of the session.

The success rate of introduced bills can give a significant clue to the extent of a legislature's policy influence. In the current Fifteenth Assembly, approximately 80 percent of government bills are adopted, while only about 40 percent of member bills are passed. Such a pattern of bill passage rates, which has continued to exist since the authoritarian era, points to executive dominance in lawmaking.

The National Assembly's incapacity to reject the passage of bills against executive preference comes to the surface most vividly, when the president's party rams through a bill quickly with a snap vote, dubbed nalch'gi t'onggwa (snatching the passage of a proposal). In case an important bill supported by the president is strongly opposed by the minority, the president's majority often ignores the legal framework for passing bills. The speaker or other presiding officer loyal to the president curtails questions and debates even when objections are raised. Then the majority finally railroads the bill through floor votes. This kind of practice has continued in the democratic era except for the first half of the Thirteenth Assembly. An example in the Fifteenth Assembly was the passage of two controversial bills. One bill
concerned labor rights, and the other the National Security Planning Agency (formerly, the Central Intelligence Agency and currently, the National Intelligence Service). Both were favored by President Kim Young Sam but objected by the opposition parties. At the very early morning hour of December 26, 1996, only the legislative members of the ruling NKP sneaked into the National Assembly building, and rushed through the bills to obey the president's directive. More recently, on January 6, 1999, President Kim Dae Jung's ruling coalition unilaterally rammed 66 legislative measures through as the opposition GNP unsuccessfully attempted to block vote taking. The measures included a motion for giving consent to Korea-Japan fisheries accord, the teachers' union bill, and economic reform bills. On the next day, the ruling majority broke through the opposition's blockade to pass its plan for the upcoming investigative hearing on the former government's economic mismanagement and four bills as well. Again, on May 4, 1999, amid a bruising scuffle on the floor, the vice speaker affiliated with the ruling coalition completed a few-minute-long procedure to pass the government reorganization bill plus four other pieces of controversial bills.

The extent of final modifications made by the National Assembly in the original budget proposal is strictly bounded. Changes have usually come within just one percent of the original proposal. The legislature is such a passive reviewing body that its budgetary power cannot be a decisive source of leverage in its dealing with executive agencies.

The budget review done in the National Assembly continues to be limited in many important ways. First, the time schedule is hardly conducive to a thoroughgoing review. A standing committee's preliminary review lasts five or six days. The overall review of the budget and accounts committee is conducted within at most two weeks or so. Second, there is a significant constitutional constraint on the deliberation by the National Assembly. If the legislature wants to increase the amount of any item of expenditure or create any new item in the budget, it must obtain the consent of the executive branch in advance. Third, the National Assembly Law itself is restrictive in this regard, too. A motion for amending the budget proposal in the plenary session requires support by at least fifty members. Furthermore, the budget for the National Intelligence Service is only subject to the preliminary review by the intelligence committee in a closed session. It bypasses a comprehensive review by the budget and accounts committee. Last but least, the budget and accounts committee is a temporal special committee, which changes membership every year and does not deal with fiscal matters on a continuous basis.

The National Assembly is constitutionally provided with various means of legislative oversight and control. Major ones include annual inspection, specially arranged investigation, and interpellation for questioning ministers orally and in writing.

At the outset of the regular session, the National Assembly establishes a period of twenty days or less for conducting inspections of government operation. Each standing committee oversees government ministries or agencies under its jurisdiction. The National Assembly had once lost this inspection power during the authoritarian Fourth and Fifth Republics (December 1972 through February 1988), but has regained it thanks to democratic transition. When it comes to the effectiveness of annual inspection, there can be found numerous shortcomings. Some typical problems, arising from legislative members' incapacity to organize and operate inspection, are as follows:
The committees choose too many agencies for inspection, and these agencies are superficially inspected; Legislative members do not have sufficient information about the workings of administrative agencies; And, most witnesses are questioned perfunctorily. Questions raised by legislative members are wide off the mark, and reveal the lack of expertise. They put too much emphasis on their own partisan or district interests.

A host of problems with legislative inspection suggest that legislative members are deficient in their competence and information for performing substantive oversight of the bureaucracy. The standard view established in the authoritarian era but still prevailing in this democratic era indicates bureaucratic dominance. Administrative agencies are not responsive to the national legislature. Bureaucrats seem to be responsive only to the president, given the president's strong and highly centralized decision-making power.

The National Assembly is also empowered to investigate specific matters. The legislature may have a standing or special committee conduct such investigation. The Thirteenth Assembly in its first half was the most active in performing legislative investigation activities. The legislature launched a series of probes into the brutal crackdown of the Kwangju Uprising, the egregious abuses of power, and the wrongdoing under the rule of President Chun. In the Fourteenth Assembly, three investigations were launched about corruption practices and one more regarding the collapse of a huge department store building. But no single investigative hearing was held as part of the probing activities. In two of these cases, the investigation could not be completed due to inter-party disputes.

In early 1997, a major financial scandal surrounding the Hanbo business group broke out. Together with the controversial passage of two bills in late 1996, the scandal caused presidential popularity to plummet. Political parties agreed to organize a temporary special committee to investigate the scandal in the first half of the Fifteenth Assembly. The committee held a chain of investigative hearings. This investigation not only reached senior politicians, an incumbent cabinet minister, and a presidential aide, but also it escalated to probing influence-peddling and bribery charges against the president's second son.

Despite the possibilities of investigative hearings serving as a forum for executive accountability, the hearings organized by the National Assembly in the democratic era have not borne fruits enough to dispel public suspicion about the matter under investigation. This can be well illustrated by two cases: the "fur-gate" and "strike-rigging" scandals consecutively probed by the respective investigative panels in late August, 1999 in the National Assembly. The first case went as follows. A business tycoon was put into prison on charges of smuggling more than US$160 million abroad and embezzling money in company funds. To save the tycoon from criminal prosecution, his wife was allegedly asked by the wife of a government minister and also by the shop owner to pay for the expensive fur clothes bought by the justice minister's wife. The prosecution's hasty investigation could not clear public suspicions about this matter, and so the Legislation and Judiciary Committee of the National Assembly conducted a series of hearings. Key witnesses involved in this scandal made contradicting testimonies covered live on television. The investigation hardly progressed in getting to the truth as expected. The second case involved the former head of the Public Security Department, Supreme Public Prosecutors' Office. He was indicted on charges that he instigated a labor strike at Korea Minting and Security Printing Corporation one year ago in order to take the credit for coming down hard on the illegal labor strike and for facilitating the corporation's restructuring efforts. To investigate this case, the National Assembly organized a special hearing panel. Again, it failed to dissipate public misgivings.
Legislative members had difficulties taking evidence and getting access to documents. They wasted too much time asking redundant and pointless questions. The members also showed limited skills in handling witnesses who evaded testimony unfavorable to them or who perjured themselves for the fear of prosecution. The opposition's demand for making the independent counsel law has gained momentum after unsuccessful legislative investigations.

The plenary session of the National Assembly may request the presence of the prime minister, ministers, or other government representatives for interpellation, a procedure through which a legislative body calls the government to account. Yet it is hard to say that floor interpellation now really serves its intended purposes. Legislative members rarely raise concise and genuine questions. Some hopeless legislative members, forgetting their proper role of lawmaking, ask a cabinet minister if he or she has any intention to make such and such laws. There is much doubt about whether legislative members' questions will ensure executive accountability for policy actions or contribute to the information base upon which they exert a policy influence. On the part of cabinet ministers, they do not seem to provide sincere answers to the questions raised. Interpellation remains tedious, unmoving, and no more than a blunt warning against executive mismanagement.

**Toward Party, Electoral, and Legislative Reform**

The preceding analysis has revealed deficiencies and shortcomings of Korean party, electoral, and legislative politics in the current democratic era. Parties are personality-dominated, not much different in their own ideological identities or policy images, and lack in internal democracy. They are ever changing, and so the party system is unsettled. In brief, party politics is not well institutionalized. The electoral system for the national legislature amplifies the political manifestation of regional cleavage to a great extent. It does not appropriately serve as a mechanism for providing fair representation. Parties do not engage in policy-based competition during the election. Moreover, elections are too costly. The National Assembly has not shaken its old image as a weak and marginal policy actor. The legislature is unable to exercise a policy influence independent of the executive. Also, legislative politics is riddled with severe partisan conflict and deadlock. These persistent problems with party, electoral, and legislative politics hinder the Korean polity from developing into a consolidated democracy. To further democratic consolidation, Korea needs urgent reform for rectifying the prevalent patterns of party, electoral, and legislative politics.

First of all, parties should be converted from boss-dominated political organizations into organizational entities with distinct ideological orientations or policy images. To seek their own identities apart from their focal leaders, political parties need to discard the unprincipled pattern of recruiting existing political figures or taking in "fresh blood" without considering those people's ideological or policy stances. Also, each party should exert a great effort at developing a consistent system of specific policy programs so that they may reflect or build its own ideological or policy identity. A greater attention should be paid by parties to the issues of the day in order to strike citizens' responsive chord by developing the relevant policy programs.

In his commemorative speech for the August 15 Liberation Day in 1999, President Kim Dae Jung said that his new party, to be created by formally resolving the NCNP and recruiting fresh figures outside of politics, would rise as a reformist party based on the middle and working classes. He stated that the new party would include both reform-minded
conservatives and "down-to-earth" progressives. President Kim took the initiative to rebuild the NCNP for boosting voters' support in the general election for the Sixteenth Assembly to be held in April 2000. It remains to be seen whether his new party could survive as a coherent political organization with the stated party platform after President Kim's completion of the term of his current office.

Political parties need to take appropriate measures intended to provide ordinary party members with opportunities for participating in intra-party decision making over important matters, including the selection of candidates for various public offices, the formulation of key party policies, and the development of election strategies. By doing so, parties can be freed from the centralized control by the top leader and his close aides. These measures will surely upgrade the capacity of parties to accommodate the interests and opinions of ordinary party members and common citizens as well.

Political parties themselves need downsizing and restructuring. So far, existing parties have maintained a quantitatively expansive approach to their organizations: they made a great endeavor to beef up the organizations by increasing the number of party apparatuses, bureaucrats, and ordinary members. This approach has caused costly and inefficient party organizations. Major parties should streamline their organizations. It is advisable for them to be reborn into political organizations capable of adapting themselves to societal and other environmental changes. The Korean civil society is growing, in which citizens are becoming well informed, potentially participant, but yet distrustful of existing political parties and politicians. Party organizations should be redesigned so that they can sound out citizens on the issues of the day, aggregate their concerns into policy alternatives, and induce their voluntary support for party causes.

To increase the chances of fair representation and suppress the excessive amplification of regional cleavage, the current electoral system for the National Assembly should be changed. The desirable direction for the change is to dampen the overwhelming effect of the dominant single-member plurality component and simultaneously, to make the PR component more effective than now. The alternatives include the German two-vote mixed system and Japan's newly introduced two-vote parallel system. I prefer a modification of the latter type of two-vote system. Political parties should be open to the negotiation and settlement of the electoral system before the coming Sixteenth Assembly scheduled for April 2000.

In his ceremonial speech delivered on the Liberation Day, 1998, President Kim expressed his intention to introduce a two-vote parallel system as a way of lessening regionalism expressed in elections. To say nothing of the opposition GNP, the ruling coalition itself did not agree to the president's proposal. Especially the ULD, which is inferior to the GNP or the NCNP in terms of the current legislative strength and support base, hesitated to accept the idea of the PR system based on the party vote.

The ruling coalition sought for another alternative system that might be acceptable to as many legislative members, of the ruling or opposing side, as possible. In late May 1999, the top leadership of the ruling coalition proposed a peculiar type of two-vote system that combines the single non-transferable vote (SNTV) in medium-sized (three-member) districts in parallel with PR. Afterwards, on many occasions, President Kim reiterated his desire to introduce this system. If adopted, this system is expected to reduce the winner-take-all effect of the current system that helps a single dominant party sweep most of the legislative seats in its regional stronghold. Due to the SNTV component, however, this newly proposed system will encourage party fractionalization to a greater extent than does the current system or the
initially proposed system. Also, the SNTV is more conducive than the single-member plurality system to personality-based competition and hence factionalism within the major party.

No formal negotiation has begun on the revision of the electoral system in the National Assembly. So far, the situation remains complicated. In the ruling coalition, some legislative members safe with a strong support base in their own districts are reluctant to accept the alternative electoral system recently proposed by their leaders. On the other hand, the GNP leader, Lee Hoi Chang stands steadfast in maintaining the current electoral system. He thinks that President Kim is interested in tinkering with the electoral system for the purpose of dividing and conquering the opposition. Still, some opposition legislative members, who are not confident of winning the most votes in their own districts, favor the new system with the SNTV. It is not likely that the rival parties will agree on the new electoral system any time soon.

Further measures need to be devised for reducing excessive campaign spending and encouraging a fair play of the electoral game. The current regulation of campaign expenditure applies only to the costs incurred during the official campaign period, about a few weeks immediately before the election day. The ceiling of expenditure should be also placed upon the costs for de facto campaigning, including various vote-gathering activities, done well before the official campaign period. Needless to say, the illegal and corrupt campaign practices must be curbed in an impartial, consistent, and stern manner. Whether the upcoming general election for the National Assembly can make another meaningful progress in the institutionalization of clean and fair election will be a crucial test for the consolidation of Korean democracy.

For the reform aiming at strengthening the policy influence of the National Assembly and increasing the likelihood of inter-party compromises, some important measures can be put forward as follows:

The legislative session: The introduction of a year-round sessional system will induce the national legislature to sit frequently, review legislative matters fully, and disperse legislative workload.

The Audit and Inspection Board: The legislature can gain much leverage to oversee the executive branch by transferring this agency currently controlled by the president to the National Assembly.

The Speaker's political impartiality: The head of the National Assembly and his or her deputies should be elected freely by legislative members without any presidential directive. The legislative leaders must withdraw from any affiliated party after assuming their positions.

Legislative committees: Each legislative member should be encouraged to serve on the same standing committee for gaining expertise in the specific policy area. For a solid review of fiscal matters, the budget and accounts committee should be converted from a temporal committee into a standing one.

Support agencies and personnel: The legislative staff and information services need to be increased for aiding legislative members' policy activities.

Political reform is tremendously difficult to carry out. If the task of reform is left solely in the hands of existing politicians, reform is not likely to progress an inch. It is because they will rather safeguard their own vested interests than effect sweeping reform. Ultimately, citizens are the prime mover of the reform. In order for major reform measures suggested above to be legislated and implemented, citizens as individuals or in group need to keep
watching and influencing established politicians. In Korea, a strengthened role played by the awakened civil society will foster the urgent reform for changing problematic patterns of party, electoral, and legislative politics.
WHITHER TEACHING OF KOREAN IN AUSTRALASIA IN THE NEXT DECADE:
IN COMPARISON WITH AMERICAN EXPERIENCE

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Even though I was aware that it would be inappropriate for an outsider with limited knowledge to talk about this important subject matter, I nevertheless accepted the offer because I simply hoped to share with my colleagues in Australasia what I have in mind in order to enhance the quality and quantity of Korean language education in English-speaking countries. Some of my suggestions, derived essentially from my own American experience, may sound too ideal, or may be inadequate or irrelevant in Australasian contexts. My apologies in such cases.

Korean language education around the world has rapidly grown since the latter half of the 1970s. The following appear to be the major contributing factors.

(a) The astonishing developments of the past two decades in the world’s orders have had an important effect on the teaching of Korean as a foreign language. Since the latter half of the 1970s, individual countries’ economy, finance, business, and trade, as well as political, social, cultural, and environmental affairs have been closely interconnected, making the world a global village with a single market of goods and finance. All countries recognize the growing importance of knowing the languages and cultures of the countries they associate with closely.

(b) Korean language education has been accelerated owing greatly to the visibility that Korea has gained worldwide mainly due to (i) its rapid economic growth and (ii) the massive overseas emigration of its people to advanced English-speaking countries such as the United States, Australia, and New Zealand.

(c) Rapid development of overseas Korean language education and Korean studies owes greatly to the South Korean government’s deep concern with and strong commitment and timely financial support to globalizing Korean language and Korean studies. Korea’s funding organizations have already done considerable ground work to vitalize Korean language and Korean studies overseas.

Thus, for instance, in the United States where the Korean population has rapidly grown to over 2 millions as of now, seven Korean community schools in 1975 have grown to over 830 (mostly affiliated with Korean churches), where Korean is presently taught to some 50,000 Korean American children by 5,200 teachers mainly on weekends. Ten universities in 1975 have grown to approximately 110 (with approximately 5,000 students at a given time), and 32 high schools have recently started to teach Korean to nearly 800 students. Many universities offer B.A., M.A., and Ph.D. programs in various Korean studies areas such as linguistics, literature, language pedagogy, history, sociology, political science, economics, and music. In addition, government institutions such as the Defense Language Institute and Foreign Service Institute provide intensive Korean language training for their personnel. Many private institutions have recently been established to teach Korean to the general public and to students.

Despite the rapid increase in Korean language enrollment, Korean is still minuscule compared to some other more popular foreign languages in all countries. For instance, Draper and Hicks’s (1996) survey for 1994–95 indicates that in American intermediate and high schools, Spanish, French, and German account for 93% of all foreign language enrollments. The other forty some languages share the remaining 7%, including Latin (rank 4 with 3.51%), Italian (rank 5 with 0.94%), Japanese (rank 6 with 0.77%), Russian (rank 8 with 0.30%), and Chinese (rank 9 with 0.16%). Korean is the 17th rank with 0.01%. Similarly, based on college and university enrollments
in the United States in 1995, the Modern Language Association (MLA) placed Korean as the 14th, although Korean is identified as the fastest growing language followed by Mandarin Chinese.

It is well known that Korean language education has been flourishing in Australia and New Zealand, although in a scale smaller than in the United States. My limited knowledge on the status of Korean language education in Australasia came from D.S. Park (1993, 1995) and M.J. Kim (1997) for Australia and the University of Auckland Asian Language and Literatures Handbooks (1997) for New Zealand. Relevant information can be summarized as follows.

Australia:

(1) Korean immigration began at the end of the 1970s and has rapidly grown since the middle of the 1980s. The current population of Korean residents in Australia is approximately 40,000(?). Korea is Australia's second largest trade partner (following Japan). Recently, more than 180,000 Korean tourists visit Australia each year.

(2) Currently, nine universities have Korean language programs where some 500 students take Korean courses. In addition, many of these universities offer one or more Korean studies courses. Students can take Korean language as an undergraduate major and Korean studies for their M.A. and Ph.D. degrees. A total of some 13 full-time and 20 part-time faculty members are in charge of Korean language and culture education in Australia.

(3) Some fifty-five elementary and secondary schools offer Korean as regular academic courses. The proportion between elementary and secondary schools is half-half. Korean has been adopted as a regular elective course in college entrance examinations in areas such as Melbourne and Sydney.

(4) Korean language instruction is also conducted or planned at some private institutes and universities' adult language programs, and through universities' distance education and open learning.

(5) In general, only true beginners take Korean language courses in most universities since the history of Korean immigration is short. One exception is the University of Sydney where a two-stream system is implemented, one stream with true beginners and the other stream with those students who have learned Korean at high schools and heritage students with limited knowledge of Korean.

(6) The Australian government's inclusion of Korean (in 1994) as one of the highest priority languages (along with Mandarin Chinese, Indonesian, and Japanese) has been contributing greatly to the development of Korean language education in elementary and secondary schools.

New Zealand:

(1) Korea is New Zealand's fourth largest bilateral trading partner. Currently, approximately 10,000(?) Koreans reside there. About 100,000 Korean tourists visit New Zealand annually.

(2) The University of Auckland is the only higher educational institution where Korean has been taught since 1989 with support initially by the Yongkang Foundation of Korea and subsequently by the Korea Foundation. Currently, three levels of Korean are taught and the Department offers both B.A. and M.A. in Korean language and literature. Two full-time faculty and a few part-time lecturers teach approximately 80(?) students.

(3) In 1995, Korean language courses were introduced in Auckland high schools.
The strongest motivation for current university students’ learning Korean in Australasia is their practical consideration of a job involving Koreans or a Korea-related career in the future, in view of the rapid economic growth of Korea and Australasia’s trading partnership with Korea. It is well known that students are much sensitive to the utilitarianism of their acquired knowledge and skills for career purposes.

In general, Korean language education at elementary and secondary schools, and universities in Australasia is still at the fledgling stage in terms of student enrollments, curriculum, textbooks and other instructional materials, faculty training, instruction, and assessment. In general, Korean studies, other than language, is rather weak due to the lack of faculty. Introductory courses in such areas are largely covered by language-related faculty in many universities. At the University of Auckland, a Korean literature specialist and a Korean geography specialist are in charge of language, literature, and culture courses.

Given the current status of Korean language study in Australasia as outlined above, what are the specific tasks that need to be conducted in order to effectively increase the quantity and enhance the quality of Korean language education at all levels of schools from elementary to graduate schools? The tasks proposed in the following, albeit tentative and subject to further refinement, are considered the most essential and urgent.

(3) Task 1. Establishment of curricular goals and standards
Task 2. Articulation of elementary through university instruction
Task 3. Nurture of all heritage students as bilinguals
Task 4. Curriculum renovation for Korean language study as a distinct academic discipline
Task 5. Instructional materials development
Task 6. Teaching improvement through continued teacher training and professional development
Task 7. Development of assessment tools
Task 8. Technology integration
Task 9. Research on Korean language study

Although all these tasks are closely interrelated and mutually complementary, they will be elaborated one by one in what follows.

Task 1. Establishment of curricular goals and standards

Both educators and students in Korean language study should have firm curricular goals and standards. Students learn Korean for vastly diverse needs: (a) to communicate with Koreans for various practical purposes; (b) to understand Korean people, literature, culture and society better; (c) for their professional purposes such as business, law and medical practices, as well as Korean language teaching; (d) as means or goals of their academic research; (e) to get good grades in the case of heritage students; and (f) as part of their graduation language requirement. In order to meet these diverse student needs most effectively, Korean language education should be conducted with a set of explicit curricular goals and standards.

In the United States, the national standards for foreign language learning (hereafter National Standards) have recently been formulated by the initiative of the US government and four major foreign language associations intending to set new directions for foreign language education into the 21st century (NSFLEP 1996; Lafayette 1996; ACTFL 1997). These goals and standards define what all foreign language students in the United States should know and be able to do (Lafayette
and Draper 1996). The 109-page document was endorsed by most foreign language associations in the United States and most states have already modeled or created their own standards based on the National Standards document (James 1998). Many language groups are developing or planning to develop their individual language standards within the framework of the National Standards. Thus, National Standards-based foreign language education is the most powerful movement in contemporary foreign language education in the United States.

Let me quote the goals and standards of the National Standards as summarized in ACTFL (1997) to serve as useful reference for Korean language educators in Australasia.¹ Five goal areas, known as five C's, are identified, under each of which two or three content standards, i.e., the essential skills and knowledge that students need to have in order to achieve these goals, are given.²

Five C’s and Content Standards:

1. Communication: *Communicate in languages other than English.*
   
   Standards: Students (a) engage in conversations, provide and obtain information, express feelings and emotions, and exchange opinions; (b) understand and interpret written and spoken language on a variety of topics; and (c) present information, concepts, and ideas to an audience of listeners or readers on a variety of topics.

2. Cultures: *Gain knowledge and understanding of other cultures.*
   
   Standards: Students demonstrate (a) an understanding of the relationship between the practices and perspectives of the culture studied; and (b) an understanding of the relationship between the products and perspectives of the culture studied.

3. Connections: *Connect with other disciplines and acquire information.*
   
   Standards: Students (a) reinforce and further their knowledge of other disciplines through the foreign language; and (b) acquire information and recognize the distinctive viewpoints that are only available through the foreign language and its cultures.

4. Comparisons: *Develop insight into the nature of language and culture.*
   
   Standards: Students demonstrate (a) understanding of the nature of language through comparisons of the language studied and their own; and (b) understanding of the concept of culture through comparisons of the cultures studied and their own.

5. Communities: *Participate in multilingual communities at home and around the world.*
   
   Standards: Students (a) use the language both within and beyond the school setting; and (b) show evidence of becoming life-long learners by using the language for personal enjoyment and enrichment.

None of these five goals (C’s) can be separated from another. All of them are closely interwoven. Needless to say, the most important C is communication, which is at the heart of second language study, whether it takes place face-to-face, in writing, or across centuries through the reading of literature (NSFLEP 1996:27).

I believe that adherence to the above goals and standards in conducting Korean language education will be conducive to students’ learning a high level of communicative and cultural skills and having a sounder foundation for all areas of Korean studies. I recommend that the same or similar goals and standards be observed in Korean language curriculum development, textbook and other instructional materials development, classroom instruction, and development of assessment tools, particularly because they offer a clear vision for the future (cf. James 1996; Swaffar 1999; Tohsaku 1999).
Learning a language takes time, far more time than the average two-year sequence of courses at either the secondary or post-secondary levels (Wells 1998). Only extended articulated sequences produce significant results. According to the classification issued by the U.S. Foreign Service Institute in 1973, it takes roughly three times as long for an average native speaker of English to reach the same level in Korean as he or she would in a language such as Spanish and French. The implication is that just to get through the basics in Korean, students need two solid years, especially if they are serious about the acquisition of all language skills and not just exposure.

Programs from elementary school to middle school; middle to high school; and particularly from high school to college must lead into each other by building on student accomplishments at preceding levels to ensure student progress. A well-integrated and articulated sequence will allow a large number of students to reach high levels of proficiency in Korean. Disrupting this sequence significantly weakens the learning process. In order to encourage sophisticated Korean language acquisition, students should enter college instruction at the appropriately challenging level. There should be a seamless continuum all the way to college.

Also, short- or long-term field study (in-country study) in Korea is an important part to be integrated into students' on-campus academic programs for twin benefits—immediacy and constant exposure. The degree of difficulty in learning Korean makes it virtually impossible for English speakers to reach a functional ability solely on the basis of domestic academic programs. They need extensive immersion study. This demand on time and resources is best accommodated by placing students in Korea, a total immersion situation (cf. W.P. Rivers 1998 and Larson 1999 for effective study abroad).

A collaborative task force with expert representatives from all levels schools should design and formulate articulation strategies nationwide, including an educational framework, curriculum (courses and lesson plans), appropriate materials, good practice in technology, and critical issues of assessment and placement. The standards and criteria for language, literature, linguistic, pedagogical and cultural studies must be integrated into all levels of the curriculum (cf. Wells 1988).

This has not been an issue in Australasia where immigration history is short. In the next decade on, however, this will be the most important Korean ethnic issue since Korean is the basis through which overseas Koreans maintain their national heritage, identity and pride. All necessary means and support must be mobilized for Korean language maintenance of all heritage students. This movement must be forcefully conducted in concerted efforts by the Korean community, Korean language educators, and relevant Korean government agencies.

Many heritage students are able to native-like proficiency because they learn Korean primarily from their parents, through multi-media, and at heritage schools from childhood. As bilinguals, they can function as a significant bridge between Korea and the country of their residence most effectively in all aspects of cross-national interaction. Thus, it is imperative to devise ways to motivate all heritage students at all levels to learn Korean. The most essential condition is that we provide them with excellent education—interesting, fulfilling, relevant, and utilitarian. We also need community support.
Class and curriculum designs need to reflect the distinction between heritage and non-heritage learners as is done at the University of Sydney; instructional materials need to be adapted and developed; the issue of articulation of heritage elementary and secondary schools to the college level must be seriously considered; and teacher training and extensive pedagogical research are required for heritage learner education.

Task 4.  **Curriculum renovation for Korean language study as a distinct academic discipline**

Korean language study involves five closely interlocked subareas: language learning, linguistics, language pedagogy, literature, and cultural awareness.

Thus, the objects of Korean language study involve not only (a) the acquisition and use of communicative skills and strategies in listening, speaking, reading and writing, but also (b) the study of the language system, variation and change, (c) study of language acquisition processes and strategies and effective teaching methods, (d) interpretation, understanding and appreciation of traditional and contemporary literature, and (d) learning and study of various aspects of traditional and contemporary culture. When we talk about Korean language education, therefore, all these five subfields must be taken into account. It is proposed to develop Korean language study as a distinct, unified, consolidated discipline (a realm of knowledge or a coherent academic field of study) with the five closely interlocked subfields. The goal of our discipline is to enable students to study Korean language, each subfield doing so in different ways and with different emphases, e.g., communicatively, linguistically, pedagogically, literarily, or socio-culturally (cf. Swaffar’s 1999:7–8 for insistence on an independent discipline of foreign language studies).

This leads to the issue of curriculum renovation. Language study has two closely interrelated sides: a content component and a skill component, hence the curricular distinction between content courses and skill courses. This distinction is comparable to what is known as fact (knowledge about language) and act (the ability to do something with language), respectively (Jorden and Walton 1991). The content (fact, knowledge) component may include Korean linguistics, Korean literature, Korean language pedagogy, Korean sociolinguistics, comparative culture between Americans and Koreans, etc., whereas the skill (act, performance) component includes any ability to actually do something with language: greetings, invitations, asking directions, requests for repetition, disagreement, persuasion, compliments, insults, etc. as well as writing a letter, a journal, or an essay. All communicative language learning entails, among other things, acquiring skills of one sort or another.

The majority of the Korean language programs currently offer only basic language skill courses such as first and second year language courses. However, we need to develop and implement varied curriculum models that incorporate advanced-level skill and content-based courses, reflecting diverse learner needs including those of advanced degree students. In particular, we need to develop curriculum to widely incorporate interdisciplinary courses so that the curricum may accommodate students who want to pursue the use of Korean in connection with other Korean studies fields.
The curriculum must be multi-levelled from beginning to most advanced on the one hand and multi-dimensional covering (a) communication skills, (b) language system, (c) language pedagogy, (d) literature, (e) culture, and (f) interdisciplinary on the other, as schematized below.  

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<tr>
<th>UNDERGRADUATE COURSES</th>
<th>CONTENT COURSES</th>
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<td>Skill courses</td>
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<td>Linguistics</td>
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<td>Literature</td>
<td>Culture</td>
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<td>Interdisciplinary</td>
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<th>GRADUATE COURSES (content courses only)</th>
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<tr>
<td>Linguistics</td>
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<tr>
<td>Pedagogy</td>
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<tr>
<td>Literature</td>
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<tr>
<td>Culture</td>
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<tr>
<td>Interdisciplinary</td>
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More integrated and interdisciplinary curriculum is called for as discussed under Task 1. Not only language, literature, linguistics and culture must be integrated, but also the language study must be oriented toward interdisciplinary with other humanities, social science, and professional areas (e.g., business Korean). It is expected that the greater the degree of integration of language learning into the content of the college’s general studies program, the more clearly students will recognize the importance of language for gaining knowledge of a culture, the higher the students’ motivation will be for continued language study, and the higher the level of language proficiency they will achieve. This integration rests on the careful design of a content-based curriculum; the thoughtful linkage of language, cultural studies, and study-abroad experiences; and instruction in language learning strategies (cf. Larson 1999; Swaffar 1999).

Task 5. Instructional materials development

Task 4 leads to the issue of instructional materials development. Instructional materials include textbooks, supplementary materials, audio-visual aids, reference papers and books, and Internet materials, as well as dictionaries. In particular, at least one well-organized basic textbook is essential for each skill or content course.

Overseas Korean language education, especially in secondary schools, is in desperate need of teaching materials, including basic textbooks both in the traditional text format as well as in more technologically enhanced modes. The existence of good materials is particularly important for Korean language education, where much of the learning takes place with untrained native-speaking instructors or graduate students. Without good textbooks, instructors have great difficulty; students lose interest and motivation and do not learn much due to the lack of specified course objectives and organized contents. Many instructors in our field have specialty limited to their narrow subfields. With well organized textbooks (and teacher’s manuals in language skill courses), however, they can teach other subfields without too much difficulty.

Many of the Korean language programs are using language textbooks developed in Korea, while we still suffer from the lack of adequate textbooks on content courses. Fortunately, Australian faculty have jointly developed several sets of useful language texts and multimedia materials for classroom use and many Korean language faculty mainly in the United States and Korea, with assistance by the Korea Foundation, have been developing, since 1994, a total of 19 volumes of skill and content-
course textbooks, an Internet web page on modern short stories, and a dictionary of grammar and usage for English-speaking students. All these volumes are scheduled to be published by the University of Hawaii Press by the end of 2001. A separate volume on Korean culture is being developed at the Center for Korean Studies of the University of Hawaii, covering ten major disciplinary areas including history, philosophy and religion, language, literature, government and politics, society, economy, art, music, and anthropology. This project for which I function as Principal Investigator is also supported by the Korea Foundation.

This is not the end, but only the beginning. Instructional materials development is an everlasting project for Korean language educators. We need to develop textbooks and other instructional materials for elementary and secondary schools. Continued effort must be exerted to improve existing textbooks and develop additional materials for undergraduate and graduate students.

Task 6. **Instructional improvement through continued teacher training and professional development**

For speakers of English, Korean poses extraordinary difficulties, because of the profound cultural differences, the entirely different sound patterns, the morphophonemic and syllable-based Korean writing system with indigenous letters, the SOV syntax of Korean, the agglutinative morphology of Korean, and the intricate hierarchical system of Korean honorifics. Even body language and gesture cannot be separated from spoken language. For instance, a Korean speaker cannot say Ch’o ɐm poepkassu ɐmnida without bowing; and without knowledge of Korean culture, one cannot even learn how to say ‘yes’. Imposing English norms onto Korean is distorting, since the languages and cultures divide and view the world differently. Unless students are brought to understand how different Korean culture is from their own, they cannot successfully learn to communicate in Korean (cf. Wetzel 1998:27).

The extraordinary cultural differences separate English and Korean and make learning Korean a tremendous undertaking for non-heritage learners. Therefore, it is imperative for learners of Korean to have language tied firmly to cultural context from the very beginning of their study. Korean cultural contexts are as new as the linguistic forms themselves. These differences should be a focus of pedagogical concern from the very beginning of instruction. Students need chances to practice using the language in a range of contexts likely to be encountered in the target culture (Omaggio 1984).

Since our ultimate goal is not to cover material but to produce proficient students, student performance should be the cornerstone of teaching and the organizing principle of instruction. Performance-based student-centered instruction is thus indispensable if students are to function as world citizens in a global society. The teacher should function like a coach with students as athletes, since a large proportion of second language learning has to do with skill-getting/skill-using (Wetzel 1998; Falsgraf to appear). The coach’s job is to set up a training program to help athletes reach certain standards. Similarly, the language teacher’s job is, as a program manager, to provide students with experiences that will help them meet the standards. Students are ultimately responsible for their learning, while as a resource and supporter, the teacher’s responsibility is to see that students are getting the kinds of input they need. This often means that teachers must depart from the textbook and rely on supplementary materials and have to become a creator of thematic units, lesson plans, and activities for functional proficiency. In order to help students perform in an on-demand context, teachers must incorporate various input activities as well as mechanical, meaningful, and communicative output activities. Classroom activities must be not only for proficiency-oriented but also fun for students, useful to their real lives and conducive to students’ strong motivation to continue to learn the language (for suggestions on L2 learning motivation, see Oxford and Shearin 1994).
Since many teachers in all levels of schools do not have training in dynamic Korean language education and many new pedagogical theories and practices are constantly emerging, teacher training in language content, literature, culture, linguistic structure, methods of selecting and developing classroom activities, and teaching methodology is an extremely important infrastructure element. That is, teachers must have access to continued professional development opportunities. As for teaching methodology, theoretical and applied research in second language acquisition is beginning to produce results which are directly beneficial to learning and teaching. Research results have to be made available and accessible to the classroom teachers to benefit the students. This requires a continuing and expanded investment in faculty development programs. Well-organized conferences and continued teacher training workshops are required for teachers to meet a wide variety of student needs. Korean language teaching staff must be exposed to current language pedagogy training appropriate for performance-based training.

Task 7. **Development of assessment tools**

As Falsgraf (to appear) points out, a complete set of standards must have three components: content standards (what students need to know and do), performance standards (how well students need to perform), and assessment (how accurately and fluently students perform). Without all three, the standards cannot serve as a basis of instruction, curriculum, and evaluation, and thus cannot function as a vehicle for improving performance. We should develop performance assessment tools in which reliable, valid, and fair samples of student performances (oral interviews, written notes, reading-based tasks, etc.) are collected to make consistent judgments of whether or not those samples meet a standard. Assessment tasks are to be created directly from the content and performance standards covering all interpersonal, interpretive, and presentational modes (Falsgraf ibid.; Liskin-Gasparro 1996).

Unfortunately, the implicit goal of many language teachers, textbooks, and classes is the analytical content rather than the skill component of learning. Far too many language teachers test students over their control of fact and not act. However, the important relationship between fact and act is that fact supports act. Students should control factual knowledge about the skill they are studying, but, more importantly, they should be trained in how to apply factual knowledge to their performance.

The purpose of assessment in Standards-based education is to help students meet the standard, and to improve performance, not just to judge academic achievement. We need to establish a set of assessment systems that would provide solid evidence of student achievement in meeting the goals and standards. We need to set up performance target levels. In a performance-based assessment, such as an oral interview or open-ended reading or writing task, any grammar or vocabulary that helps improve the performance is helpful. It is indicated in Falsgraf (to appear) that in proficiency testing, students work harder to learn the grammar and vocabulary because they know it will help them perform better. In a textbook-based system, grades are the ultimate measure of achievement and are the basis of academic rewards. In a standards-based system, however, standards become the basis of academic rewards and grades become a mechanism for on-going feedback to the student. In other words, they shift from being a summative assessment to a formative assessment. Graded work should represent small steps towards the ultimate goal of meeting the proficiency standard.

Task 8. **Technology integration**

Technology will have a significant part in Korean language instruction. It is imperative to extensively utilize and integrate modern technology for Korean language education in all areas of
instructional materials development, instruction, and assessment, in that language learning goals are attained more efficiently if the learning is student-centered, personalized, and individualized. We need to launch technology-driven projects to deliver authentic video and develop web-based courses, and to use dictionary database as an online look-up system for authentic Korean texts downloaded from various Internet web pages, etc. Various instructional and assessment materials need to be uploaded on the Internet. For instance, model activities that have been developed should be made available through the Internet. In addition to classroom instruction, students should be required to work with audio- or videotapes, computer-based material, and lessons on the Web. Assignments can be completed in a tape or multi-media laboratory or at home with a computer (cf. Nielsen and Hoffman. 1996).

It is also important to incorporate abundant day-to-day Internet resources into Korean language curricula, as the Internet can provide invaluable resources for Korean language learners in various levels. High quality video materials need to be developed for children’s Korean language learning. Distance language education via live, interactive television should also be utilized for Korean as needs arise.

In these days of almost universally available high technology, our efforts should be bent on developing materials that will facilitate spoken language too. There is a need for tools that allow students to practice oral skills before they come into a classroom situation where they are required to use spoken language. We need to plan for the implementation of e-mail connections in the target language with students and faculty members on our own campus and at other campuses in the United States and with students in Korea.

Task 9. **Research for Korean language study**

Language instruction cannot be provided without access to a body of knowledge of the language and literature, its containing culture, and the process of language learning. The expertise base for Korean language education, therefore, must include linguistic, literary, cultural, and second language acquisition specialists who command this knowledge. We need well-qualified researchers and textbook writers. No program can be effectively mounted without this expertise base. At present, we have a host of theoretical and formal linguists of Korean but only a small number of people who are experts in the field of Korean as a second or foreign language, literature, and culture. Many such specialists should be produced urgently either by expanding existing academic departments or establishing new graduate programs.

In the future, extensive cross-sectional and longitudinal research is required on adult and child acquisition of Korean as a foreign (or second) language and its pedagogical applications. Such research should range over communication, linguistics, pragmatics, socio-linguistics and socio-cultural knowledge, and literature. It is highly desirable for such a wide variety of language acquisition research to cover not only observation and description but also explanation and pedagogical application in curriculum design, classroom teaching, textbooks and other instructional materials development. We also need research focused on pedagogical issues in the teaching of Korean, including program development (needs assessment, setting goals and objectives), curriculum revision, pedagogical grammar, performance evaluation, and integrating technology.8

**CONCLUSION**

Thus far, I have presented my personal views on the tasks that Korean language educators in Australasia are required to undertake in the next decade. By any standard, education of Korean as a foreign language during the 20th century has been at the fledgling or rudimentary stage in terms of both quantity and quality. It is hoped that by the end of the next decade, it will have fully matured.
There are things we can do and there are things we cannot do. For instance, we in Korean language education cannot do anything about improving the economic strength of Korea. However, the tasks proposed in the above are something we can do if we exert concerted efforts with clear goals and determination. The chances for the success of the proposals outlined thus far depend on whether we in Korean language education will assume more collective, interactive collegial and disciplinary responsibilities than we have heretofore.

NOTES

1. The National Standards also include sample progress indicators under each standard that show students’ expected progress at grades 4, 8, and 12 toward meeting the goals. At the end of the document, 28 pages of a series of sample learning scenarios are given to illustrate classroom practices which incorporate the standards.

2. ACTFL has also developed Performance Guidelines (Swender and Duncan 1998) which comprehensively describe the language performance levels (novice, intermediate, pre-advanced, advanced) students are expected to arrive at following specific periods of classroom instruction (e.g., K–4, 5–8, 9–10; K–8, 5–12, 7–12, 9–12; K–12, 9–16; K–16). Each performance level consists of six performance areas: (a) comprehensibility (how well are they understood?), (b) comprehension (how well do they understand?), (c) language control (how accurate is their language), (d) vocabulary use (how extensive and applicable is their vocabulary?), (e) communication strategies (how do they maintain communication?), and (f) cultural awareness (how is their cultural understanding reflected in their communication?); and each performance area covers the three modes of communication (Interpersonal, Interpretive, Presentational). While the National Standards are the content standards that define the “what” of foreign language learning in American classrooms, the ACTFL Performance Guidelines are the performance standards that define “how well” students should be expected to do the “what.”

3. For instance, the Japanese National Standards Task Force in the United States has already created the Standards for Japanese Language Learning.


5. The department offers B.A., M.A., and Ph.D. degrees in Korean language and literature. The Korean faculty consists of only three tenured professors (two in language and linguistics and one in literature) and two graduate assistants and a few part-time lecturers. Graduate students majoring in Korean language or literature (currently 2 M.A. and 10 Ph.D. students) take not only available courses in the department but also relevant courses in other departments, e.g., Linguistics, English as a Second Language/Second Language Acquisition, History, and Sociology. The number of students taking undergraduate and graduate courses in Korean language and literature is approximately 150 per semester.

6. As Brecht and Walton (1997) demonstrate, a collaboratively developed textbooks can ensure that the traditional fatal flaw of idiosyncratic materials development will be avoided.

7. In Japanese at the University of Hawaii, the consensus is: Novice High after one semester of training, Intermediate Low after two, Intermediate Mid after three, and Intermediate High after four, according the the ACTFL rating scales. Probably, we can set Pre-advanced after 6 semesters and Advanced Low after 8 semesters. Quizzes, tests, mid-term and finals all include oral performance
components; basic computer skills in Korean are to be made a requirement by the end of the fourth semester; instructors trained in the OPI regularly administer oral interviews to randomly selected students at the end of the second and fourth semesters to establish a base-line of oral proficiency. It is recommended that Korean programs assess all students via modified OPI and some sort of Computer-Adaptive Test of Reading Korean. UH has developed an in-house standardized test of Korean for placement purposes.

8. In his survey of extensive research in acquisition of Japanese as a second or foreign language, Nagatomo (1999) indicated that the research of this area in Japanese as a second or foreign language has been active only during the past seven or eight years when over 500 publications have appeared, that most of these works are involved in observing and describing facts, but very few attempt to explain why they acquire the forms and meanings as they do, and that very few of them touch pedagogical implication and hardly any of them take into account all the three essential perspectives: (a) variable acquisition (interlanguage) process, (b) interference from L1, and (c) language universal phenomena. These points may be instructive in conducting our research in Korean language acquisition.

REFERENCES


I. Introduction

Since the late 1997 when the Korean Government requested a bailout loan from the International Monetary Fund (the "IMF") to resolve its financial crisis, there have been significant changes throughout the country in a struggle against the worst economic crisis in modern times. While it is too early to make conclusion, Korea has successfully overcome the worst stage of the crisis with an increase in foreign currency reserves and a decrease in short-term liabilities. This result was possible through financial support from international organisations including the IMF, the successful rollover of foreign debts, and a continuing trade surplus. The current crisis emerged in the second half of 1997 as a balance-of-payments problem flowing from a shortage in foreign currency reserves. The direct causes of this result may be the terms of trade deterioration in the 1995-96 period, a series of insolvency of major Chaebols, and subsequent erosion of market confidence in international financial markets. The international market sentiment, already shocked by events in Southeast Asia, was aggravated by the inappropriate policy responses of the Korean Government to the evolving problems. However, the underlying source can be traced back to the structural weakness of the Korean economy, which may be typical of the growth-oriented economy led by government. This structural imbalance rarely attracted public attention during the period of great economic success.

From a legal perspective, the current crisis may be said to have, in part, stemmed from the failure of the legal system to adjust itself to the rapidly changing economic circumstances including globalisation and deterioration of overall competitiveness of the Korean economy. In a sense, the Korean Government has also taken various measures to address those challenges, however limited the scope may be. But, these measures were not supplemented by adequate legal institutions. Many examples of such legal failure shall be shown in the following sections. These challenges impose on Korea imminent duties to initiate sweeping reform measures in all areas of the economy to overcome the current crisis and to use it as a chance to strengthen its international competitiveness. In the most general terms, Korea's reform measures until now may be highly appreciated. In the following sections, this report, focusing on the sources of the crisis that are derived from the financial sector explores the legal dimensions of the current crisis and legal measures to deal with it. This report consists of four sections. Section II will consider the sources of the crisis and imminent policy tasks. However, the scope will be limited to internal factors directly related to the financial sector. In Section III, the setup of the financial institutions and financial regulatory system after the crisis shall be reviewed as the basis of Korea's financial system. In Section IV, major features of the legal measures to deal with the current crisis shall be examined. The main areas include market integration, financial sector restructuring, and financial supervision and regulation. Section V provides some conclusions.

II. The Financial Crisis and Policy TASKs

A. Sources of the Financial Crisis

1. Overview

There are two general approaches with regard to the sources of the financial crisis. One is a position that

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1. The official request for a bailout loan was made on 21 November 1997. The Korean Government signed the memorandum concerning the economic program prepared by the IMF on 3 December 1997.
2. Chaebol is a Korean word meaning large, family-owned or controlled business conglomerate(s) with diversified business area.
3. For the purpose of this report, the term "legal system" comprises all laws, decrees, regulations, any other rules and guides which have effects to bind, or inflict any influence on the operations of the financial institutions. The scope of this report is not exhaustive and, thus, the references are also limited. The laws are present as of July 1999.
4. Douglas Armer [1998], 391-392. In particular, see note 50 and accompanying texts. For the discussions in Korea,
emphasises the influence of external conditions such as the contagion effect of the overall Asian financial crisis and the movement of international 'hot money.' And the other explains the crisis through internal factors such as structural weakness in the Korean economy. Although it seems that the former was relatively neglected in the previous public and private analyses, the more in-depth exploration of this matter is beyond the scope of this report. It may be as well to focus on the internal factors in considering the purpose of this report to explore the legal dimensions of the crisis. In general terms, the direct cause of the crisis was a shortage in foreign currency reserves that resulted in a volatile won/dollar exchange rate. However, the fundamental source may be the structural weakness of the Korean economy, which has been further compounded by the contagion effect of the Asian economic crisis.

2. Law and Economic Development

As mentioned above, there exists legal dimension in the breakout of the current crisis. For the better apprehension of this point, it may be of assistance to explore the relationship between law and economic development. In fact, the role of law has not been highly appreciated regarding the Asian economic development including Korea. However, although the substance of laws was strongly influenced by the economic policy of each state, Asian legal systems have also performed critical function. Changes in economic policy affected both economic development and the legal systems, which then further affected economic development itself. According to Pristor and Wellons, the basic point was that "state- or market-oriented allocative law" combined with "rule-based or discretionary procedures" to create a legal system that generally supported the prevailing economic strategy during that period in different periods. For example, as government strategy opens an economy to the rest of the world, the substance of laws in such areas as property rights and cross-border transactions changes to fit international standards. Overall, major legal changes adopted during a policy period were generally appropriate to that period, and the legal systems were seen to adjust to support the new economic policy.

As often noted, there came a turning point in Korea around the late 1980s after thirty years of strong economic performance, when domestic and foreign economic fundamentals including globalisation in the world economy and radical deterioration of competitiveness of Korean economy called for a change of economic strategy. These structural changes may be construed as a demand for the move from an economy mainly led by government discretion to a market-led economy governed by pre-established rules and regulations. But Korea resisted this request by continuing "higher investment and growth policy," instead of accepting it by "restructuring industries, upgrading the technology or improving legal system." For this purpose, the Government continued market intervention to facilitate financial support for such higher investment. The Government intervened in the credit decision of the financial institutions or corporations. As a natural consequence, the stability of the financial system itself has been sustained not by prudential regulations or management principles, but by external factors such as explicit or implicit government guarantees. At the same time, Korea also started to deregulate financial markets by

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For the sources of the crisis, this section mainly draws on the following materials: Tomás J. T. Balifio and Angel Ubide (1999), 20-30; The Bank of Korea (July 1998), 6-9; Joseph Bisignano (1999), 2-42; Eduardo Borensztein and Jong-Wha Lee (1999), 4-16; The Ministry of Finance and Economy (November 1998), Section I; Won-Am Park (1998); 63-86.

4 The Ministry of Finance and Economy (November 1998), Section I.

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6 Katharina D. Pristor and Philip A. Wellons (1999), 1. This study comprises the People's Republic of China, India, Japan, Republic of Korea, Malaysia, and Taipei, China.

7 Ibid 109-111.

8 Ibid 4-7.

9 Katharina D. Pristor and Philip A. Wellons distinguished two dimensions of legal system critical to economic development, allocative and procedural dimension. The former denotes the legal rules that stipulate who will decide the allocation of economic resources in society, whether the state or the market. And, the latter refers to how law is promulgated and enforced and includes the functioning of the necessary legal and administrative institutions, rule-based or discretionary. Rule-based means that state action is bound by law and has to comply with pre-established legal procedures about making, administering, and enforcing the law for validity. Moreover, in case where these principles are violated, non-state actors have recourse to legal review. Discretionary law, by contrast, allows state agents to set rules and enforce them without significant legal constraints. Accordingly, a legal system may be classified into one of the four groups—market/rule-based, state/rule-based, market/discretionary and state/discretionary. Ibid 4-7.

10 Ibid 73-79. See also Eduardo Borensztein and Jong-Wha Lee (1999), 4-7; Samsung Economic Research Institute (1998), 82-85.
gradually eliminating credit and interest rate ceilings and other restrictions affecting lending and borrowing activities, and liberalising foreign exchange transactions. However, these changes were not supplemented or safeguarded by adequate legal institutions. From a legal perspective, this situation can be considered as a failure of the legal sector to incorporate the economic changes into a finely tuned legal regime. The factors shown below may be deemed as examples of such legal failure.

3. **Structural Weakness**

These problems have their roots in Korea's history of government-led industrialisation strategy, which was mainly based on promoting the growth of large conglomerates, the *Chaebols*. The Government played a significant role in selecting specific industries for development and allocating credit to them. The financial system played a central role in this strategy by intermediating funds to finance investment and expansion of export-oriented corporations. This pattern of selective investment and credit allocation has delayed the need for a well-developed financial market. The continuing government involvement in the financial sector had stymied the development of a commercially oriented and sound financial system and, as a result, reduced the market flexibility and sterilised the ability to respond to unexpected shocks. *Chaebols* have pursued highly leveraged expansion by using external funds mainly provided by the banking sector. The high debt/equity ratios of the *Chaebols* and their low profitability made them very vulnerable to any shock. In turn, the financial institutions were extremely dependent on the viability of the *Chaebols*. Consequently, the corporate sector has been considerably damaged by excessive debt burdens and investment losses. On the other hand, the financial sector was weakened by bad loans and subsequent erosion of capital base.

In cases where external factors such as administrative guidance or government intervention other than the economic interest of shareholders, managers, and creditors determine the sources of financing and business strategy of a corporation, the role of general corporate law is less important. Conversely, when these external factors cease to play an important role for the corporate governance, the role of legal framework for a corporation increases. So the existence of corporate law does not necessarily imply that the governance of corporations is determined primarily by norms set forth in the law. Moreover, Korean *Chaebols* were for the most part owned and managed by a handful of family members who had no positions responsible for the business performance.

4. **Inssufficient Supervisory and Regulatory Regime**

The insufficient supervisory and regulatory regime allowed financial institutions to incur excessive risks without building adequate capital base to withstand any unexpected market changes. Such factors as an industry-specific multiple supervisory and regulatory system, lack of accounting transparency, and other prudential regulations were crucial to the eruption of the current crisis. Many analysts noted that accounting standards and other regulations regarding large exposure and liquidity management, among others, fell short of international best practices.

First of all, there was no unified supervisory and regulatory system comprising all financial institutions. The then industry-specific supervisory regime, each with its own approach and enforcement principles, created difficulties in efficient regulatory cooperation and consistent supervisory policies across the financial industry. For example, commercial banks were subject to the jurisdiction of the Bank of Korea, whereas specialised banks (including development banks) and non-bank financial institutions were subject to the direct supervision of the Ministry of Finance and Economy (the "MOFE"). This lack of consistent supervisory and regulatory arrangements made many prudential rules ineffective as shown in the case of trust accounts of the commercial banks, merchant banks, and

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12 Given the absence of well-developed financial markets and the size of required investments, government intervention in investment decision-making and credit extension may be desirable and welfare-improving in the early stages of economic development. Such "directed credit programmes" were commonly used by many East Asian countries including Japan in the past. For government intervention in credit allocation and its results, see Tomás J. T. Balifio and Angel Ubide (1999), 11-12; Joseph Bisignano (1999), 2-14; Eduardo Borensztein and Jong-Wha Lee (1999), 11-16; Yoon-Dae Euh and James C. Baker (1990), 15-18.
other financial institutions.\textsuperscript{16} Trust accounts were subject to less stringent controls than normal banking business, which encouraged the deviation of business towards such less regulated areas.\textsuperscript{17} In addition, as the supervisory authority was empowered to waive certain requirements, in fact, supervisors sometimes waived the full application of regulations, such as provisioning rates, to avoid weakening the earnings report of banks.\textsuperscript{18}

Secondly, there was a lack of accounting transparency that made it difficult to estimate the actual status of a financial institution.\textsuperscript{19} For example, the loan classification and provisioning standards were significantly relaxed in Korea. There were 5-grade credit classifications of normal, precautionary, substandard, doubtful, and estimated loss credits. But non-performing loans ("NPLs") were defined as loans that had been in arrears for 6 months or more, compared to a standard definition of 3 months or more. In addition, the classification system was based on the loan’s servicing record and the availability of collateral ("look-back approach") without regard to the borrower’s future capacity to repay. Accordingly, the banks’ apparent soundness was based on unreliable figures. And also no strict examination was carried out on the scale of NPLs of the non-bank financial institutions.\textsuperscript{20} Banks were required to set up provisions for loan losses enough to cover 100\% of expected losses at the end of each fiscal year. The required provision rate were 0.5\% of normal credits, 1\% of precautionary credits, 20\% of substandard credits, and 100\% of doubtful and estimated loss credits, respectively. But losses were not expected to be over 2\% of total loans. In fact, loan loss reserves over 2\% were not eligible for tax deduction, which discouraged banks from provisioning in excess of that figure.\textsuperscript{21}

Thirdly, the standards regarding risk concentration and large exposure to a single borrower were also very soft, which facilitated the highly leveraged corporate finance structure of Korean Chaebols.\textsuperscript{22} In the case of banking sector, the exposure limit for a single Chaebol group was fixed to be 45\% of the bank’s equity capital and 15\% for each Chaebol-affiliated company on 1 August 1997. But this standard was not strictly enforced on account of a phase-in period of three years.

Finally, banks lacked good internal liquidity management control, and regulations were not sufficiently stringent, in particular regarding foreign exchange transactions.\textsuperscript{23} For example, the bank supervisory body required that long-term loans should be financed with funds with maturity of at least a year.\textsuperscript{24} But all of these controls included only domestic liquidity positions. The positions of overseas branches and offshore funds were not considered. Besides, despite the growing maturity mismatches in banks’ balance sheets that resulted from the capital account liberalisation process, no special consideration was given to the prudential regulation and liquidity management in foreign exchange transactions as shown below.

\textsuperscript{16} Ibid.
\textsuperscript{17} For example, banks could pay and charge higher interest rates on operations from the trust accounts than on operations from the normal banking accounts, while interest rates were fixed. There were no specific exposure limits or provisioning rules on loans from trust accounts, and they were not subject to reserve requirements. In principle, trust accounts are operated on the client’s own account and not counted when computing a bank’s capital adequacy ratio. In practice, however, a large segment of trust accounts in Korea are economically like deposits, for the bank guarantees both the principal and a predetermined yield. The deposit guarantee issued by the Government in late 1997 is also deemed to cover trust accounts.
\textsuperscript{18} For example, each financial regulator has issued accounting standards for each financial industry under its authority. In addition, they have issued accounting guidelines each year to direct year-end closing of financial institutions. This standard setting practice has caused lack of comparability across the financial industries. Further, financial statements of financial institutions lack transparency and consistency over the years, since the year-end closing guidelines not only changed from year to year but also allowed accounting practices that differ from generally accepted accounting principles. See The Financial Supervisory Commission/the Securities and Futures Commission, Reform of Accounting Standards in Korea (11 December 1998), 6.
\textsuperscript{19} The Bank of Korea (1998), 6; Tomás J. T. Balifo and Angel Ubide (1999), 17; Joseph Bisignano (1999), 36-38. According to Joseph Bisignano, financial crises are often first information crises.
\textsuperscript{20} The Bank of Korea, Ibid.
\textsuperscript{21} Tomás J. T. Balifo and Angel Ubide (1999), 17. Loan provisioning in 1996 was required to be only 80\% of the regulators’ calculated norms. Provisioning for the large losses that the banks have suffered on their equities investments was only required to be 30\% of the unrealised losses (1995 and 1996).
\textsuperscript{22} Ibid 19.
\textsuperscript{23} Ibid.
\textsuperscript{24} Ibid. Long-term loans were defined as those with maturities of between one and ten years.
5. Foreign Exchange Liquidity and Market Integration

The increased demands for funds among Korean companies made Korean financial institutions further rely on external debts. Those external debts were often at short-term maturity. By 20 September 1997, total Korean external liabilities amounted to US$ 170.6 billion, of which 55% constituted short-term debts. Their over-exposure to short-term external borrowings made them particularly susceptible to various changes in market expectations. This excessive reliance on short-term funding may be explained by the following several factors besides the economic factors such as interest differentials between the domestic and international market. First of all, the capital account had been partially liberalised. But there remained a strong policy preference of intermediation through domestic foreign exchange banks to foreign direct investment and direct corporate borrowing. Moreover, restrictions against short-term external debts taken by financial institutions were relaxed without full consideration of the side effects. Therefore, limits on long-term borrowing and foreigners' investment in domestic capital markets were retained and these factors, in the long run, caused the development of large maturity mismatches in banks' balance sheets. Secondly, lack of expertise in Korean financial institutions in risk management and international banking coupled with moral hazard led them to take greater risks than prudent management would have advised.

B. Policy Tasks

As a condition precedent to the bailout package, the IMF required the Korean Government to commit to full-scale economic reform focusing on structural measures. The Korean Government signed the Memorandum on the Economic Program prepared by the IMF on 3 December 1997. The gist of this program is a series of structural reforms for the purpose of restoring market confidence through strengthening financial systems, increasing transparency, and opening markets. This program includes such measures as (1) closure of non-viable financial institutions, (2) restructuring and recapitalisation of viable institutions to meet internationally accepted best practices including BIS capital adequacy standards, internationally accepted accounting practices and disclosure rules, and (3) institutional reforms to strengthen financial sector supervision and regulation to increase transparency in the corporate and government sectors, to create a more level playing field for private sector activity, and to increase competition.

Considering the above-mentioned sources of the crisis and contents of the IMF economic program, the policy tasks to be carried out in respect of the financial system may be classified into:

- **Market Integration**: Full integration of domestic financial markets with global markets should be an essential part of the reform program. This task may be achieved through the liberalisation of capital market and foreign exchange trade.

- **Financial Sector Restructuring**: Financial restructuring and recapitalisation to resolve NPLs and to build up the weak capital base shall be one of the most urgent measures to enhance the confidence of investors in the Korean market. In addition, various measures to increase the commercial orientation of the financial system should be considered.

- **Strengthening of Financial Supervision and Regulation**: For preventing the recurrence of similar problems in the future, it may be pivotal to establish a coordinated and consistent supervisory and regulatory regime. In this category, coordination of the regulatory system and introduction of international best practices to enhance

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27 Ibid 22.

28 Ibid.

29 The Bank of Korea (1999), 7. For example, merchant banks borrowed short-term and lent or invested long-term deals, especially to Southeast Asian and other emerging markets. The contracting foreign currency liquidity of the merchant banks was crucial to the buildup of the current crisis. As of the end of 1997, short-term assets covered only 25 percent of short-term liabilities in merchant banks and 55 percent in commercial banks.

30 Tomás J. T. Balifio and Angel Ubide (1999), 22.


accounting transparency shall be included.

- **Corporate Sector Restructuring:** This issue implied addressing the problems of the Chaebols. In fact, this issue is closely linked to the financial sector restructuring, but this is beyond the scope of this report.\(^{33}\)

In the remaining parts of this report, the new setup of Korean financial system and various measures to tap the above tasks shall be reviewed from the legal perspective.

III. **The Basis of Financial System in Korea**

A. **Financial Institutions**

1. **Overview**

   The financial system is a term used to comprehend “the set of arrangements covering the borrowing and lending of funds and the transfer of ownership of financial claims.” The major activity of the financial system is the transferring of funds between lenders and borrowers. It also enables individuals to switch from one type of financial asset to another and provides payment systems.\(^{34}\) Each of these functions is generally performed by intermediaries, that is, financial institutions. The financial institutions in Korea may be classified into three main categories: a central bank, banking institutions including commercial, specialised and development banks, and non-bank financial institutions (“NBFs”) including investment, savings, and insurance institutions.\(^{35}\)

   The institutional bases of the modern financial system in Korea were laid down during the early 1950s when the central and commercial banking systems were realigned under the new system provided by the **Bank of Korea Act 1950** (the “BOKA”) and the **General Banking Act 1950** (the “GBA”). Specialised and development banks, wholly or partially owned by the Government, were established during the 1950s and 1960s to facilitate financial support for underdeveloped or major industrial sectors. Most of the NBFs were established during the 1970s for the purpose of diversifying financing sources, promoting the development of money market, and attracting funds into the organised market from the kerb market.\(^{36}\) Several commercial banks and NBFs were newly added as part of liberalisation and internationalisation measures carried out from the early 1980s. Nowadays, the financial system in Korea has been undergoing unprecedented changes in the course of economic reform.

2. **The Bank of Korea**

   The Bank of Korea (the “BOK”) was established for the purpose of “contribut[ing] to the sound development of the national economy by pursuing price stability through the formulation and implementation of efficient monetary and credit policies” (BOKA §1). For this purpose, the BOK performs the typical functions of a central bank, such as an issuer of bank notes and coins, a banker for banking institutions, a banker to the government and a controller of money supply.\(^{37}\) The BOKA also provides for the central bank's independence and neutrality in formulating and implementing monetary policy. Until the amendment of the BOKA in December 1997, the BOK had been empowered to supervise banking institutions through the Office of Banking Supervision. The BOK also possessed the power to take a range of measures to keep the safety and soundness of banking institutions as well as authorisation and examination powers. However, according to the 1997 amendment of the BOKA, the bank supervision power was divested from the BOK and instead the Financial Supervisory Commission (the “FSC”), the newly established financial supervisory authority under the **Act Concerning Establishment of Financial Supervisory Organisations 1997**, was vested with that power. Now, the BOK has only a limited bank examination power. The BOK may, when the Monetary Board (governing body of the BOK) deems necessary for

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\(^{33}\) According to the FSC, one of the major goals of corporate restructuring is to regain stability of financial system by preventing build-up of additional bad loans. See The Financial Supervisory Commission, Corporate Restructuring—Performance and Future Plan (December 1999), 5.


\(^{35}\) The Bank of Korea, *Financial System in Korea* (visited on 10 June 1998), Section 1 (http://www.bok.or.kr); Yoon-Dae Euh and James C. Baker (1990), 9-15.

\(^{36}\) The kerb market refers to the unorganised money market in Korea, which is primarily outside the Government control. Yoon-Dae Euh and James C. Baker (1990), 15.

\(^{37}\) For Korea's central banking system and the independence of the BOK, see Dong Won Ko (1998), 143.
implementing its monetary and credit policies, request banking institutions to submit relevant materials. But the scope should be limited (the BOKA §37). In addition, the BOK may, when the Monetary Board deems necessary for implementing its monetary and credit policies, request the Financial Supervisory Service (FSS), executive arm of the FSC, to examine banking institutions within a specific scope.

3. **Banking Institutions**

Article 2 of the GBA defines “banking institutions” as “all juridical persons which, regularly and in an orderly manner, engage in the business of lending funds acquired through the assumption of obligations to the public in the form of deposits received, securities or other evidences of debt issued.” Banking institutions consist of two groups, that is, commercial and specialised banks. This definition also comprises development banks. While commercial banks are organised and operated under the GBA, specialised and development banks are established under their own organising laws. As of June 1999, commercial banks consist of 11 nationwide banks, 8 local banks, and 51 foreign bank branches. Specialised banks consist of the Industrial Bank of Korea for small and medium enterprises and three banks centred on agricultural, fisheries and livestock cooperatives.³⁸ There are two development banks, the Korea Development Bank and the Export-Import Bank of Korea.

4. **Non-bank Financial Institutions**

NBFs can be broadly classified into three categories including investment, savings, and insurance institutions. As generally known, most NBFs have been directly or indirectly owned by the Chaebols and other large shareholders, although some were partly owned by foreign banks. Accordingly, they have been mainly used as financing vehicles to fund business activities of the Chaebols. Merchant banks are the main constituents of the investment institutions that act as financial intermediaries in the money and capital markets. Most of the merchant banks (24 out of 30 as of December 1997) were first established in the 1970s as short-term finance companies when the Government attempted to reduce the importance of informal markets and to attract funds into the organised market. These short-term finance companies were converted into merchant banks during 1994-96. While short-term finance companies might not engage in the international banking businesses, merchant banks could participate in the international markets as foreign exchange banks. Most of them didn’t have sufficient expertise in risk management and international banking. In addition, they were subject to more relaxed regulations than commercial banks.³⁹ Savings institutions consist of trust accounts of banks, mutual savings and finance companies, credit unions, mutual credit facilities, community credit cooperatives and postal savings. They grant various small loans with funds financed by special deposit in the form of time deposits. In particular, trust accounts of banks have grown rapidly in recent years.

5. **Foreigners’ ownership of domestic financial institution**

Korea had until recently strictly restricted foreign entry into the banking sector.⁴⁰ After the crisis, ownership of banks has been liberalised by amendments of relevant laws and regulations such as the GBA and the Securities Exchange Act on February 1998. In case of commercial banks, the stake ceiling of a single shareholder is 4 percent of the total issued stocks with voting right of each bank (GBA §15(1)). But foreign investors may hold 4-10 percent stakes after filing to the FSC and 10 percent or more stakes subject to the approval of the FSC (GBA §15(2)). Foreigners may establish commercial banks in the form of a joint venture or subsidiary subject to the approval of the FSC (GBA §15(3)). In case of NBFs, there is no special regulation on the foreigners’ stake. Accordingly, foreign investors contributed to the recapitalisation of the banking system.⁴¹

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³⁸ These three special banks include the credit and banking sector of National Agricultural Cooperative Federation for agricultural and forestry loans, that of National Federation of Fisheries Cooperatives and its member cooperatives for fishery loans, and that of National Livestock Cooperatives Federation for livestock loans.
³⁹ For merchant banks in Korea, see Yoon-Dae Euh and James C. Baker (1990), 62-70.
⁴¹ Germany’s Commerzbank invested US$249 million in Korea Exchange Bank, acquiring a stake of 30 percent chiefly by converting existing credits to this bank into equity (debt-equity swap). In December 1998, a U.S. consortium agreed to purchase a 51 percent stake in the previously nationalised Korea First Bank. In February
B. Financial Regulatory System

1. Unified System

On 1 April 1998, the Financial Supervisory Commission (the "FSC") was established as an integrated financial supervisor in Korea. In addition, the Securities and Futures Commission (the "SFC") was established under the FSC to oversee securities and futures markets. It is in charge of deliberating matters related to securities and futures markets prior to the FSC's deliberation and investigating market abuses such as insider trading and market manipulation. As an executive body of the FSC and the SFC, the Financial Supervisory Service (the "FSS") was established on 1 January 1999. The FSS shall inspect the assets and business conditions of financial institutions and impose penalties for the perpetrators. The FSS shall set up a Standing Mediation Committee to settle a variety of financial disputes between financial institutions and the customers.

In Korea, the FSC takes the responsibility to decide and ensure the level and performance of prudential oversight. As a single supervisory authority, the FSC is expected to enhance the efficiency and appropriateness of financial supervision in a rapidly changing financial environment. In addition, as the FSC holds the initiative to implement the financial and corporate sector reform as agreed upon between the Korean Government and the international organisations including the IMF, it will oversee and facilitate all restructuring process.

2. Legal Basis

The legal basis for this change is the Act for the Establishment of Financial Supervisory Organizations which was enacted on 31 December 1997. This Act was submitted to the National Assembly for legislation, before the crisis, on 23 August 1997 together with other financial reform acts to execute the recommendations of the Presidential Committee on Financial Reform. However, the acts were not passed in the National Assembly due to some disputes on the independence of the BOK and the jurisdiction of financial regulation. The National Assembly passed these reform acts on 29 December 1997 under the guidance of the IMF.

The concept of an integrated financial supervisory agency was nothing new in Korea. Since the late 1980s, various opinions have occurred regarding the need for a single supervisory body for the entire financial industry. These opinions were supported by the growing convergence of financial services and blurring distinctions between financial sectors, which have demonstrated the need for a single supervisor for the full range of financial businesses. In fact, the previous industry-specific supervisory regime created difficulties in efficient regulatory cooperation and consistent supervisory policies across the industry. This lack of a unified regulation and supervision system created conditions for regulatory arbitrage and the development of risky practices as shown below.

IV. Legal Changes

In December 1997, the National Assembly passed a number of financial reform acts that would transform the whole setup of the Korea's financial industry. These acts were, in part, the result of financial sector reform efforts staged by the Government throughout the year before the Asian financial crisis hit Korea. In January 1997, the then President, Youngsam Kim, announced plans for the establishment of the Presidential Committee on Financial Reform and the overall reforms of financial system through this Committee. However, the bills to execute the recommendations of this Committee were not passed in the National Assembly due to controversies, in particular, on the independence of the BOK and the jurisdiction of financial regulation on 18 November 1997. In the end, the National Assembly passed these reform acts on 29 December 1997 under the guidance of the IMF.

For this report, the term "legal changes" will comprise any changes in laws, decrees, regulations, any other rules

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1999, HSBC Holdings agreed to purchase a 70 percent stake in Seoul Bank.

42 Accordingly, the Securities and Exchange Commission, former regulator of the securities market and the Insurance Supervisory Commission, former regulator of the insurance market were dissolved.

43 Accordingly, the then four supervisory agencies, the Banking Supervisory Authority, Securities Supervisory Board, Insurance Supervisory Board and Korea Non-bank Supervisory Authority were consolidated into the FSS.

44 Regulatory arbitrage consists of those financial transactions designed specifically to reduce costs or capture profit opportunities created by differential regulations or laws. See above Section II.A. Insufficient Regulatory and Supervisory Regime.
and guides which have effects to bind, or inflict any influence on the operations of the financial institutions.

A. Market Integration

1. Capital Market

Given the large requirements of new capital for restructuring, financial integration is an essential element of the economic restructuring program. Korea also recognizes that it must fully integrate its domestic market with the global market. For this purpose, Korea has rapidly liberalized its capital markets. First, foreigners' investment ceilings on listed bonds had been abolished completely on December 1997. Secondly, foreign equity ownership ceilings were eliminated in May 1998. Thirdly, foreigners are able to invest in short-term money market instruments such as certificates of deposit (CD) or repurchase agreements (RP) without restriction from May 1998. Fourthly, hostile M&As by foreigners were fully liberalized in May 1998. Finally, Korea enacted the Foreign Investment Promotion Act on 17 November 1998 to completely reshape the legal basis of foreign direct investments in Korea from a 'regulatory and administrative nature' into a 'promotion and support oriented' system.

2. Foreign Exchange Market

As pointed out frequently, one of the major obstacles to increasing foreign investment in Korea was the cumbersome legal and regulatory environment. In particular, laws and regulations governing foreign exchange transactions were especially complex and unwieldy. On the other hand, Korea's over-exposure to short-term external debt, which was partially resulting from its poorly managed transition towards full economic integration, was one of the crucial factors in the occurrence of the current crisis. In consideration of these problems, the previous Foreign Exchange Management Act was replaced by the Foreign Exchange Transaction Act (the “FETA”) in September 1998. The objects of this new Act are the liberalisation of the capital account and development of foreign exchange market. According to the MOFE, the liberalisation measures shall be implemented in two stages. The reason for this gradual approach is to have time to establish safeguards such as prudential regulation and monitoring system to minimize potential side effects of overall liberalisation.

(a) First Stage Liberalisation Measures

First stage liberalisation measures effective on 1 April 1999 include the liberalisation of capital account transactions, streamlining of procedures for current account transactions, introduction of a less onerous licensing system, and other measures to further develop and deepen the foreign exchange market. However, restrictions on non-residents' local currency funding will remain effective. The main point of the foreign exchange liberalisation is the change of the legal framework for capital account transactions from a Positive List System to a Negative List System. A negative list system means that all capital account transactions other than those identified in the negative list (which are stipulated on the FETA and relevant Presidential Decree) will be liberalised other than less stringent notification requirements. In Korea, “notification” operated like a de facto permission or approval system by requiring an official document issued by the Government certifying the completion of the notification procedure. In this case, notification can be made by simple report of the transaction without further requirement of an official certificate.

(b) Second Stage Liberalisation Measures

The second-stage liberalisation is to be implemented by the end of 2000 at the latest. According to the MOFE, the following areas shall be liberalised by the end of 2000. First, non-residents will be permitted to open domestic Korean won deposit accounts (including trust accounts) with maturity of less than one year, and freely withdraw funds from those accounts. Secondly, corporations and financial institutions will be permitted to deposit or extend
credits abroad without restriction. Thirdly, all foreign exchange transactions, including those of forward exchanges and OTC derivative products, even without foreign exchange bank intermediation will be permitted. Resident individuals will also be permitted to deal in derivatives transactions directly with overseas financial institutions. Fourthly, capital account transactions of resident individuals will be fully liberalised, including investments in overseas deposits and overseas real estate.

B. Financial Sector Restructuring

1. Legal Basis

The legal basis of financial sector restructuring is the Act Concerning the Structural Improvement of the Financial Industry 1997. This Act originally was called the Act Concerning Merger and Conversion of Financial Institutions when adopted on 8 March 1991. It was fully amended on 13 January 1997 and renamed as present. This Act makes it possible for any financial institution to merge with another regardless of the type of counterparty and/or to convert to any other type of financial institution (§4(1)). The merger and conversion procedures stipulated in the Commercial Code and the Securities and Exchange Act have also been simplified by this Act (§§ 5 and 9). In addition, in order to prevent the failure of financial institutions, prompt corrective actions are provided (§10). The FSC may request debt-ridden financial institutions to increase capital, retire shares, to seek merger and acquisition by a third party, and suspend duties of the directors and appoint an administrator to such institutions. Special procedures for investment by the Government or the KDIC in under-capitalised financial institutions are introduced (§12). In Korea, as there is no special bankruptcy regime exclusively applicable to financial institutions, the bankruptcy laws (the Bankruptcy Act, the Composition Act and the Corporate Reorganisation Act) shall be applied in the case of financial institutions. But in consideration of the specialities of the financial institutions, this Act stipulates special provisions with regard to certain procedural matters. This Act also enables the FSC to file a petition of bankruptcy and to recommend a receiver or liquidator for eligible financial institutions (§§15-16).

2. Progress

According to the FSC, Korea completed the first round of financial sector restructuring in September 1998.48 Prior to the full-scale restructuring, the Government guaranteed all deposits in financial institutions until the year 2000 and provided temporary liquidity support to banks when needed as an interim measure to maintain public confidence in the financial system during the restructuring period. Although the following discussion concentrates on the banking sector, it should be noted that basically the same principles and methods have been applied to NBFS.

Two troubled banks, Korea First Bank and Seoul Bank have been nationalised after capital reduction in December 1998 (nationalisation and sales to foreign bidders). Finalisation of sales of these banks is now underway.50 Five non-viable banks were liquidated through purchases and assumptions in July 1999 and their assets were transferred to acquiring banks (exit).51 Other banks were taking corrective actions imposed by the FSC to further improve their soundness (management reform and merger). In response, mergers between Kookmin Bank and Korea Long Term Credit Bank (5.1.99), Hana Bank and Boram Bank (6.1.99), Commercial Bank of Korea and Hanil Bank (22.1.99), Cho Hung Bank and Chungbuk Bank (4.5.99) have been concluded. Cho Hung Bank and Kangwon Bank will be concluded on 14.9.99. On the other hand, the other banks not involved in the merger deals are taking rehabilitation actions such as cleaning up NPLs, raising new equity capital, and streamlining business operations.52

49 The Korean Government introduced, effective January 1997, a deposit insurance scheme funded by low premiums contributed by banks.
50 The Bank of Korea (December 1998), 8-9. See also above II.A.4. Foreigners' ownership of financial institutions.
51 Ibid 9-12.
52 The definition of NPLs has been changed after the crisis to include those which are categorized as loans in arrears of 3 months or more, credit extended to entities under corporate reorganisation, composition and so on, or
Table 1: Financial Institutions Closed

<table>
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<th></th>
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<th>License Revoked (a)</th>
<th>M&amp;A, etc (b)</th>
<th>Subtotal (a+b) (B)</th>
<th>July 99 (A-B)</th>
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<td>1</td>
<td>5</td>
<td>45</td>
</tr>
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<td>195</td>
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<td>Finance Companies</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Leasing Companies</td>
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<td>-</td>
<td>5</td>
<td>5</td>
<td>20</td>
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<tr>
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<td>58</td>
<td>30</td>
<td>88</td>
<td>348</td>
</tr>
</tbody>
</table>

* 164 of 1666 credit unions have been closed. (Source: FSC)

3. Fiscal Support for Financial Restructuring

Financial restructuring in Korea has involved a considerable amount of public funds. These funds have been provided through the issuance of bonds by the Korea Asset Management Corporation (the "KAMC") and the Korea Deposit Insurance Corporation, budgetary allocations, and exchange of assets. KAMC is a government-funded entity similar to the Resolution Trust Corporation in the U.S. and was established pursuant to a special law, the Act Concerning Efficient Management of Non-performing Assets of Financial Institutions and Establishment of Korea Asset Management Corporation 1997. These public funds have been injected into financial institutions through (1) purchases of shares, (2) purchases of subordinated debts, (3) purchases of NPLs, and (4) repayment of depositors. 33

4. Asset-backed Securities

The asset securitisation is broadly defined as the process by which "loans, consumer installment contracts, leases, receivables, and other relatively illiquid assets with common features are packaged into interest bearing securities with marketable investment characteristics." Asset securitisation may be used for a great number of purposes, such as liquefying the balance sheet, improving leverage ratios, and creating alternative sources of capital, especially if the process leads to favourable gain on sale accounting treatment and lower costs of funding. After the crisis, the Korean Government felt the urgency to dispose of a huge amount of NPLs, foreclosed real estate, and other assets. Asset-backed securities were considered to be a good means for this purpose and were introduced as a method of resolving NPLs by the Act Concerning Asset-Backed Securitisation 1998 (the “ABSA”). As Korean financial institutions strive to improve their soundness by cleaning up NPLs under toughened financial supervision and enhancing the efficiency of asset-liability management, the ABSA is designed to expand the sources of their funds and improve their competitiveness.

In the early 1997, certain Korean financial institutions had already tried to obtain financing through securitisation in the international capital market. However, the process was delayed for various reasons such as the lack of experience of the parties concerned, certain legal issues and delays in due diligence of rating agencies and financial guarantors and was put on hold after the crisis. 34 In addition, several legal issues, among others, were pointed as hurdle to the successful process of securitisation in Korea. First, there was no legal basis for cooperative assistance loan recipients. See below C.2. Loan classification and provisioning.

34 For securitisation in Korea generally, see Jong Gu Yi (1998), 1-20.
establishing a special purpose company under the Korean law. The issuing entity in most asset securitisation is a special purpose entity which is specifically created for the said purpose only. Secondly, according to the Civil Code of Korea, a transferor of claims must take certain steps to validly assign such claims to a transferee. The transferor must give a notice to, or obtain the consent of, the relevant obligor regarding such transfer. In case where there are a number of obligors, these notice and consent requirements may be difficult and costly to satisfy. In case of real property, the costly and time-consuming registration system will give addition to the above difficulties. Thirdly, the issuer must be protected from itself becoming bankrupt and from the bankruptcy of the originator or the obligors on the underlying assets. A true sale from the originator to the issuer and the corporate separateness of the issuer should preclude a court dealing with an originator's bankruptcy from piercing the corporate veil and reclaiming assets transferred to the issuer as a fraudulent conveyance. But there were no special laws or regulations dealing with these issues in Korea. The ABSA attempts to give solutions for these problems. Of course, despite of this legislation, there remain critical issues which should be settled for the efficient securitisation process in Korea. However, further discussion in this regard shall be beyond the scope of this report.

C. Financial Supervision and Regulation

1. Overview

To prevent recurrence of current problems, the financial sector needs consistent supervision and coordinated management. International organisations including the IMF and IBRD have strongly recommended that the Korean supervisory authority improve its supervision level according to the Core Principles for Effective Banking Supervision 1997 recommended by the Basle Committee on Banking Supervision. Above all, the previous industry-specific, multiple regimes were integrated into a single supervisory system under the authority of the FSC as shown above in Section III.B Financial Regulatory System. Accordingly, the FSC took on the responsibility to improve Korea's financial supervision levels to meet international standards. The FSC bears in mind the maintenance of a sound credit system, the establishment of fair financial transaction practices, and consumer protection as goals of financial supervision. The followings are the gist of measures to strengthen the financial supervision and regulation after the crisis.55

2. Loan Classification and Provisioning

The loan classification system has been strengthened to classify all loans 3 months in arrears as substandard and to increase the loan loss provisioning rate for precautionary assets from 1% to 2%. NPLs include those which are categorised as loans in arrears of 3 months or more, credit extended to entities under corporate reorganisation, composition and so on, or cooperative assistance loan recipients. The requirement of 100% of loan loss provisions for trust accounts with guarantees of principal has been added to those with guarantees of yields. The criteria for the calculation of BIS capital adequacy ratio have been revised to deduct the provisions for those classified as substandard or lower from Tier 2 Capital. In addition, the definitions of loan classifications will be further revised gradually so as to reflect borrowers' repayment capacity as well as past performance ("forward looking approach").

3. Enhancing Accounting Transparency

To improve the accounting transparency of financial institutions, the mark-to-market system of accounting has been introduced.56 Until now, the financial institutions in Korea have not adopted the mark-to-market accounting for securities though it is in common use internationally and even in use by domestic corporations. As a result, accounting transparency has been insufficient and distrust of financial statements has arisen. Accounting standards relating to consolidated statements encompassing the parent bank and its subsidiaries have been introduced.

4. Strengthening of Supervision on Foreign Exchange Liquidity

55 The Financial Supervisory Commission, Update on Progress of Strengthening Prudential Supervision and Regulation, Press Release (15 December 1998), 2. For the measures discussed below, this report mainly draws on this FSC material.

56 Mark-to-market accounting is an accounting method that values the assets at current market value on the valuation date, amends the book value, and recognises the gains or losses from the difference. For accounting standards reform in Korea, see The Financial Supervisory Commission/Securities and Futures Commission, above note 18, 1-8.
Supervision of foreign liquidity and exposure has been strengthened given that risks have increased in the course of cross-border foreign exchange operations. Nowadays, the flows of foreign assets are simultaneously supervised, let alone controls on their quality and size. Off-balance sheet items are also included. For example, the FSC changed the frequency of monitoring from a quarterly to a monthly basis and enlarged the scope of monitoring to overseas subsidiaries and offshore accounts. Financial institutions are permitted to hold short-term foreign assets amounting to over 70% of foreign liabilities with a maturity of less than three months and to fund over 50% of long-term foreign assets with a maturity of more than one year in the form of long-term foreign liabilities.


The public disclosure system of management performance is regarded as a supervision measure that aims to foster sound management of the individual financial institutions and the stability of the financial system as a whole. It offers accurate and timely information about the management and financial status of individual financial institutions to depositors, stockholders, creditors, and other users. Disclosure contents have been strengthened to the level of public disclosure requested by the International Accounting standards (IAS). The regular disclosure items have been increased to include risk management, off-balance sheet transaction including derivatives, asset classification, and so on. Special disclosure items such as those related to financial mishaps, losing a lawsuit involving a large sum and others have been included. The frequency of regular disclosure has been increased from once a year to twice a year.

6. Adoption of Prompt Corrective Action

A prompt corrective action, composed of management improvement recommendations, management improvement measures and management improvement orders has been introduced. A PCA is generally defined as a step involving gradual imposition of obligatory corrective measures by supervisory authorities on unsound financial institutions that fall below a certain level of capital adequacy ratio. Its merits are to decrease the possibility of failure of financial institutions by strengthening market discipline, to decrease the social cost for clearing unsound financial institutions and to ensure conditions of fair competition between large and small financial institutions. The legal basis for the enforcement of this action was established by the Act Concerning the Structural Improvement of the Financial Industry 1997. The criteria for deciding the soundness of a certain financial institution has been simplified through the use of capital adequacy standards.

7. Supervision Focused on Risk Management

To strengthen supervision focused on risk management, the FSC has made and carried out "A Working Plan on the Financial Supervision Policy Focused on Risk Control" in order to monitor consistently and control completely all risks arising in operations. The examiners are preparing and supplementing a risk checklist in order to monitor the universal validity of the risk control system and its smooth working. In case of the management appraisal of financial institutions, they have increased the weight of the risk section and developed some indicators for the measurement of risk during off-site supervisions. The control on large exposure and concentration of risks were also strengthened after the crisis.

V. Conclusion

The current crisis seems to have erupted unexpectedly and have been a shock to most (but not all) Koreans. However, the underlying sources of the problem remained dormant in the backdrop of thirty-five years of rapid growth. Korea's failure to correct structural imbalances in a timely manner, along with its poorly managed transition towards full economic integration, are the underlyings for the current crisis. These problems suddenly developed into the current crisis when foreign investors decided to lower their exposure to Korea, stimulated by losses in other Asian economies. From a legal perspective, we can find legal dimensions of the current crisis, that is, various legal failures to address the economic factors. The market interests had explicitly demanded a more market-oriented legal regime with regard to the financial system. In fact, the Korean Government had taken

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57 These standards are the BIS capital adequacy ratio for banks and merchant banks, the operational net capital ratio to the securities companies, and payment capacity insufficiency ratio to the insurance companies.
58 Ibid 4-5.
various legal measures to liberalise and deregulate the financial sector. However, these measures were not fully coordinated to respond to or control the misconduct or abuse of the market participants. In short, the legal system did not completely incorporate market demands and rapidly changing economic circumstances within its structure. Many examples of such legal failures have been shown in the above discussions.

At this stage, we may say that Korea has actively carried out a variety of legal reforms in response to these challenges. With regard to market integration, Korea took a range of liberalisation measures as shown in Section IV. Korea also established the legal basis for financial restructuring, under which it is pushing ahead with ongoing restructuring tasks. These reform measures also comprise efforts to establish a coordinated and consistent financial supervisory and regulatory system. The notable and promising feature of these reforms may be the fact that they were mainly achieved by legal actions based on pre-established rules and regulations. The current crisis will hopefully provide an opportunity to re-consider the role of law in economic and financial development in Korea.

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The Bank of Korea, Bank Restructuring in Korea (December 1998).


INTRODUCTION

The importance of corporate disclosure practices has been increasing with the internationalisation of capital markets and business activities (Saudagaran and Biddle 1992; Wallace and Nasser 1995). The recent revision of the Financial Accounting Standards (FAS hereafter) in Korea reflects the importance of comparable financial statements in raising needed capital on both national and international capital markets. With Korea's admission into the OECD, the Korean capital market is expected to undergo substantial further liberalisation, necessitating more comparable disclosure practices of Korean companies to attract foreign capital (Kim and Paik 1996).

This paper provides empirical evidence regarding the current state of corporate disclosure practices, particularly the extent of financial disclosure. It further relates the extent of disclosure practised by Korean companies to their company-specific characteristics. The impact of specific company variables on disclosure levels is examined. A disclosure index is used to examine the degree of disclosure. Then, a relationship between the disclosure level and each company-specific variable is drawn, as examined in prior single-country and comparative studies on disclosure practices (Cerf 1961; Buzby 1975; Belkaoui and Kahl 1978; Firth 1979; Chow and Wong-Boren 1987; Wallace 1988; Cooke 1989, 1991, 1992; Diga 1995).

The paper begins with a review of prior research on disclosure practices and develops hypotheses. After testing the hypotheses by employing various statistical tests, it examines the relationship between disclosure level and company-specific characteristics. Then the limitations of this study are provided. Finally, it concludes with suggestions for further development to expand our understanding of this important area—disclosure practices.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

This section reviews major literature on corporate disclosure practices and identifies the relevant theories and research methods used in this study. Prior research dealing with corporate disclosure practices is divided broadly into two categories: single-country studies and comparative studies involving two or more countries. This section focuses on single-country studies that examine the extent of disclosure practised by individual companies and relates it to company-specific factors within a country. However, this study also incorporates the relevance of comparative studies to the Korean situation.

Prior Research

Starting with Cerf (1961), various studies were conducted to examine any potential relationship between the degree of disclosure and specific company factors. Findings from these studies are provided in Table 1.

As indicated in Table 1, the explanatory variables tested include: size (assets, sales, or other similar measures), listing status, industry type, profitability, financial leverage, financial liquidity, size of auditing firm, foreign ownership, and origin of country. However, a strict comparison of these findings between studies is difficult because different measuring instruments were used. For example, a disclosure checklist was made based on the opinions of financial analysts and weighting systems were employed in earlier studies (Cerf 1961; Singhvi and Desai 1971; Buzby 1975; Stanga 1976; Belkaoui and Kahl 1978; and Firth 1979). In contrast, other studies used a disclosure checklist constructed with no specific user-group focus.

1 The author gratefully acknowledges insightful comments provided by Professor Russell Craig, Dr. Joselito Diga, and two anonymous reviewers of her master's thesis from which this article is derived. (This research was conducted at the Australian National University while the author was completing her master's program.)

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<table>
<thead>
<tr>
<th>Author</th>
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<th>Method</th>
<th>Factors</th>
<th>Results</th>
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<td>Cerf (1961): USA</td>
<td>Annual reports</td>
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<td>Size (total assets), No. of shareholders, Profitability (net income/net worth), Listing status</td>
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<td>527 firms</td>
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<td>Singhvi and Desai</td>
<td>Annual reports</td>
<td>Chi-square</td>
<td>Size (total assets), No. of shareholders, Profitability, Return on S.E., Earnings margin, Listing status, Audit firm size</td>
<td>Positive, not sig., Positive, not sig., Positive, not sig.*</td>
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<td>(1971: USA)</td>
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<tr>
<td>Buzby (1975: USA)</td>
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<td>Size (total assets), Listing status</td>
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<td>80 firms</td>
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<td>(1978: Canada)</td>
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<td>Ahmed/ Nicholls</td>
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<td>Significant for foreign-owned</td>
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* significant at a range of between 0.05 and 0.10
** denotes shareholders' equity
and consequently no weighting was used in those studies (Wallace 1988; Cooke 1989, 1992; Ahmed and Nicholls 1994; Diga 1995). Despite comparison difficulties, the studies reviewed highlight the importance of various company characteristics in explaining the levels of disclosure of individual companies. Among the several variables, both size and listing status have been found to be the most powerful in explaining the disclosure extent consistently in countries of widely diverse national backgrounds. However, mixed evidence concerning the effects of other variables suggests that national environments where companies operate may actually affect the importance of specific company attributes in determining the disclosure level. For example, audit firm size was found to have no effect on the disclosure level of British companies, whereas it was found to be related positively to the disclosure level of Bangladesh companies. Building upon these mixed results, Diga (1995)\textsuperscript{3} incorporated country of origin in addition to other commonly used company-specific factors in his study of disclosure practices in ASEAN countries. He found a positive relationship (significant at p $\leq 0.01$ or 0.05) between country of origin and disclosure level of ASEAN companies.

It is recognized that these mixed results regarding the effects of some variables on disclosure practices pose an obstacle to the development of a contingency framework that would explain the theoretical linkages between company-specific variables and reporting practices within a country. However, coupled with comparative studies on disclosure practices, findings from these single-country studies are potentially useful in uncovering the basis for the "contingent" relationships.

Hypotheses Development
Among the several variables included in prior studies, the following variables are viewed important in the context of the Korean business environment: size (measured in terms of total assets, sales turnover, and number of employees), profitability (i.e., net income to net worth; net income to net sales; ordinary income to total assets) and degree of financial leverage (i.e., debt to equity).

In addition, two new variables are included in this study: affiliation with chaebols\textsuperscript{4} given the increasing regulatory and public attention to the power of chaebols in Korea and audit firm (i.e., affiliation with any of multinational "Big-Six\textsuperscript{5}" audit firms) because of the unavailability of audit firm size. The effects of both industry type and listing status are controlled because all the companies sampled here are listed companies engaging in manufacturing as of December 31, 1994. The following section discusses the relevance of each independent variable included in this study to Korea's environment.

(a) Affiliation with Chaebols
As discussed earlier, big business groups called chaebols have been exposed to the attention of the public and regulatory bodies in Korea because of their rapidly increasing political and economic power, particularly since the early 1980s. This attention has led to calls for more stringent financial reporting requirements for chaebols. Currently, listed companies (mostly large companies) are required to provide sufficient information on their control structure in their affiliated companies. In 1996, the government announced three key pressing issues facing the country. One was the issue of chaebols whose corporate disclosure requirements have been strengthened further. The distinction between chaebol and non-chaebol companies is made here to identify any differences in disclosure levels between the two groups. Affiliation with chaebols like size and industry type may be a strong determinant in explaining the disclosure level of Korean companies. Chaebol companies tend to be more threatened by adverse regulatory action, as advanced by political cost theories (Watts and Zimmerman 1978).

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\textsuperscript{3} Diga (1995) included five original members of ASEAN only: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Brunei and Vietnam, which joined in 1995, were excluded mainly because they did not have a functioning market for long-term corporate securities at the time the study was conducted.

\textsuperscript{4} Among the various definitions of chaebols, this study adopts a definition used by Yoo and Lee (1987, p. 97) in which a chaebol is defined as "a business group consisting of large companies which are owned and managed by family members or relatives in many diversified business areas."

\textsuperscript{5} Big-Six accounting firms are: Coopers & Lybrand, Deloitte Tohmatsu Touche International; Klynveld Peat Marwick Goerdeler (KPMG), Arthur Andersen, Ernst & Young, and Price Waterhouse.
HI: There is a difference in disclosure level between chaebol companies and non-chaebol companies. Chaebol companies are expected to disclose more to reduce political costs than non-chaebol companies.

(b) Size
Size was found to be associated positively with the extent of disclosure in various studies (Cerf 1961; Buzby 1975; Belkaoui and Kahl 1978; Firth 1979; Chow and Wong-Boren 1987; Cooke 1989, 1992; Diga 1995). One plausible reason is that large firms, in general, have resources and expertise to produce and disseminate more sophisticated financial information for their internal management purposes. In addition, management of large corporations are likely to realise the benefits of quality disclosure, especially in capital-raising. In contrast, smaller firms generally lack both resources and expertise to produce the information and more importantly, feel more than larger firms that their competitive position might be threatened by disclosing quality information. Secondly, agency costs may be another explanation because managers of larger firms tend to increase their disclosure level in an attempt to reduce agency costs that increase with the size of firms and are ultimately borne by them (Chow and Wong-Boren 1987). Finally, political cost theorists would assert that larger firms tend to disclose more information because they are more subject to adverse government control or regulation (Watts and Zimmerman 1978). These political costs, however, were found to be linked to industry type, rather than the sheer size of individual companies (Ball and Foster 1982).

H2: There is a positive association between the extent of disclosure and firm size.

(c) Profitability
Profitable companies are hypothesised to have higher disclosure levels because those firms can be differentiated from poorly performing firms through disclosing more. When a company is profitable, managers may disclose more detailed information in order to support the continuance of their positions and compensation arrangements, especially in a competitive labour-market environment. In addition, minimisation of political costs may be applicable in a sense that the more profitable a company is, the more exposed the company is to regulatory attention.

H3: There is a positive association between the extent of disclosure and profitability of a firm.

(d) Financial Leverage
Studies of the relationship of financial leverage (i.e., debt to equity) with the extent of disclosure have shown mixed results (Belkaoui and Kahl 1978; Chow and Wong-Boren 1987). Despite these conflicting results, a company with a higher leverage ratio is expected to disclose more to provide greater assurance about its ability to pay. However, this expectation should be refined in a country’s particular environment. In Korea, for example, firms with higher leverage ratios have been viewed traditionally as safer companies because most of their corporate debt has been guaranteed by government. That is, government has supported companies traditionally through guarantees because the government viewed them as capable of undertaking government-promoted business activities. These government guarantees, however, are not as relevant to the current business environment of Korea as they used to be in the 1960s and 1970s.

H4: There is a positive association between leverage and extent of disclosure.

(e) Affiliation with Big-Six Accounting Firms
The primary responsibility for preparing annual reports rests with company directors. However, auditors of the companies may affect the quality of information disclosed in those annual reports significantly (Singhvi and Desai 1971; Firth 1979; Ahmed and Nicholls 1994). It may be argued that larger and better recognised accounting firms (e.g., multinational accounting firms) as auditors may exercise greater influence on companies’ disclosure level. In the early 1980s with the enactment of the External Audit Law, the government changed audit environment from government-directed allocation to market-based competition. Accordingly, corporatisation of audit firms and affiliation with multinational audit firms have become a common feature in Korea as a means to enhance audit independence and quality. Thus, it can be hypothesised that audit firms affiliated with multinational accounting firms have a positive relationship to disclosure level of companies being audited.
H5: There is a positive relationship between affiliation with Big-Six multinational accounting firms and disclosure level.

RESEARCH DESIGN
Sample Selection and Data Sources
Initially, a sample of 65 companies was selected from the total of 699 companies listed on the Korean Stock Exchange as of December 31, 1994. Thirty one of those 65 companies were selected from chaebol groups while the remaining 34 were chosen from non-chaebol groups. All the chaebol companies were selected from the top 30 chaebols. Four companies (3 from chaebol and 1 from non-chaebol) were deleted from the final sample because they were not in the manufacturing industry. All the companies in the final sample were thus in manufacturing and were listed on the KSE as at December 31, 1994 (Appendix 1).

This study focuses on financial information disclosed in the companies’ financial statements, footnotes and supplementary schedules. The importance of financial statements with notes as a source of financial information was noted in Chang and Most (1981) and Baker and Haslem (1973). To examine the degree of disclosure provided in financial statements, notes and supplementary schedules, audit reports of those selected companies for the fiscal year ended December 31, 1994 were obtained. Financial information is provided in audit reports in the most detailed and comprehensive manner in the country.

Variables
(a) Dependent Variable: Disclosure Level
This study focuses on the financial disclosure level which is measured by constructing a disclosure checklist. The disclosure checklist is based on the FAS and FAS Working Rules effective as of December 31, 1994 (see Appendix 2). Disclosure requirements of Korean listed companies are influenced also by various other legislation, viz. the Commercial Code, the Securities and Exchange Law and the External Audit Law; however, the FAS and FAS Working Rules comprehensively prescribe specific disclosure requirements that should be provided in financial statements, notes and supplementary schedules.

Instead of selecting disclosure items subjectively, the disclosure requirements mandated by the FAS and FAS Working Rules were used for construction of a disclosure checklist. The requirements for consolidation were deleted because consolidated statements were unavailable in the audit reports collected for this study. Excluding 27 disclosure items relating to consolidation, the final 338 items are included in this study.

The 338 disclosure items are classified into 39 groups as below:

1. General disclosures
2. Supplementary schedules
3. Cash
4. Marketable securities
5. Receivable-current
6. Inventories
7. Other current assets
8. Investments (long-term)
9. Other assets (long-term)
10. Tangible fixed assets
11. Intangible fixed assets
12. Research and development costs
13. Deferred charges
14. Current liabilities
15. Long-term liabilities
16. Capital stock
17. Appropriations
18. Dispositions
19. Leases
20. Accounting changes
21. Prior period adjustment
22. Transactions with related parties
23. Contingencies
24. Post balance sheet events
25. Revenue recognition
26. Extraordinary or unusual items
27. Segment reporting
28. Business combinations
29. Foreign currency translations
30. Earnings per share
31. Severance and retirement benefits
32. Income taxes

6 The top 30 are the groups whose borrowings from financial institutions were strictly controlled in order to minimise economic concentration in chaebols and monopolistic competition and to improve financial structure of the chaebols. However, there was an announcement to reduce the number of chaebols whose borrowings are controlled to the top 10 in 1996.
Following Wallace (1988), Cooke (1989, 1992) and Diga (1995), each item was scored in a dichotomous way; that is, a disclosure item scored one if disclosed and zero if it was not disclosed in the financial statements with notes and supplementary schedules included in audit reports. The individual scores were treated as additive, such that the total disclosure score of a company is:

\[ D = \sum_{i=1}^{338} d_i \]

where

\[ d_i = 1 \] if the \( i \)th item is disclosed

\[ = 0 \] if the \( i \)th item is not disclosed.

The disclosure items were not weighted because of a number of methodological problems associated with the weighting system, such as scaling problems and scoring bias. More importantly, this study examines general-purpose financial statements which are prepared to provide information to a diversity of user groups, not any specific user group, as used in some prior research (Cerf 1961; Singhvi and Desai 1971; Buzby 1975; Stanga 1976; Belkaoui and Kahl 1978). Equal weighting to disclosure items was supported by prior research (Firth 1979; Chow and Wong-Boren 1987; Wallace 1988; Cooke 1989, 1992; Ahmed and Nicholls 1994; Diga 1995). The unweighted index permits analysis independent of perceptions of a particular user group (Chow and Wong-Boren 1987, p. 536) and allows an evaluation of financial statements in a 'general-purpose' context because all disclosure items are treated as equally important to the average user. Additionally, the items of information processed are extensive (i.e., 338 items) such that they would even out the differing preferences of different user groups.

Every mandatory requirement was considered relevant to each company included in the sample even though the advantage of a researcher's judgement on the item's applicability after reading annual reports was acknowledged by Cooke (1989, 1991, 1992). It was extremely difficult to determine the applicability of each disclosure item to a company because financial statements and the notes did not contain much qualitative information. To determine if items were relevant to companies requires information which may be contained in various company documents as well as annual reports, viz. prospectuses, statements of management at annual general meetings, press releases, and reports filed with regulatory authorities preceding and following the related fiscal year (i.e., 1994). The assumption that all disclosure items are equally relevant to the sample companies may be justified by the fact that all the companies in the sample are listed manufacturing companies.

The scores were not converted into an index (that is, ratio of actual score to total possible score) because of the same problems raised by Ahmed (1993), Ahmed and Nicholls (1994), and Diga (1995). Instead, the total disclosure score obtained by adding each disclosed item was used to indicate the degree of disclosure. Therefore, constraints on using the Ordinary Least Square (OLS) regression do not exist in this study.

(b) Independent Variables

**Affiliation with Chaebols (H1)**

One was assigned to companies that were selected from chaebol groups, while zero was assigned to companies from non-chaebol groups.

**Size (H2)**

A variety of size variables has been employed in prior research. Among the various alternatives, total assets, sales turnover, shareholders' equity, and number of shareholders have been used most commonly as proxies for size. The problem of using these accounting numbers is noted because of the availability of alternative asset valuation methods or revenue recognition methods in different countries (Diga 1995). In the Korean setting, upward revaluation of fixed assets has been allowed under certain circumstances since 1965. Due to the discretionary characteristic of the asset revaluation, total asset figures across companies
may not be comparable. For this reason, a non-financial figure, i.e., the number of employees was used in addition to total assets and annual sales to proxy for size.

**Profitability (H3)**
Profitability can be measured in a number of different ways. Rate of return (i.e., net profit to net worth) and earnings margin (i.e., net profit to net sales) were used in several studies (Cerf 1961; Singhvi 1968; Singhvi and Desai 1971; Belkaoui and Kahl 1978). In addition to these two variables, another profitability variable, ordinary income to total assets, was included. Because of potential multicollinearity among these three profitability variables, stepwise regression was employed to include the most powerful explanatory profitability variable in the final model. Profitability in the final regression model was measured by a company’s net income-to-net sales ratio.

**Leverage (H4)**
The degree of leverage was measured by a company’s debt-to-equity ratio (DE ratio). It is the proportion of total book liabilities to total shareholders’ equity.

**Affiliation with Big-Six (H5)**
Companies whose audit firms are affiliated with the Big-Six were assigned 1, while the companies not affiliated with the Big-Six were assigned zero.

**Statistical Methods**

(a) **Univariate Tests for Group Differences**
Both non-parametric and parametric tests were used to test whether statistically significant differences in chaebol and non-chaebol companies exist in terms of their disclosure scores and continuous independent variables, viz. total assets, sales, number of employees, profitability, and leverage. First, a non-parametric test, the Mann-Whitney U test, was used for untransformed variables since this non-parametric test does not require normality assumption of the variables. Results from this test provide information regarding the possible effects of affiliation with chaebols (i.e., big business groups) on the variables under study. The statistically more robust two-sample t-test was used also for the log-transformed variables which satisfy the normality assumption.

(b) **Multivariate Tests**
In order to determine the impact of multiple company characteristics on disclosure level of individual companies, multiple regression analysis was used because the relationship between the dependent variable and a number of independent variables is of a multiplicative nature. By taking natural logs of both sides of the multiplicative model, the following simpler linear regression model was generated.

\[
\log Y = \alpha + \beta_1 \log X_1 + \beta_2 \log X_2 + \beta_3 \log X_3 + \log \varepsilon
\]

The transformed model was analysed using OLS regression. Before applying statistical tests on the multiple regression model, diagnostic tests were conducted to determine if all the assumptions underlying the regression model hold. The tests were multicollinearity, non-constant variance of residuals (i.e., heteroscedasticity), non-normal distribution of residuals, outliers or influential observations.

Multicollinearity among continuous explanatory variables was detected by correlations, variance inflation factors (VIF), and tolerance (Weisberg 1985, pp. 196-200; Maddala 1992, pp. 274-276). Table 2 presents the correlation matrix among the log-transformed dependent and continuous explanatory variables, including VIFs and tolerance level of each explanatory variable.

Statistically significant correlation between the dependent and individual explanatory variables provides an overall evidence of relationship among them. In particular, as anticipated, potential size variables (assets, sales, and number of employees) were found to be highly correlated (r= more than 80%).
Table 2
Pairwise Pearson Correlation Coefficients Among Dependent and Continuous
Explanatory Variables

<table>
<thead>
<tr>
<th>Scores (In)</th>
<th>Assets (In)</th>
<th>Sales (In)</th>
<th>Employees (In)</th>
<th>Leverage (In)</th>
<th>Profit2 (In)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scores (In)</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets (In)</td>
<td>.6313**</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales (In)</td>
<td>.5756**</td>
<td>.9297**</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees (In)</td>
<td>.5800**</td>
<td>.8379**</td>
<td>.8101**</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>Leverage (In)</td>
<td>.2775*</td>
<td>.3338**</td>
<td>.3609**</td>
<td>.2934*</td>
<td>1.0000</td>
</tr>
<tr>
<td>Profit2 (In)</td>
<td>.2728*</td>
<td>.0640</td>
<td>-.0202</td>
<td>.0637</td>
<td>-.2780*</td>
</tr>
</tbody>
</table>

VIF: 10.0370
Tol.: 0.0996

* significant at or below .05 (two-tailed)
** significant at or below .01 (two-tailed)
*** profit2 denotes net income to net sales.
^ variance inflation factor
^^ tolerance level

Even though multicollinearity may not be a problem as discussed in Maddala (1992, pp. 269-270), various methods have been applied in prior studies to address the problems it poses. They include factor analysis, principal component analysis, stepwise regression and ridge regression. Cooke (1989, 1991) and Ahmed and Nicholls (1994) used stepwise regression by including each of the highly-correlated variables separately in the proposed model until they found the model providing the greatest explanatory power. However, with this method, the explanatory power of variables dropped from the final model may be lost, especially when the correlation is not perfect (Diga 1995). Cooke (1992) and Diga (1995) employed factor analysis and principal component analysis, respectively, to avoid multicollinearity among potential size variables included in their studies.

There is "no overwhelming theoretical reason to prefer one size variable to another because each variable may contain an interesting and possibly unique aspect of size" (Cooke 1992, p. 532). Instead of dropping variables used in the stepwise regression, therefore, this study used the factor analysis which decomposes the information content inherent in the original size variables into information about an inherent set of meaningful factors (Aczel 1993, p. 804). Unlike the principal component analysis, the factor analysis is not always interested in orthogonality of the factors. Both principal component analysis and factor analysis maintain the information content in the original variables while removing the multicollinearity problem.

Prior to performing the analysis, other diagnostics of multicollinearity were employed also to determine whether the leverage ratio (i.e., debt to equity) should be included in the size variable. The VIF for leverage was very low (VIF= 1.783), which means that the correlation between leverage and any of the remaining explanatory variables is very low (n.b. VIF=1 means that the variable is not collinear with any of the remaining explanatory variables). In addition, the tolerance level for leverage was comparatively high (Tol.= 0.561006) showing that the variable is not correlated significantly with any of the remaining explanatory variables (n.b. tolerance=1 means that the variable has no correlation with any of the remaining variables at all.)

Factor analysis was applied to the above size variables (i.e., total assets, sales, and number of employees) by following three steps. Initially, the Bartlett's test of sphericity was undertaken to test the hypothesis that the correlation matrix of the five variables is an identity matrix. The test statistic of 180.9 is significant at less than 0.01, which provides statistical justification for the use of factor analysis.
Secondly, preliminary (initial) factors were extracted by principal component analysis, which also computes both eigenvalues and percentage of variance explained by each factor. Any factors with an eigenvalue less than 0.7, as discussed in Jolliffe (1972) and Diga (1995), were not used in this study. Only the first factor satisfies this condition, as shown in Table 3 below.

The analysis shows that the three size variables load highly on the first component which accounts for approximately 90.6% of the variance of the original variables. All the three new variables (components) account for all the variance of the original variables; however, the application of all the three variables may not guarantee better coefficient estimates in the original regression model and may also lack economy (Aczel 1993, p. 806).

Thirdly, factor loadings between the first factor and the original variables were computed by varimax rotation which is designed to find the best distribution of the factor loadings in terms of the meaning of the factors (Aczel 1993, p. 808). Only one factor was found to be meaningful in explaining the original variables. They are shown in Table 4.

### Table 3
Factor Analysis

<table>
<thead>
<tr>
<th>Factors</th>
<th>Eigenvalue</th>
<th>% Variation Explained</th>
<th>Cumulative % Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>First factor</td>
<td>2.71882</td>
<td>90.6</td>
<td>90.6</td>
</tr>
<tr>
<td>Second factor</td>
<td>0.21179</td>
<td>7.1</td>
<td>97.7</td>
</tr>
<tr>
<td>Third factor</td>
<td>0.06939</td>
<td>2.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Table 4
Factor Loadings of Original Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets (In)</td>
<td>.96988</td>
</tr>
<tr>
<td>Sales (In)</td>
<td>.96015</td>
</tr>
<tr>
<td>Employ (In)</td>
<td>.92535</td>
</tr>
</tbody>
</table>

The factor loadings represent correlations between each factor and each original variable. Based on the factor loadings, the first factor was used as a proxy for size to incorporate the three original size variables. The new size variable is written as below:

\[
\text{Size} = 0.96988 \times \text{Assets} + 0.96015 \times \text{Sales} + 0.92535 \times \text{Employ}.
\]

The original multiple regression model incorporating the new size variable is as follows:

\[
D = c + q_i S + b_i P + c_i L + \sum_{i=1}^{1} x_i A_i + \sum_{i=1}^{1} y_i R_i + \varepsilon
\]

where

- \(D\) = disclosure level (In)
- \(S\) = size measures derived using factor analysis (In)
- \(P\) = profitability measured by net income-to-net sales ratio (In)
- \(L\) = leverage measured by the debt-to-equity ratio (In)
- \(A_i\) = affiliation with chaebols
  - 0 = non-chaebol companies (default level)
  - 1 = chaebol companies

48
$B = \text{affiliation with Big-Six accounting firms}$
\[0 = \text{not affiliated with Big-Six}
1 = \text{affiliated with Big-Six}
\]

c, a_1, b_1, c_1, x_i, y_i = \text{coefficients to be estimated}

$\varepsilon = \text{stochastic error term which is part of disclosure level not explained by the explanatory variables in the model.}$

**ANALYSIS OF RESULTS**

**Descriptive Statistics**

Descriptive statistics for the untransformed dependent and explanatory variables are provided in Appendix 3A. Results show that skewness and kurtosis are significant for all variables, except for disclosure scores and profitability (i.e., profit1). Frequency histograms also support high skewness and kurtosis. Data transformation using natural logs was made because the range of values is dispersed widely.

The descriptive statistics for the log transformed variables are presented in Appendix 3B. Appendix 3B indicates that both kurtosis and skewness of the log-transformed variables are much smaller than those of the untransformed variables. Histograms of log-transformed variables also approximate normal distribution. The normality distribution of the variables implies that parametric tests can also be used to analyse those variables.

**Univariate Tests**

The untransformed variables were used for the non-parametric Mann-Whitney U test. Results of this test are provided in Table 5.

**Table 5**

Results of Mann-Whitney U Test for Group Differences (Two-Tailed)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean Ranks</th>
<th>Z-statistic</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure scores</td>
<td>39.41</td>
<td>-3.4132</td>
<td>.0006**</td>
</tr>
<tr>
<td>Assets</td>
<td>44.89</td>
<td>-5.6300</td>
<td>.0000**</td>
</tr>
<tr>
<td>Sales</td>
<td>45.29</td>
<td>-5.7892</td>
<td>.0000**</td>
</tr>
<tr>
<td>Employees</td>
<td>39.88</td>
<td>-4.1972</td>
<td>.0000**</td>
</tr>
<tr>
<td>Leverage</td>
<td>37.04</td>
<td>-2.4459</td>
<td>.0144*</td>
</tr>
<tr>
<td>Profit1(^\wedge)</td>
<td>28.30</td>
<td>-1.0927</td>
<td>.2745</td>
</tr>
<tr>
<td>Profit2(^\wedge\wedge)</td>
<td>29.61</td>
<td>-0.5645</td>
<td>.5724</td>
</tr>
<tr>
<td>Profit(^\wedge\wedge\wedge)</td>
<td>31.36</td>
<td>-0.1447</td>
<td>.8849</td>
</tr>
</tbody>
</table>

**significant at p < .01 (two-tailed probability)**

* **significant at p < .05 (two-tailed probability)**

\(^\wedge\) denotes ordinary profit to total assets

\(^\wedge\wedge\) denotes net profit to net sales

\(^\wedge\wedge\wedge\) denotes net profit to net worth
The results support the existence of highly statistically significant (at $p < .01$) differences between chaebol and non-chaebol companies in Korea in terms of all the variables except profitability variables. Chaebol companies tend to rank much higher than non-chaebol companies, in particular, in assets, sales, and number of employees. $Z$-scores are used because of larger sample size ($n = 30$) with $p$-value denoting the percentage we can observe the difference of this magnitude in rankings when the two population mean ranks are equal.

Second, for the parametric two-sample $t$-test, the log-transformed variables were used because the normality assumption holds for those transformed variables. Results of this parametric test are given in Table 6.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chaebol ($n = 28$)</th>
<th>Non-chaebol ($n = 33$)</th>
<th>DF*</th>
<th>T-score</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure scores</td>
<td>5.2545 (.065)</td>
<td>5.1926 (.059)</td>
<td>59</td>
<td>-3.89</td>
<td>.000**</td>
</tr>
<tr>
<td>Assets</td>
<td>20.3722 (1.040)</td>
<td>18.5868 (.724)</td>
<td>59</td>
<td>-7.87</td>
<td>.000**</td>
</tr>
<tr>
<td>Sales</td>
<td>20.1213 (1.078)</td>
<td>18.3727 (.638)</td>
<td>42.30</td>
<td>-7.54</td>
<td>.000**</td>
</tr>
<tr>
<td>Employees</td>
<td>7.8016 (1.048)</td>
<td>6.5331 (.845)</td>
<td>57</td>
<td>-5.14</td>
<td>.000**</td>
</tr>
<tr>
<td>Leverage</td>
<td>5.6610 (.630)</td>
<td>5.2934 (.612)</td>
<td>59</td>
<td>-2.31</td>
<td>.025*</td>
</tr>
<tr>
<td>Profit1</td>
<td>.4411 (1.188)</td>
<td>.8296 (1.233)</td>
<td>51</td>
<td>1.16</td>
<td>.251</td>
</tr>
<tr>
<td>Profit2</td>
<td>.6044 (.981)</td>
<td>.7170 (1.020)</td>
<td>55</td>
<td>.42</td>
<td>.674</td>
</tr>
<tr>
<td>Profit</td>
<td>1.7227 (1.142)</td>
<td>1.6353 (.879)</td>
<td>55</td>
<td>-.33</td>
<td>.745</td>
</tr>
</tbody>
</table>

** significant at $p < .01$ (two-tailed probability)
* significant at $p < .05$ (two-tailed probability)

The results are consistent with the Mann-Whitney $U$ test results reported earlier. The chaebol and non-chaebol group companies show statistically significant differences in all the variables indicated above, except for the profitability variables. Thus, both parametric and non-parametric tests indicate that the chaebol and non-chaebol groups have different firm characteristics (i.e., financial) which may, in turn, affect their disclosure practices. Chaebol companies tend to disclose more than non-chaebol companies. However, higher level of disclosure by chaebol companies may result from their inherent characteristics, including larger asset size, sales figure, and other characteristics. Thus, the influence of affiliation with chaebols was tested using the multiple regression model after controlling for the remaining independent variables.

**Multivariate Tests**
Results of the multiple regression model discussed previously are provided in Table 7.
**Table 7**

Results of Korean Disclosure Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimated Coefficient</th>
<th>Standard Error</th>
<th>t-Statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant (c)</td>
<td>5.132354</td>
<td>.070245</td>
<td>73.064</td>
<td>.0000**</td>
</tr>
<tr>
<td>Chaebol</td>
<td>.011972</td>
<td>.019353</td>
<td>.619</td>
<td>.5390</td>
</tr>
<tr>
<td>Size (S)</td>
<td>.035804</td>
<td>.009891</td>
<td>3.620</td>
<td>.0007**</td>
</tr>
<tr>
<td>Profitability (Profit2)</td>
<td>.018776</td>
<td>.007532</td>
<td>2.493</td>
<td>.0161*</td>
</tr>
<tr>
<td>Leverage</td>
<td>.013083</td>
<td>.012472</td>
<td>1.049</td>
<td>.2993</td>
</tr>
<tr>
<td>Audit Firm</td>
<td>-.002655</td>
<td>.015219</td>
<td>-.174</td>
<td>.8622</td>
</tr>
</tbody>
</table>

F-value: 9.267 (p = .01) Adjusted $R^2 = 0.43357$

**significant at p = .01 (two-tailed probability)
* significant at p = .05 (two-tailed probability)**

Stepwise regression was employed on the three profitability variables. It was found that profit2 (i.e., net profit/net sales) was the most powerful explanatory variable. Adjusted $R^2$ (i.e., 0.43357) approximates the results obtained from similar studies dealing with disclosure indices such as Singhvi (1968) (i.e., 0.42) and Singhvi and Desai (1971) (i.e., 0.43). The adjusted $R^2$ of 0.43357 is lower than Cooke (1989) and Ahmed and Nicholls (1994), which were 0.60 and 0.52, respectively. Lower adjusted $R^2$ may be due to the fact that two important explanatory variables, industry effect and listing status, are excluded from the study. Cooke (1989) incorporated additional variables such as listing status, number of subsidiaries owned by parent company, and number of shareholders.

Various diagnostic tests were undertaken to examine if the assumptions underlying the multiple regression model hold. All of them support the assumptions underlying the model. First, a histogram and normal probability plot of the standardised residuals show that the distribution of the residuals appears to be fairly normal. Second, a plot of the standardised residuals against the predicted values shows the constant variance of residuals (i.e., homoscedasticity). Third, potential outliers were examined by a casewise plot of standardised residuals which shows no significant outliers.

**H1: Affiliation with Chaebols** Affiliation with chaebols appears to exert a positive impact on financial disclosure level. This positive relationship may be attributable to higher political costs of companies affiliated with chaebols because of enormous economic concentration in a small number of chaebols (i.e., 30 largest chaebols). Their combined sales comprised approximately 75 per cent of Korea's GNP in 1995 (Haskins et al. 1996). The result is statistically significant only at the 54% level (p = .54), suggesting that other factors are more important in explaining levels of disclosure in Korea. However, more stringent reporting regulations, which have been and will be placed upon chaebols by government as a means of control, will enhance the level of disclosure of chaebol companies compared to non-chaebol companies. That is, chaebol companies would increase their disclosure level to minimise political costs resulting from affiliation with chaebols.

---

7 There are three profitability variables used in this study. Because of the high collinearity among these variables, stepwise regression was used. Among them, profit2, i.e., net income to net sales, has been found to be the most powerful explanatory variable, resulting in adjusted $R^2$ of 0.43357. The multiple regression model including profit1 (i.e., ordinary income to total assets) has adjusted $R^2$ of 0.35008, while the model including profit (i.e., net income to net worth) has 0.40210 for adjusted $R^2$. 

51
**H2: Size**

A statistically significant positive relationship (i.e., p= .0007) between company size and disclosure level was found for the sampled Korean companies at the level of p< .01. This result strongly supports the findings of prior disclosure studies in the USA, the UK, India, Sweden, and Japan. As discussed previously, the positive relationship can be explained in various ways. Two widely accepted explanations are operational complexity and political costs associated with large companies. Large Korean companies tend to engage in complex operations which are, in turn, related to high disclosure levels. Similarly, large Korean companies have been exposed to more public attention and regulatory scrutiny because of the enormous economic concentration in them. The lending of financial institutions to the top 30 chaebols made on the basis of each chaebol’s aggregate asset size is controlled by the Bank of Korea.

**H3: Profitability**

Profitability was found to be associated positively with disclosure level at the level of p= .0161. Prior studies show mixed results on the profitability variable: a positive relationship in Cerf (1961) and Singhvi and Desai (1971) and a negative relationship in Belkaoui and Kahl (1978). The positive relationship between profitability and disclosure level can be explained by incentives of profitable companies to disclose more to differentiate themselves from poorly performing companies. Similarly, more profitable companies may be subject to stricter regulatory scrutiny, leading to greater political costs in Korea. The positive relationship obtained in this study supports the hypothesis that companies with higher profitability tend to disclose more information than less profitable companies to minimise political costs arising from their higher profitability.

**H4: Degree of Financial Leverage**

The sign of the coefficient for the degree of leverage is positive as expected in the model. However, the relationship is statistically significant only at the 30% level (p= .2993) which implies that disclosure level of companies in the country is explained better by other important variables, rather than the degree of financial leverage. The result may be explained by the unique relationship between major debt providers (i.e., financial institutions) and borrowing firms. The main-bank system that was launched in 1976 to monitor bank credit to major chaebols has allowed each group’s main bank to participate in management decision making of its borrowing firms. More importantly, the monitoring role allows the main bank to obtain access to significant financial and business information (Park and Kim 1994). Therefore, financial information provided for external purposes may not be as significant as expected.

**H5: Affiliation with Big-Six**

Contrary to initial expectation, affiliation with a Big-Six multinational accounting firm is related negatively to the level of disclosure but not statistically significant (p= .8622), suggesting that the affiliation with the Big-Six is not an important explanatory variable in determining the disclosure level of Korean companies. The statistical insignificance may be related to the fact that all but one company in the sample not affiliated with the Big-Six were audited also by one of the 9 largest audit firms in Korea, as shown in Table 8.

<table>
<thead>
<tr>
<th>Korean Big-9 Audit Firms</th>
<th>International Affiliation</th>
<th>No. of Companies Audited</th>
<th>Sample Audit Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Samil</td>
<td>Coopers &amp; Lybrand</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>2. Ahnkun-Sewha</td>
<td>Deloitte Tohmatsu Touche International</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>3. Sandong</td>
<td>Klynveld Peat Marwick Goerdeler</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>4. Anjin</td>
<td>Arthur Andersen</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5. Youngwha</td>
<td>Ernst &amp; Young</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>6. Sedong</td>
<td>Price Waterhouse</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>7. Samduck</td>
<td>NEXIA International</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>8. Chungwoon</td>
<td>Howarth International</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>9. Shinhan</td>
<td>RSM International</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Samkyung Hapdong*</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>61 firms</td>
<td></td>
</tr>
</tbody>
</table>

* not a member of Korean Big-Nine
LIMITATIONS

There are several limitations in this study. First, it is limited to profit-seeking listed companies in Korea. So, findings may not be generalisable to unlisted companies, government or 'not-for-profit' organisations in the country. As discussed in Singhvi and Desai (1971) and Cooke (1989, 1992), listing status was associated with level of disclosure in the USA, Sweden and Japan. Even though the advantages of including unlisted companies in the study is recognised, there are some advantages of limiting the study to listed companies only. Both domestic and international attention has been paid mostly to listed companies because of their economic importance in Korea. This importance is reflected in growing regulation and control over those companies, particularly the chaebol companies. The effects of listing status (i.e., differences between listed and unlisted companies) on disclosure level are controlled by including listed companies only. In addition, access to the financial reports of unlisted companies is extremely difficult because those companies are not required to file their reports with the country's regulatory bodies, with the exception of the ones subject to the External Audit Law.

Second, unlike most prior disclosure studies which used annual reports, only financial statements with notes and supplementary schedules are examined. The study of financial information only is limited under current circumstances in which non-financial information such as social responsibility accounting has been steadily growing in its significance. However, the regulation of non-financial information in the country has not been systematic until recently, when disclosure requirements on the impact of economic transactions on environment and employees were adopted. A separate study of Operating Report including non-financial as well as financial information will generate more comprehensive findings of disclosure practices of listed companies and also enhance comparability with other disclosure studies, which examined not only financial information but also non-financial information disclosed in annual reports.

Third, the study of unconsolidated statements rather than consolidated statements limits the findings. Consolidation is an important area which has been continuously strengthened in financial reporting regulation in Korea. With consolidated statement items excluded, it is difficult to measure the compliance level of those companies with mandatory requirements.

Last, the cross-sectionality is in contrast with the overall thrust of the thesis (i.e., focus on historical evolution of financial reporting in Korea) this paper is derived from. Even though cross-sectionality may provide a useful picture of disclosure practices at a specific point in time (i.e., the 1994 fiscal year), study of longitudinal nature would be useful in identifying general trends and problem areas which may provide policy implications for accounting standard setters and regulatory organisations.

CONCLUSION

This paper has identified company-specific characteristics that may influence the disclosure level of Korean listed companies, using research methods employed previously by various accounting studies. The findings support prior disclosure studies in the size variable. A composite of three different size variables (i.e., total assets, net sales, and number of employees) shows a statistically significant positive relationship to disclosure level. This may be related to higher political costs associated with corporate size in Korea where government has taken measures to control rapidly increasing economic power of the private business sector, especially large business conglomerates. Interestingly enough, however, rather than an affiliation with chaebols, size appears to be the most powerful explanatory variable in determining the corporate disclosure level in Korea. The terseness of financial information disclosure by chaebols is noted in Haskins et al. (1996). To rectify these poor reporting practices of chaebols, the government announced its chaebol policy in 1996 which requires 30 leading chaebols to bring in outside auditors to their boards and allows minority shareholders to scrutinise their financial statements.

With respect to the degree of profitability, the result is consistent with the initial expectation. The degree of profitability (i.e., net income-to-net sales) is found to be associated positively with disclosure level at the level of p<.05. This finding is supported by the following argument. Companies with higher profitability tend to engage in disclosure practices to minimise political costs arising from their higher profits.

The sign of the coefficients for the affiliation with chaebols and the degree of financial leverage is also positive as expected, while the negative association between the affiliation with the Big-Six accounting
firms and the extent of disclosure is contrary to the initial expectation. However, results regarding these three variables are found not to be statistically significant at conventional levels. These results suggest that there are other more important variables in explaining the disclosure level of companies in the country.

This study focuses on quantitative company-specific factors. Qualitative firm-specific characteristics including organisational culture, management attitudes towards disclosure practices, and founder's philosophy may play significant roles also in determining the level of financial disclosure. This approach may involve more in-depth studies of individual companies; however, it will enhance an understanding of disclosure practices of Korean companies.

Despite the limitations, the findings suggest the importance of national environments as well as company-specific variables in influencing disclosure practices of individual companies within a country. Findings concerning the effects of financial leverage and profitability on the extent of disclosure by Korean companies add to the mixed results in prior studies. Thus it can be drawn that company-specific characteristics play differential roles in influencing disclosure practices of individual companies depending on national environments where companies operate. Disclosure practices in a country appear to be contingent upon both organisational and national environmental contexts where individual companies operate.

Suggestions for Future Research
A logical and promising area for future research would be a longitudinal study of financial reporting of chaebols. Despite the significant concentration of wealth and economic power in a small number of chaebols, very little attention has been paid to their financial reporting practices. An historical study of financial reporting of the chaebols will provide useful insight into future policy making regarding Korea's financial reporting regulation. As part of such a study, the historical emergence and development and the unique management system of the chaebols may be discussed.

Another area would be a study of financial reporting (i.e., disclosure) practices of Korean companies in the post-IMF (International Monetary Fund) period by building upon the findings of the current study. Since the IMF's massive financial aid to Korea late 1997, the Korean government has been under increasing pressure to liberalise its financial markets further and to advise Korean companies, especially chaebols, to become more transparent in their disclosure. This future study will help identify any significant changes in company disclosure practices that may have occurred during the post-IMF period when the companies' ability to attract foreign capital is increasingly becoming essential for their survival.

Lastly, a comparative study of North East Asian economic powers (Japan, Korea and Taiwan) could be undertaken to identify any differences and similarities in financial reporting regulations and practices. The initial economic, cultural and geographical proximity between these countries will provide both interesting and informative theories to the existing literature of international accounting. A similar approach could be applied to a comparative study of financial reporting of four Newly Industrialised Economies (NIEs: Korea, Taiwan, Hong Kong, and Singapore).

REFERENCES


### Appendix 1

**Korean Companies Selected for Analysis**

<table>
<thead>
<tr>
<th>CHAEBOL</th>
<th>NON-CHAEBOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Asia Automobile</td>
<td>Chongkeun Dang</td>
</tr>
<tr>
<td>2 Daerim Yo Up</td>
<td>Chonun Naewha</td>
</tr>
<tr>
<td>3 Daewoo Chungmil</td>
<td>Chungsan</td>
</tr>
<tr>
<td>4 Dongkook Jekang</td>
<td>Daehan Joongsuk</td>
</tr>
<tr>
<td>5 Dongyang Cement</td>
<td>Daewoo Keumsok</td>
</tr>
<tr>
<td>6 Dongyang Jekwa</td>
<td>Dongsh Sanup</td>
</tr>
<tr>
<td>7 Dongyang Maekjoo</td>
<td>Dongsung Whahak</td>
</tr>
<tr>
<td>8 Dongyang Nylon</td>
<td>Hanchang</td>
</tr>
<tr>
<td>9 Doosan Yuri</td>
<td>Handok Pharmaceuticals</td>
</tr>
<tr>
<td>10 Goldstar</td>
<td>Hankook Cosmetics</td>
</tr>
<tr>
<td>11 Hanwha Energy</td>
<td>Hankook Koa</td>
</tr>
<tr>
<td>12 Hyundai Kangkwan</td>
<td>Heungchng</td>
</tr>
<tr>
<td>13 Hyundai Mokjae</td>
<td>Jinwoong</td>
</tr>
<tr>
<td>14 Jei Mojik</td>
<td>Kabul</td>
</tr>
<tr>
<td>15 Kia Teuksookang</td>
<td>Keukdong Jehyuk</td>
</tr>
<tr>
<td>16 Kopa Sangsa</td>
<td>Kumsul Whahak</td>
</tr>
<tr>
<td>17 Kolon</td>
<td>Kwangdong</td>
</tr>
<tr>
<td>18 Kookje Junsun</td>
<td>Kyeyang Electric</td>
</tr>
<tr>
<td>19 Kumho</td>
<td>Kyemongsa</td>
</tr>
<tr>
<td>20 Kumho Petroleum</td>
<td>Kyungnong</td>
</tr>
<tr>
<td>21 Lotte Samkang</td>
<td>Maxon</td>
</tr>
<tr>
<td>22 Mando Kikye</td>
<td>Namun Aluminium</td>
</tr>
<tr>
<td>23 Miwon</td>
<td>Paskkwang Sanup</td>
</tr>
<tr>
<td>24 Sammi</td>
<td>Pyungwha Sanup</td>
</tr>
<tr>
<td>25 Samsung Junkwan</td>
<td>Samrip</td>
</tr>
<tr>
<td>26 Samsung Jungmil</td>
<td>Sepoong</td>
</tr>
<tr>
<td>27 Stangyong Yanghoe</td>
<td>Sewon</td>
</tr>
<tr>
<td>28 Yukong</td>
<td>Suhyang</td>
</tr>
<tr>
<td>29</td>
<td>Suhtong</td>
</tr>
<tr>
<td>30 Taeti Jungmil</td>
<td></td>
</tr>
<tr>
<td>31 Woongjin</td>
<td></td>
</tr>
<tr>
<td>32 Youngwon</td>
<td></td>
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<tr>
<td>33 Yuwha</td>
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</tr>
</tbody>
</table>
# FINANCIAL REPORTING REGULATION

## Disclosure Requirements Checklist - FAS and FAS Working Rules

### BROAD REQUIREMENTS

<table>
<thead>
<tr>
<th>General Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General information of business enterprises</td>
</tr>
<tr>
<td>Information on operations</td>
</tr>
<tr>
<td>Major business segments</td>
</tr>
<tr>
<td>Significant changes in management environment and policies</td>
</tr>
<tr>
<td>Balance sheet</td>
</tr>
<tr>
<td>Consolidated balance sheet</td>
</tr>
<tr>
<td>Income statement</td>
</tr>
<tr>
<td>Consolidated income statement</td>
</tr>
<tr>
<td>Statement of appropriations of retained earnings (or disposition of deficits)</td>
</tr>
<tr>
<td>Consolidated statement of appropriations of RE (or disposition of deficits)</td>
</tr>
<tr>
<td>Cash flow statement</td>
</tr>
<tr>
<td>Consolidated cash flow statement</td>
</tr>
<tr>
<td>Comparative statements</td>
</tr>
<tr>
<td>Overall valuation policy</td>
</tr>
<tr>
<td>Footnotes and parenthetical disclosure</td>
</tr>
</tbody>
</table>

### Supplementary Schedules

| Schedule of retained earnings |
| Schedule of cost of goods manufactured |
| Schedule of marketable securities |
| Schedule of assets and liabilities relating to affiliated companies |
| Schedule of receivable and payable from/to stockholders, directors and employees |
| Schedule of inventories |
| Schedule of investments in real estate |
| Schedule of tangible fixed assets |
| Schedule of intangible fixed assets |
| Schedule of short-term fixed assets |
| Schedule of long-term fixed assets |
| Schedule of debentures |
| Schedule of allowances |
| Schedule of depreciation |
| Schedule of income taxes |
| Schedule of sales |
| Schedule of selling and general administrative expenses |
| Schedule of cost of goods sold |

### REQUIREMENTS ON SPECIFIC ACCOUNTS

#### Cash

| Amount- Cash and Bank deposits |
| Nature of restrictions on cash and bank deposits |

#### Marketable Securities

| Amount- Cost (acquisition) |
| Amount- Market value |
| Amount- Marketable securities |
| Amount- Allowance for marketable securities valuation |
| Amount- Loss from securities valuation |
| Amount- Reversal of allowance for securities valuation (applies also to long-term) |
| Amount- Gain (loss) on disposal of marketable securities |
| Amount- Interest income on securities |
| Valuation method (cost, LCD, market value, etc.) |
| Policy on determining cost |
| Details on the difference between cost and market value |

#### Receivable-Current

| Amount- Receivable (trade) |
| Amount- Factoring (with recourse) |
| Amount- Notes discounted or endorsed |
| Amount- Short-term loans |
| Amount- Loans represented on notes |
| Amount- Other receivable |
| Amount- Allowance for doubtful accounts |
| Amount- Bad debts |
| Amount- Reversal of allowance for doubtful accounts |
| Amount- Unusual bad debt expense |
| Amount- Interest and discount income (expense) |
| Amount- Income from recoveries of bad debts |
| Amount- Accrued income |
| Policy on valuation |
| Policy on computing allowance |
| Description of discounted or endorsed notes |
### Appendix 2 Continued

<table>
<thead>
<tr>
<th><strong>Inventories</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount: B/S amount</td>
</tr>
<tr>
<td>Amount: Fair market value or net realisable value</td>
</tr>
<tr>
<td>Amount: Major classes (finished goods, semi-finished, work-in-process, raw materials, supplies, etc.)</td>
</tr>
<tr>
<td>Amount: Loss from valuation of inventories</td>
</tr>
<tr>
<td>Amount: Loss from inventory obsolescence</td>
</tr>
<tr>
<td>Amount: Gain (loss) from disposal</td>
</tr>
<tr>
<td>Policy on valuation (e.g. cost, market or LCD)</td>
</tr>
<tr>
<td>Policy on flow of costs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other current assets</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount: Advance payments</td>
</tr>
<tr>
<td>Amount: Prepaid expenses</td>
</tr>
<tr>
<td>Amount: Other current assets</td>
</tr>
<tr>
<td>Amount: Treasury debentures acquired for resale</td>
</tr>
<tr>
<td>Amount: Total current assets</td>
</tr>
<tr>
<td>Reason for the acquisition of treasury debentures and other relevant information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Investments (long-term)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount: Long-term deposits</td>
</tr>
<tr>
<td>Amount: Investment securities</td>
</tr>
<tr>
<td>Amount: Investments other than joint-stock companies</td>
</tr>
<tr>
<td>Amount: Equity securities of affiliated companies (joint-stock)</td>
</tr>
<tr>
<td>Amount: Bond securities (Debentures) of affiliated companies (joint-stock)</td>
</tr>
<tr>
<td>Amount: Investments in affiliated non-joint stock companies</td>
</tr>
<tr>
<td>Amount: Investments in real estate</td>
</tr>
<tr>
<td>Amount: Other investments</td>
</tr>
<tr>
<td>Amount: Allowance for investment securities valuation</td>
</tr>
<tr>
<td>Amount: Cost (acquisition cost)</td>
</tr>
<tr>
<td>Amount: Market value</td>
</tr>
<tr>
<td>Amount: Loss from valuation of investments</td>
</tr>
<tr>
<td>Amount: Dividend income (cash)</td>
</tr>
<tr>
<td>Amount: Stock dividend income</td>
</tr>
<tr>
<td>Amount: Gain on disposition of preemptive rights to new shares</td>
</tr>
<tr>
<td>Amount: Loss (gain) on disposal of investments</td>
</tr>
<tr>
<td>Policy on valuation basis</td>
</tr>
<tr>
<td>Policy on determining cost</td>
</tr>
<tr>
<td>Details on investment in real estate</td>
</tr>
<tr>
<td>Details on the difference between historical cost and market value</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other Assets (long-term)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount: Loans</td>
</tr>
<tr>
<td>Amount: Receivable (trade)</td>
</tr>
<tr>
<td>Amount: Discount to present value</td>
</tr>
<tr>
<td>Amount: Loans to stockholders, directors, and employees</td>
</tr>
<tr>
<td>Amount: Loans to affiliated companies</td>
</tr>
<tr>
<td>Amount: Restricted cash and bank deposits</td>
</tr>
<tr>
<td>Amount: Rights (by categories)</td>
</tr>
<tr>
<td>Amount: Guarantee deposits (by categories)</td>
</tr>
<tr>
<td>Amount: Allowance for doubtful accounts</td>
</tr>
<tr>
<td>Amount: Dishonoured notes receivable</td>
</tr>
<tr>
<td>Amount: Other assets</td>
</tr>
<tr>
<td>Amount: Total investment and Other Assets</td>
</tr>
<tr>
<td>Policy on valuation</td>
</tr>
<tr>
<td>Policy on computing allowance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Tangible Fixed Assets</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount: Land</td>
</tr>
<tr>
<td>Amount: Building</td>
</tr>
<tr>
<td>Amount: Accumulated depreciation</td>
</tr>
<tr>
<td>Amount: Depreciation expense</td>
</tr>
<tr>
<td>Amount: Machinery and equipment</td>
</tr>
<tr>
<td>Amount: Other categories of fixed assets</td>
</tr>
<tr>
<td>Amount: Construction in progress</td>
</tr>
<tr>
<td>Amount: Nominal value of assets acquired on instalment purchases</td>
</tr>
<tr>
<td>Amount: Present value of assets acquired on instalment purchases</td>
</tr>
<tr>
<td>Amount: Capitalised borrowing costs</td>
</tr>
<tr>
<td>Amount: Gain (loss) from disposal of fixed assets</td>
</tr>
<tr>
<td>Amount: Depreciation expense</td>
</tr>
<tr>
<td>Amount: Special depreciation</td>
</tr>
<tr>
<td>Context in which borrowing costs are capitalised</td>
</tr>
<tr>
<td>Discount rate, period, accounting method for long-term instalment transactions</td>
</tr>
<tr>
<td>Policy of depreciation</td>
</tr>
<tr>
<td>Policy on valuation</td>
</tr>
</tbody>
</table>
### Intangible Fixed Assets
- Amount: Goodwill
- Amount: Major categories
- Amount: Total fixed assets
- Amount: Amortisation of intangibles
- Amount: Total fixed assets
- Policy on valuation
- Policy on depreciation

### Research and Development Costs
- Amount: R&D costs (unamortised)
- Amount: Amortisation of R&D
- Amount: Regular R&D expenses
- Amount: Development expenses
- Amount: R&D of fixed assets when schedule of fixed assets is prepared
- Schedule of R&D expenditures
- Policy on capitalisation of R&D expenditures
- Policy on method of amortisation

### Deferred Charges
- Amount: Major categories (organisation, preoperating, bond/stock issue costs)
- Amount: Amortisation by categories
- Amount: Total deferred charges
- Amount: Total assets
- Policy on amortisation
- Valuation of deferred charges

### Current Liabilities
- Amount: Bank overdrafts
- Amount: Accounts and notes payable (trade)
- Amount: Borrowings
- Amount: Borrowings represented on notes
- Amount: Accounts payable (other)
- Amount: Payable represented on notes
- Amount: Advance receipts (unearned revenues)
- Amount: Withholdings
- Amount: Accrued expenses
- Amount: Income taxes payable
- Amount: Borrowings from affiliated companies
- Amount: Borrowings from stockholders, executives and employees
- Amount: Current portion of long-term debt
- Amount: Reserves for liability in nature
- Amount: Other current liabilities
- Amount: Interest/discount
- Amount: Total Current Liabilities
- Policy on liabilities reserves (accrued severance pay, reserve for repairs/maintenance, product warranties, and guarantees)

### Long-Term Liabilities
- Amount: Bonds (by type)
- Amount: Discount or premium on bonds issued
- Amount: Long-term debt
- Amount: Long-term borrowings from affiliated companies
- Amount: Long-term borrowings from stockholders, executives, and employees
- Amount: Long-term notes payable
- Amount: Discount to present value
- Amount: Reserves for liability in nature
- Amount: Other long-term liabilities
- Amount: Gain (loss) on redemption of debentures
- Amount: Interest expense on debentures
- Amount: Total long-term liabilities
- Amount: Total liabilities
- Type of debentures
- Terms of debentures

### Capital Stock
- Amount: Categories (common, preferred)
- Amount: Par value
- Amount: Credit to capital surplus from stock subscriptions
- Amount: Payments received for stock subscriptions
- Amount: Total capital stock
- Number of shares authorised, issued and outstanding
- Changes in capital stock (additional stocks issued, retired capital stock, stock dividends, etc)
- Due date for payment of stock subscriptions
- Number of shares to be issued through stock subscriptions
- Details on interlocking shares and other shares which carry voting right restrictions
<table>
<thead>
<tr>
<th>Capital Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Paid-in capital in excess of par value</td>
</tr>
<tr>
<td>Amount- Excess of par value over amount paid of retired capital</td>
</tr>
<tr>
<td>Amount- Excess of business combination value over par value</td>
</tr>
<tr>
<td>Amount- Other capital surplus (includes government subsidies and aids for capital expenditures; gain from insurance settlements of fixed assets, capital contributions in kind and liabilities condoned; gain on sale of treasury stocks; and consideration for convertible rights or stock warrants if exercised)</td>
</tr>
<tr>
<td>Amount- Capital reserves</td>
</tr>
<tr>
<td>Amount- Revaluation surplus</td>
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<tr>
<td>Amount- Total capital surplus</td>
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<table>
<thead>
<tr>
<th>Retained Earnings (or Deficits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Legal reserve</td>
</tr>
<tr>
<td>Amount- Other statutory reserves (includes reserve for industry rationalisation, financial structure improvement, etc)</td>
</tr>
<tr>
<td>Amount- Voluntary reserves (include reserve for business expansion, sinking funds, dividend equalisation, deficit recovery, etc)</td>
</tr>
<tr>
<td>Amount- Reserve for others</td>
</tr>
<tr>
<td>Amount- Unappropriated retained earnings applicable to prior years before adjustment of prior period gain or loss (undisposed deficit applicable to prior years before adjustment of prior period gain or loss)</td>
</tr>
<tr>
<td>Amount- Gains from prior period adjustment</td>
</tr>
<tr>
<td>Amount- Loss from prior period adjustment</td>
</tr>
<tr>
<td>Amount- Unappropriated retained earnings (or undisposed deficit) applicable to prior years after adjustment</td>
</tr>
<tr>
<td>Amount- Net income for the year (on net loss for the year)</td>
</tr>
<tr>
<td>Amount- Unappropriated retained earnings at the end of year (or undisposed deficit)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Adjusting Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Discounts on stock issued (to be subtracted)</td>
</tr>
<tr>
<td>Amount- Prepaid dividends during preoperating period (to be subtracted)</td>
</tr>
<tr>
<td>Amount- Treasury stock (to be subtracted)</td>
</tr>
<tr>
<td>Amount- Consideration for conversion rights (if not exercised)</td>
</tr>
<tr>
<td>Amount- Consideration for stock warrants (if not exercised)</td>
</tr>
<tr>
<td>Amount- Foreign-based operations translation debit (credit)</td>
</tr>
<tr>
<td>Amount- Total stockholders' equity</td>
</tr>
<tr>
<td>Management's future plans for such treasury stocks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Sales</td>
</tr>
<tr>
<td>Amount- Cost of sales</td>
</tr>
<tr>
<td>Amount- Gross Profit (or Loss)</td>
</tr>
<tr>
<td>Amount- Selling and general administration</td>
</tr>
<tr>
<td>Amount- Officers salaries and allowances</td>
</tr>
<tr>
<td>Amount- Operating income (loss)</td>
</tr>
<tr>
<td>Amount- Non-operating income</td>
</tr>
<tr>
<td>Amount- Non-operating expenses</td>
</tr>
<tr>
<td>Amount- Ordinary income (loss)</td>
</tr>
<tr>
<td>Amount- Special gains</td>
</tr>
<tr>
<td>Amount- Special losses</td>
</tr>
<tr>
<td>Amount- Income before income taxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Transfers from voluntary reserves</td>
</tr>
<tr>
<td>Amount- Legal reserve</td>
</tr>
<tr>
<td>Amount- Other statutory reserves</td>
</tr>
<tr>
<td>Amount- Cash dividends</td>
</tr>
<tr>
<td>Amount- Stock dividends</td>
</tr>
<tr>
<td>Amount- Proportion of common (and preferred) stock</td>
</tr>
<tr>
<td>Amount- Voluntary reserves (include business expansion, redemption of debts, dividend equalisation)</td>
</tr>
<tr>
<td>Amount- Reserve for others (amortisation of discount on capital stock or preoperating dividends)</td>
</tr>
<tr>
<td>Amount- Unappropriated retained earnings to be carried forward to next year</td>
</tr>
<tr>
<td>Amount- Capital surplus or retained earnings appropriated to reduce accumulated operating loss within two years prior to deficit reduction</td>
</tr>
<tr>
<td>Description of appropriate appropriation used for deficit reduction</td>
</tr>
<tr>
<td>Date of shareholders' approval of appropriation for deficit reduction</td>
</tr>
<tr>
<td>Details on computation of dividends</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dispositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Transfers from voluntary reserves</td>
</tr>
<tr>
<td>Amount- Transfers from other statutory reserves</td>
</tr>
<tr>
<td>Amount- Transfers from legal reserve</td>
</tr>
<tr>
<td>Amount- Transfers from assets revaluation surplus</td>
</tr>
<tr>
<td>Amount- Transfers from capital reserves</td>
</tr>
<tr>
<td>Amount- Deficit to be carried forward to next year</td>
</tr>
</tbody>
</table>
### Leases
- Amount- Operating leases
- Amount- Next five-year payments (annual)
- Amount- Payments over the remaining period after five years
- Amount- Capital or finance-type leases by asset classes
- Amount- Minimum lease payments (annual- for the next five years)
- Amount- Minimum lease payments over the remaining period after five years
- Amount- Lease liabilities under capital lease
- Amount- Depreciation expense for assets under capital lease
- Amount- Future lease payments for operating leases denominated in foreign currency
- Amount- Exchange rate at the lease recognition rate
- Amount- Exchange rate at the B/S date
- Amount- Difference in lease payments due to exchange rate fluctuation
- Amount- Disposal price and book value of leases after sales (sales-leaseback)
- Amount- Future lease payments for sales-leaseback
- Amount- Related assets and liabilities
- Accounting for leases
- Nature of related assets and liabilities
- Contents for sales-leaseback
- Significant financing restrictions (dividends, additional lease, etc)

### Accounting Changes
- Amount- Effect of change in accounting principles on current period financial statements
- Amount- Effect of change in accounting estimates on current period financial statements
- Description of change in accounting principles
- Description of change in accounting estimates
- Reason for change in accounting principles
- Reason for change in accounting estimates

### Prior Period Adjustment
- Amount- Net income (loss) for prior period after adjustment
- Nature of adjustment
- Reason for adjustment

### Transactions with Related Parties
- Amount- Significant transactions with related companies
- Amount- Transactions with directors, officers and stockholders
- Names of affiliated companies
- Assets and liabilities related to affiliated companies
- Nature of transactions with affiliated companies
- Names of related companies
- Nature of significant transactions with related companies
- Nature of transactions with directors, officers and stockholders

### Contingencies
- Amount- Possible outcome of pending obligations
- Amount- Contingent liabilities
- Nature of pending obligations
- Description of contingent liabilities
- Collateral provided by company, affiliates, third parties, vice versa
- Guarantees issued by company, affiliates, third parties, vice versa

### Post Balance Sheet Events
- Nature of significant events occurring after B/S date

### Revenue Recognition
- Accounting policies on revenue recognition

### Extraordinary or Unusual Items
- Amount- Effect of natural disasters, strikes, accidents, etc.
- Amount- Gain from donated assets, condoned liabilities, insurance settlement
- Nature of natural disasters, strikes, accidents, etc.

### Segment Reporting
- Amount- Sales by business segment
- Amount- Cost of sales by business segment

### Business Combinations
- Amount- Price for combination and ownership interest
- Name, executive director, operations, and relationship of combined company with combining company
- Number of interlocking shares and percentage of ownership in each other
- Comparative summary balance sheet and income statement of combined company
- Date of decision, shareholders' approval, and actual (effective) combination
- Method of valuation of assets and liabilities of combined company
- Description of difference between book value of assets and liabilities of combined company and their fair value
- Descriptions on computing goodwill or gain on business combinations
- Other important issues
### Appendix 2 Continued

<table>
<thead>
<tr>
<th>Foreign-Currency Translations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount- Gain (loss) from foreign exchange conversion (transactions)</td>
</tr>
<tr>
<td>Amount- Gain (loss) from foreign currency translation</td>
</tr>
<tr>
<td>Amount- Overseas translation debits (credits)</td>
</tr>
<tr>
<td>Currency translation method</td>
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<tr>
<td>Details of foreign-currency assets and liabilities</td>
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<tr>
<td>Details of gain (loss) on foreign currency translation</td>
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<tr>
<td>Details of translation gain (loss) of foreign operations (i.e., overseas translation debits (credits))</td>
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<table>
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<tr>
<th>Earnings Per Share:</th>
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<tr>
<td>Amount- Earnings per share</td>
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<td>Basis of calculation</td>
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<th>Severance and Retirement Benefits:</th>
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<tr>
<td>Amount- Legal liability for severance and retirement benefits</td>
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<tr>
<td>Amount- Book balance of severance and retirement benefits</td>
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<tr>
<td>Amount- Payment of severance liability</td>
</tr>
<tr>
<td>Amount- Provision for severance indemnities</td>
</tr>
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<td>Accounting treatment of severance and retirement benefits for directors</td>
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<table>
<thead>
<tr>
<th>Consolidated Financial Statements:</th>
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<tr>
<td>Amount- Investment in each class of share capital of subsidiaries</td>
</tr>
<tr>
<td>Amount- Minority interest in equity of consolidated companies</td>
</tr>
<tr>
<td>Amount- Minority interest in group income (income and loss)</td>
</tr>
<tr>
<td>Amount- Material intercompany balances not eliminated</td>
</tr>
<tr>
<td>Amount- Subsidiary interest in equity in parent company</td>
</tr>
<tr>
<td>Amount- Amortisation (reversal) of consolidation debits (credits)</td>
</tr>
<tr>
<td>Amount- Effects of changes in accounting policies</td>
</tr>
<tr>
<td>Amount- Consolidated net income (loss)</td>
</tr>
<tr>
<td>Amount- Consolidated EPS</td>
</tr>
<tr>
<td>Subsidiary financial statements (if fiscal periods are different; however, if the difference is less than 3 months, then not required)</td>
</tr>
<tr>
<td>Details of consolidated subsidiaries (name, executive director, ownership interest, activities, reasons included etc.)</td>
</tr>
<tr>
<td>Details of unconsolidated subsidiaries</td>
</tr>
<tr>
<td>Changes in entities included for consolidation (names and contents)</td>
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<tr>
<td>Description of operations of subsidiaries and parent and transactions between parent and subsidiaries</td>
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<tr>
<td>Reasons for and effects of changes in accounting policies on consolidated financial statements</td>
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<td>Policy on eliminating intercompany balances</td>
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<tr>
<td>Contents of amortisation and reversal of consolidation debits (credits)</td>
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<td>Policy on eliminating unrealised gain/loss on intercompany transactions</td>
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<tr>
<td>Contents of changes in both parent and subsidiaries' statements</td>
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<td>Collateral/Guarantees between consolidated companies</td>
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<tr>
<td>Changes in consolidated capital surplus</td>
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<tr>
<td>Important events occurring until the date of consolidation after the B/S date of subsidiaries</td>
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<tr>
<th>Income Taxes:</th>
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<td>Amount- income taxes</td>
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<td>Schedule of income taxes</td>
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<table>
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<th>Asset Revaluation:</th>
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<tbody>
<tr>
<td>Amount- Net book value by asset category before revaluation</td>
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<tr>
<td>Amount- Revalued amount</td>
</tr>
<tr>
<td>Amount- Revaluation increment</td>
</tr>
<tr>
<td>Accounting for revaluation increments</td>
</tr>
<tr>
<td>Date of revaluation</td>
</tr>
<tr>
<td>Approval date by authorities</td>
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<tr>
<td>Accounting date by authorities</td>
</tr>
<tr>
<td>Date of revaluation</td>
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<table>
<thead>
<tr>
<th>Insurance Coverage:</th>
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<tbody>
<tr>
<td>Amount- Respective insurance coverage</td>
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<tr>
<td>Assets insured</td>
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<table>
<thead>
<tr>
<th>Cash Flow Statement:</th>
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<tbody>
<tr>
<td>Amount- net cash from operating activities</td>
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<tr>
<td>Amount- net cash from financing activities</td>
</tr>
<tr>
<td>Amount- net cash from investing activities</td>
</tr>
<tr>
<td>Amount- net effect on cash and cash equivalents</td>
</tr>
<tr>
<td>Amount- beginning balance of cash</td>
</tr>
<tr>
<td>Amount- ending balance of cash</td>
</tr>
<tr>
<td>Details on non-cash transactions</td>
</tr>
<tr>
<td>Difference in and content of cash &amp; cash equivalents and cash &amp; bank deposits</td>
</tr>
<tr>
<td>Items to be added to or deducted from net income or loss when direct method is used (or)</td>
</tr>
<tr>
<td>Items to be added to or deducted from net income or loss when indirect method is used</td>
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Sources: FAS and FAS Working Rules (1994)
# Appendix 3A

## Descriptive Statistics of Dependent and Explanatory Variables (Untransformed Variables)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
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<tbody>
<tr>
<td>Disclosure Scores</td>
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<tr>
<td>All groups</td>
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<td>220</td>
<td>185.557</td>
<td>12.820</td>
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<td>0.502</td>
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<td>-0.498</td>
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<tr>
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<td>6453272480</td>
<td>614981269</td>
<td>1053727433</td>
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<td>17.589</td>
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<td>8.532</td>
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<tr>
<td>Non-chaebol</td>
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<tr>
<td>All groups</td>
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<td>30.648</td>
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<td>30621</td>
<td>4242</td>
<td>5849</td>
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<td>638</td>
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<td>Leverage (%)</td>
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<td>All groups</td>
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<td>1067.2</td>
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<td>205.554</td>
<td>2.079</td>
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<td>217.917</td>
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<td>242.131</td>
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<td>11.963</td>
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<td>Profit(%)(***)</td>
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<tr>
<td>All groups</td>
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<td>2.393</td>
<td>3.665</td>
<td>0.150</td>
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<td>11.5</td>
<td>2.310</td>
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<td>Profit (%)****</td>
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<tr>
<td>All groups</td>
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<td>0.494</td>
<td>3.442</td>
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<td>32.9</td>
<td>6.208</td>
<td>8.255</td>
<td>0.784</td>
<td>3.563</td>
</tr>
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</table>

(*) in Korean currency, won (000s)
** profit1 denotes ordinary profit to total assets
*** profit2 denotes net profit to net sales
**** profit denotes net profit to net worth
## Appendix 3B

**Descriptive Statistics of Dependent and Explanatory Variables**

*(Log-Transformed Variables)*

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
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<td><strong>Disclosure Scores</strong></td>
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<tr>
<td>All groups</td>
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<td>5.39</td>
<td>5.221</td>
<td>0.069</td>
<td>0.065</td>
<td>0.326</td>
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<td>Chaebol</td>
<td>5.14</td>
<td>5.39</td>
<td>5.255</td>
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<td>Non-Chaebol</td>
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<td><strong>Assets (*)</strong></td>
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<td>All groups</td>
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<td>Chaebol</td>
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<td>22.59</td>
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<td>-0.419</td>
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<td><strong>Sales (*)</strong></td>
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<td><strong>Leverage (%)</strong></td>
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<td><strong>Profit1 (%) (</strong>)**</td>
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<tr>
<td>All groups</td>
<td>-2.30</td>
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<td>1.217</td>
<td>-0.657</td>
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<td>Chaebol</td>
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<td>0.830</td>
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<td>-0.923</td>
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<tr>
<td><strong>Profit2 (%) (</strong>*)**</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>All groups</td>
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<td>0.666</td>
<td>0.995</td>
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<td>0.604</td>
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<td><strong>Profit (%) (****)</strong></td>
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<tr>
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<td>1.635</td>
<td>0.879</td>
<td>0.096</td>
<td>-0.393</td>
</tr>
</tbody>
</table>

* (*) in Korean currency, won (000s)
** profit denotes ordinary profit to total assets
*** profit denotes net profit to net sales
**** profit denotes net profit to net worth

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64
KOREAN EMPLOYMENT RELATIONS IN THE CONTEXT OF EAST ASIA

Chris Leggett
University of South Australia

INTRODUCTION

The purpose of this paper is to place employment relations in the Republic of Korea (hereafter Korea) within the context of developments in East Asian employment relations in the last decade of the 20th century. At the beginning of the decade there were signs that Japan might not be able to sustain its economic dynamic, but observers were still confident that the Asian 'miracle' would continue domino-like through the region. However, towards the end of the decade many East Asian countries were in a recession precipitated by the rapid exodus of capital in 1997.

In employment relations Dore (1979) demonstrates how they reflect the stages of industrialisation through which economies pass. Before the 1997 financial crisis the leader in Asia was Japan, and there was a worldwide interest in Japanese employment systems and their transferability to other countries, both in the region and to Europe and North America. Next were the newly industrialised economies (NIEs) of Hong Kong, Singapore, Taiwan and South Korea, followed by a third generation comprising Malaysia, Thailand and the Special Economic Zones (SEZs) of the Peoples' Republic of China (PRC). Also identified was a fourth generation of industrialising economies as diverse as Indonesia, Vietnam, the Philippines and provinces of the PRC (Leggett and Bamber 1996). In this paper some analytical frames of reference in the literature are identified, the significance of regionalisation and globalisation in the East Asian context is acknowledged, and the critical employment relations characteristics of selected East Asian economies are highlighted according to their stage in the industrialisation process. The conclusions drawn and predictions made are tentative and reflect the diversity found in East Asian context of Korean employment relations.

FRAMES OF REFERENCE

In the second half of the 1970s Hong Kong, Singapore, Taiwan and South Korea were recognised as Asian NIEs. For Korea rapid industrialisation through export-oriented manufacturing had resulted in per capita GNP increasing from $87 in 1962 to more than $10,000 in 1997 and to membership of the Organisation for Economic Co-operation and Development (OECD) in 1996. The Korean experience was different from the other NIEs because of the chaebol having been chosen as the agency for industrialisation in the progress of economic development, and particularly because of the relationship between the state and chaebol. However, as with Taiwan, an outcome of successful industrialisation has been a challenge to the legitimacy of the authoritarian state and, in a climate of democratisation, workers rights and trade union rights have become part of an agenda for reform.

Among the frames of reference adopted for explanations of their economic achievements, as well as of Japan, have been the geo-political (Berthwick 1992), the region as a complement to European and North American trading blocs (Petri 1995), and the region as a source of developmental inspiration for underdeveloped or stagnant economies (Wilkinson 1994; Lee and Park 1995). There was a consensus among academic economists that East Asian industrialisation was exceptional, only some saw it as the success of free markets and others of government intervention. Of the explanations themselves, these more or less conform to the five approaches identified by Verma et al (1995 336). There is the socio-economic, which stresses how a combination of chance and latent Confucianism facilitated industrialisation (Vogel 1991: 8-12). Then there is a mainly political explanation of the state orchestrating an environment conducive to multinational corporate investment, a condition of dependent development (Deyo 1981). Related to this there is the administrative competence of government in setting imperatives and building infrastructure (Riedel 1988: 37). Another approach hypothesises that a collectivist rather than an individualist culture has been conducive to economic growth (Vogel 1991: 92-101). Finally, there is the influence of institutional forces, which include business family groupings ranging from the Korean chaebol (Kwon, S. H. and Leggett 1994: 804-835) to the overseas Chinese family networks (Redding: 1990). With regard to the last two explanations - which are subsumed in some of the others - Paik et al. (1996) caution against the assumption of homogeneity across ethnic communities, although Hofstede (1984) maps clusters of countries according to national similarities in organisational behaviour. Other explanations combine the above approaches. Whitely
(1992), for example, argues that a combination of historical factors and industrialisation explain the distinctive character of Asian business systems.

Deyo (1989) focussed on labour in the Asian NIEs, in particular its ‘subordination’ by the ruling elites through their exercise of power, which has varied from persuasive to coercive. As Taylor (1996: 7) has put it:

The characteristics of such regimes, until now, include a relative absence of pressure groups, weak oppositional parties, policy informational rather than policy critical media, an emphasis on group rather than individual rights, reinforced by socialising programs at various points in the education and social system. Moreover, such regimes often came into existence in a period of political upheaval. The ruling elite is almost exclusively comprised of males and in many instances overtime has been closely linked to military interests: in some cases, it might be said, there is a dynastic flavour to the style and history of the elite. Leaders of organised labour are either intimately linked with the ruling elite in a state corporatist arrangement, or effectively excluded from political processes through restrictive industrial regulation and extremely limited access to formal political channels. Where they do exist opposition political parties find electoral success almost totally elusive.

Taylor’s observations were in the context of the effects of regionalisation and globalisation on employment relations, and it is to these and their place in the East Asian context of Korean employment relations that this paper now turns.

THE SIGNIFICANCE OF REGIONALISATION

One reason for attention to the East Asian countries is that the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation forum (APEC) became significant regional forces in world trade in the 1990s.

ASEAN was established in 1967 to promote the economic and social development of, and maintain a balance of power among, Indonesia, Malaysia, the Philippines, Singapore, Thailand and, later, in 1984, Brunei, and more recently, in 1995, Vietnam and, in 1997, Burma, Cambodia and Laos. By the 1990s ASEAN had moved beyond its mainly maintenance of the balance of power function and committed its members to the development of an ASEAN Free Trade Area (AFTA). It was originally envisaged that by 2003 Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei would comprise a unified market with tariffs having been reduced by stages to 5 per cent or less. In 1999, two years on from the Asian financial crisis, the prospects of ASEAN achieving its trade liberalisation goals do not look promising (The Australian 20 July 1997: 25). Employment relations for ASEAN are not so prominent as political and trade relations but its Labour Ministers do meet as a separate group from its Economic Ministers and cooperate on matters (such as the regulation of migrant workers) of common interest (Castro 1982: 78).

APEC, on the other hand, although it includes ASEAN members, is an Australian-initiated trade forum that got off to a slow start, having been conceived in 1989 but not born until 1993. As well as the ASEAN countries, it comprises Japan, Korea, the Peoples’ Republic of China (PRC), Taiwan, Hong Kong, the USA, Canada, Mexico, Chile, Australia and New Zealand. Consistent with developments generally, the agenda of both ASEAN and APEC, where they concern employment relations, are inclined more towards HRM. Skills training and development are of more concern than institutional industrial relations matters, although APEC’s primary focus, like that of the North American Free Trade Agreement (NAFTA) of 1992-1993, is on achieving trade liberalisation. APEC in particular, and ASEAN less so, are each a looser grouping of heterogeneous countries than is the European Union (EU).

The rapid industrialisation of many East Asian countries sensitised their industrialising elites to the global effects of their economies and to their need to be responsive to global and regional developments in trading relationships. Not least in importance here is the determination of the character of employment relations in each of the countries. To take Indonesia as an example, employment relations in the archipelago were of global interest until the financial and political turmoil of the late 1990s – since when the focus of attention has changed – because of a number of factors. Of these, among the more important was the linking of trade preferences with the reform of human and worker rights. Also important were the role of labour in the socio-
political control of the country, the need for Indonesia to decide where to position itself viz-a-viz
globalisation and the link between the struggle for independent trade unionism and democratisation. From a
regional perspective therefore it might be concluded that the future of employment relations in Indonesia and
other East Asian economies may be looked for more in the agendas of ASEAN and APEC than in the
historical stages of any one of the Asian industrialised countries.

On regionalisation in Asia, Peter Drucker (Drucker and Nakauchi 1997: 42), observing from a prescriptive
management perspective notes:

The most important emerging regions will not be able to follow the examples of others. These are
the regions of Asia, and no one can know how many regions tomorrow’s Mainland Asia will have.
Coastal China by itself is certainly big enough to be a region of its own, and distinct enough. South
East Asia and the ASEAN countries together, are also big enough to be a region, but, unlike Coastal
China, they are extremely diverse – culturally, socially and politically. Half, for instance, have a
Confucian tradition; the other half are Muslim. The relationship of Japan to either of these two
regions still has to be worked out and cannot even be guessed at.

GLOBALISATION AND EAST ASIAN EMPLOYMENT RELATIONS

There are alternative conceptualisations of the phenomenon of globalisation which as yet remain
theoretically weak. Further, whether globalisation is a tendency towards one global economy or whether it is
just another stage in the internationalisation of capital remains contested. Gollan (1995: 1-2) tries to clarify
the concept by dividing definitions of globalisation into three elements: the integration of ‘capital
accumulation or technological expansion’, ‘political action beyond the jurisdiction and scope of individual
states’, and ‘accessibility of ideas and information’ resulting from advances in communications technology.

From the global restructuring consequent upon the processes associated with these elements identified by
Gollan pressures have arisen for the restructuring of employment relations. However, there appear to be two
opposed views as to the economic and social outcomes of globalisation in East Asian countries: one
emphasising positive outcomes, the other negative impacts. The positive is the neo-liberal view which claims
that free trade and export-oriented production and trade result in improved socio-political conditions and
recognition of basic rights. Riedel (1988: 21), for example, suggests that the quality of life in the East Asian
countries improved significantly through the 1970s and the 1980s and, except in Thailand and Indonesia,
proportionately more than in other developing countries on average. The negative view is that the
competition in the global economy undermines labour standards. Governments may use the compete or
perish argument to justify the dilution of protective labour legislation, shore up managerial prerogatives, and
cut social spending to accelerate their economies’ integration into the world economy. For example,
compliance with the Singapore Government’s imperatives for employment relations was largely achieved by
the incorporation of the trade union movement into the Peoples’ Action Party (PAP) hegemony. The
spearhead of the PAP-endorsed labour movement was, and is, the National Trades Union Congress (NTUC).
However, the curtailment of collective bargaining lost the trade unions members. The decline was eventually
turned around, mainly through the NTUC’s role in centralised wage determination, to peak in 1979. Since
1979 the decline has been slowed but not halted and may be attributed to changes in values, occupational
structure and, anecdotally, to the non-charismatic leadership of the NTUC (Leggett 1988).

National and regional pressure groups in the developed countries have attempted to require their
governments to insist on political democratisation in the East Asian region. In parallel there have been
pressures to improve human and trade union rights—from Australia, New Zealand and via the International
Labour Organisation (ILO). However, the most powerful pressures have come from North America,
including the US Government and the AFL-CIO, and the European Union (EU), and been linked to trading
arrangements within and between the major trading blocs. The model of the transformation of an industrial
relations system was developed with reference to the USA by Kochan et al. (1986), and the USA’s industrial
relations institutions are offered as an example to democratising countries such as Korea and Taiwan.
Nevertheless, the transformation of American industrial relations has not been attributed to an increase or
decrease in the degree of democratisation there. Rather it has been explained in terms of the changing
strategies of management in the face of increasing international competition: employers have sought to
minimise labour costs and maximise control over their workforces by maintaining a ‘union-free’
environment. Nevertheless, while Japanese employment practices have a strategic component, in their Southeast Asian subsidiary operations, it was found that Japanese company subsidiaries were more inclined to accommodate local practices than were those of other countries, thereby gaining cheaper labour costs justified as not interfering in local ways (Hutchings 1996).

The remainder of this paper will first overview Korean employment relations before proceeding to identify and discuss some of the distinctive employment relations in countries which comprise the East Asian context of Korea.

KOREAN AND EMPLOYMENT RELATIONS

The character of Korea's employment relations has been largely determined by successive governments having chosen the family conglomerates, the chaebol as their vehicle for industrialisation. Although these governments sponsored a compliant Federation of Korean Trade Unions (FKTU or Daehan Nochong), adopted well defined labour codes and directed investment policies, it has been the chaebol, such as Hyundai and Daewoo, which have developed the policies and practices of South Korean employment relations.

South Korea, like Singapore, Hong Kong and Taiwan began to industrialise rapidly in the 1960s and the prevalent theme of most analyses of employment relations has been the central role of the state rather than the role of the chaebol. However, since the mid-1980s, many chaebol employees have organised themselves within an alternative trade union federation [since registered as the Federation of Korean Democratic Trade Unions (FKDTU or Minju Nochong)] thereby making the managerial approaches of the chaebol towards unionism significant for shaping the future of South Korean employment relations (Chun 1989: 318-21).

Several factors have contributed to the importance of the chaebol. It was the chaebol under government patronage that initiated the industrialisation of Korea and they have played a dominant role in the country's economic development ever since. In 1990, it was reported that the total earnings of Korea's top 30 chaebol contributed about 95 per cent of Korea's GNP (Bank of Korea 1990). Further, there was reportedly a high concentration of large single firms within the chaebol; in 1990, the top 53 chaebol included the 797 largest of these (Korean Economic Planning Board 1990). Empowered by the sheer size of their conglomerates and through inter-marriage with the families of the military elite, the chaebol families had by the 1980s established themselves as South Korea's capitalist class, employing a substantial proportion of Korea's workers.

When they were confronted by independent trade unionism in the mid-1980s, the chaebol employers initially resorted to unlawful tactics to contain it. Since the early 1990s, however, a greater reliance on strategic business and HRM has prevailed. In 1996, President Kim Young-sam announced a New Conception of Industrial Relations (NCIR) with the purpose of reform through the deliberations of a multi-representative Industrial Relations Reform Commission (IRRC). There immediately followed a dramatic increase in the number of trade unions, in trade union membership and in trade disputes, but only minor amendments to labour laws, which continued to recognise only the FKTU and locked out 'third parties' from collective bargaining (Far Eastern Economic Review 3 February 1994: 54).

In December 1996, against expectations, the Kim Young-sam Government amended the Trade Union Act largely in favour of employers, deferring major reforms into the new millenium. An ensuing general strike, forced the Government to compromise by making the FKDTU lawful and revising the amendments. Since then, South Korea, along with other Asian nations, experienced a reversal of its economic fortunes.

The Asian economic crisis affected South Korea more than most East Asian countries. The cost to South Korea of being bailed out by the International Monetary Fund (IMF) has been the economic restructuring conditions imposed by the IMF. Restructuring has meant massive worker lay-offs by the chaebol and of South Korea experiencing for a time an unemployment rate comparable to that in Western industrialised countries. In consequence, migrant workers from Vietnam, Mongolia and Bangladesh have been repatriated (Asian Labour Update February-May 1998).

According to Cha (1996: 47):
By the time the Korean government and the IMF agreed on the condition of financial support on December 5th, 1997, Korea's usable foreign exchange reserves drastically shrank to a few billion dollars. The foreign exchange market was in panic. All the foreign banks rejected the extension of its credit. They demanded risk premium as high as 10%. The won/dollar exchange rate fell to 2,000 from 900 won per dollar within a month. The IMF had to provide emergency help to save the Korean economy from announcing moratorium [sic].

The sources of the Korean economic crisis have been identified within corporate and banking sectors as well as macroeconomic fundamentals. These last include the insolvency of a number of chaebol in 1997, a high current account deficit and high factor costs (including wages). In the corporate sector the chaebol were vulnerable to financial crisis having exploited the institutional privileges of cross-subsidiary loan guarantees and ownership and government protection. Likewise the commercial banks and other financial institutions, they having been vehicles for public industrial policy implementation, were incompetently regulated and coordinated by the Bank of Korea and the government ministries responsible.

Structural reforms have led to a more rapid recovery of the Korean economy than could have been predicted in 1997: the 1999 economic growth rate is expected to reach 7.5 per cent. However, observers still remain skeptical about the extent to which the chaebol can be reformed (Kwon, O. Y. 1999: 256-258).

JAPAN AT THE POINT OF CONVERGENCE

Following his study of technologically similar electrical manufacturing companies in Britain and Japan, Dore (1973) suggested that Japan had leapfrogged the stage of pluralistic industrialism typified by the USA and was itself the model for others' industrial futures. By being a 'late' developer Japan had more effectively than elsewhere adapted through 'welfare corporatism' the modern bureaucratic equivalent of paternalism. Regular Japanese employees in the large corporations, but not women, migrants or workers in dependent companies, enjoyed lifetime employment, age-based promotion and seniority wages, which had the effect of encouraging the incorporation of these employees into the enterprise culture resulting in strong employee commitment.

Many explanations for the extraordinary growth of several East Asian economies since the early 1960s begin with Japan (Fruin 1992). Since the mid-1970s there has been a global interest in Japanese management (for example Suzuki 1995) and in the transferability of Japanese management styles outside of Japan (for example, Oliver and Wilkinson 1992). This interest has been informed by experiences of Japanese companies in other parts of East Asia (Hutchings 1996). Japan as No. 1: Lessons for America (Vogel, 1980) was compulsory reading for senior Singaporean administrators in the year of its publication. As has been noted, some Japanese companies began to establish subsidiaries in East Asia before they ventured to Europe and North America and one study of such experiences has found that the differences between management styles in Japan and elsewhere are declining (Shadur et al. 1995: 735ff). Important now, however, are the Japanese approaches to employment relations as they are challenged by the changing economic and political context following economic recession and regional instability in the 1990s.

CROWN COLONY, CITY STATE AND SAR

Hong Kong had a long tradition of bureaucratic personnel management which had characterised the British joint stock companies or 'hongs', the Civil Service, and, to some extent, the emigré Shanghai capitalist-owned textile companies (England 1989). However, democratisation in the 1990s and a partial dependence on foreign labour had oriented Hong Kong’s policy-makers and corporate managers towards a more strategic and flexible application of human resource management (HRM) (Levin and Ng 1995), a development echoed in both South Korea (Kim, 1995) and Taiwan (Farh 1995), and in Singapore for long a part of the national scheme of things (Wilkinson and Leggett 1985). Meanwhile trade unionism in Hong Kong, moribund due to competing allegiances to Beijing and Taipei, was resuscitated, possibly by the bargaining opportunities created by labour market shortages, and by apprehension over the Colony’s impending restoration to Chinese sovereignty. Elsewhere, but not everywhere, in the East Asian region it has been possible to discern the growing autonomy of those unions which have countered their governments’ attempts at controlling them.
In Hong Kong, a city state both compared and contrasted with Singapore, a recent survey of 300 multinational and local employers found that in the following three months 20 per cent expected to lay-off employees and 65 per cent to reduce wage bills; and 37 per cent considered 'low morale' to be their biggest HRM problem (*Far Eastern Economic Review* 21 January 1999: 43). Hong Kong’s uncertainties have at times benefited Singapore, the Government of which is no slouch in exploiting opportunities to improve the quality of its labour force. Thus, in 1989, when emigration from Hong Kong was at its height, Singapore made special efforts to recruit potential citizens from what, for cultural reasons, was already a preferred source.

**SINGAPORE: THE OTHER CITY STATE**

Soon after its economic take-off Singapore's industrialisation became dependent on multinational corporate investment, with the PAP Government supplying infrastructure development. Through the 1960s, the PAP Government regulated employment relations with legislation covering trade unions, collective bargaining, dispute settlement and terms and conditions of employment. From 1972 the size and scope of wage increases were regulated by a tripartite National Wages Council (NWC) and, in the 1980s, amendments to trade union and employment legislation emphasised labour-management cooperation in the pursuit of productivity in an economy restructured towards high technology and high value-added enterprise. (Leggett 1993).

In parallel with the legislation, the NTUC was, at different stages, transformed into something of a transmission belt for the values the Government deemed appropriate for a disciplined workforce within a national scheme of things. Singapore’s unions were prepared for a workplace focus and a greater flexibility in enterprise bargaining which has accommodated the variable needs of individual companies. HRM rather than conflict management, was, and is, propagated and diffused throughout management and the workforce in the public and private sectors by the universities and polytechnics, the management institutes, unions and employers’ associations, and the network of corporations through which Singapore is regulated. Thus, the circumstances of Singapore’s dependence on multinational investment led the PAP Government to take the initiatives in human resource planning and development on a national scale, only cautiously moving the locus of control to the workplace with its decision to restructure the economy. This caution and the Government’s capacity to fine tune Singapore’s employment relations in response changes in the environment have enabled the city state to weather the current Asian economic crisis better than any of its neighbours. For example, the maintenance of a high level of national savings through compulsory employer and employee contributions to the state-run Central Provident Fund (CPF) has provided leverage on employer costs which it has used in times of recession, including the present one. The HRM orientation of Singapore’s employment relations too may be a complementary asset to government levers such as the CPF in the current circumstances.

In East Asia generally human resource managers are involved in devising strategies for corporate survival involving lay-offs whereas two years ago their attention was focused on recruitment, retention and productivity.

The circumstances of Singapore’s dependence on multinational corporate investment led the PAP Government to take the initiatives in configuring and re-configuring employment relations on a national scale. It only cautiously moved the locus of control to the workplace with its decision to restructure the economy in 1979, a process which it has continued with characteristic pragmatic accommodation to changes in the economic environment. In contrast, although Korean governments sponsored a trade union organisation, adopted well defined labour codes and directed their investment policies, it has been the chaebol which have developed the policies and practices of employment relations. For instance, whereas in Singapore the state provides and regulates workers’ housing and other facilities, in South Korea, company towns such as Woosan (Hyundai) and, in the public sector, Pohang (POSCO), house and service employees. On the other hand, Hong Kong’s trade unionism with its divided allegiances and freedom to proliferation its organisations under the Labour Department’s ‘positive non-intervention’ was never a force that the colonial administration felt it might need to control by incorporation along the lines of the other three NIEs.
TAIWAN: THE KUOMINTANG IN RESIDENCE

Robins (1998) traces the stages of Taiwan’s economic development through the following stages: ‘Import substitution, 1950-60’; ‘Export-led industrialisation (1960-73)’; ‘Deepening of the industrial base, 1973-80 (secondary import substitution)’; ‘Towards innovation, higher technology and higher value, 1980-present’. Taiwan’s first EPZ was established in 1966, at Kaoshiung. Others were established in 1969. Most EPZ employees in Taiwan have been women, in the past sometimes pressured to remain single by employers. Because of rising labour costs as Taiwan successfully industrialised, many factories relocated to EPZs in cheaper labour countries, and those remaining keep their costs down by employing migrant labour.

Throughout its industrialisation Taiwan, like South Korea, has had state controlled trade unions. The Kuomintang Government-endorsed Chinese Federation of Labour (CFL) and its enterprise affiliates came to fulfill a paternalistic welfare function but, also as in South Korea, an alternative labour movement emerged in the mid-1980s to that associated with the Government. The effect of labour legislation (the Labour Standards Law, and the Arbitration Disputes Act 1988) and the new found strength of the labour movement, demonstrated as much by the capture of executive committees with allegiance to the Kuomintang as by forming new union federations in the 1980s, have contributed to a new climate of industrial relations in Taiwan (Wilkinson 1994: 144-149). However, in the 1990s the fortunes of a labour movement involving a Labour and a Workers’ party declined, although in 1994 pressure for reform of labour legislation came from a Committee of Action for Labour Legislation which included in its representation the National Federation of Independent Trade Unions (NAFITU).

The difficulties Taiwan’s trade unions have in maintaining the momentum of the late 1980s has been attributed to structural characteristics of the Taiwan economy:

Despite these new developments, the unique characteristics of the Taiwan economy, such as the predominance of small businesses and the heavy involvement in international trade, the seniority wage system, and the economic superiority of white-collar workers, have made it difficult for trade unions to make significant inroads into workplaces. If there is any role for trade unions in Taiwan’s future, it will be in the area of employee training and employee benefit coordination among small firms as workers move frequently from firm to firm. The movement towards capital- and skill-intensive industries will make human resource management increasingly important as workers develop more specific skills, require more training, and cost more to retain. Trade unions can also play an important role in the area of occupational safety and health by serving as a watchdog and making sure their employers comply with the safety standards set by the government. (Lee 1995).

Taiwan’s Council of Labour Affairs (CLA) was established in 1987, and, according to its Chairman, adheres to the ideal of ‘labour-management cooperation, co-existence and co-prosperity’ (Chan 1998: 2). Its emphasis is still on welfare but there is acknowledgement that socio-economic change, globalisation, regional alliances and information technology have an impact on the government’s labour policy. Its priorities for the 21st century are listed as follow:

First, strengthening the work safety of labourers and boosting the benefit of occupational disaster in insurance. Second, increasing the job opportunities for aborigines and women. Third, establishing a sound employment security system. Fourth, working out a a reasonable and also feasible labour retirement system. Fifth, fortifying the management on alien labourers and reducing their negative effects. Sixth, resolving effectively labour-management disputes. Seventh, tightening the legal system of the labour to thoroughly protect their rights and interests. (Chan 1998: 3).

Managing foreign workers has preoccupied the Taiwan Government for a number of years. As with the other Asian NIEs, the tight labour markets of the 1980s and 1990s have attracted migrant workers from within the region.

An important and substantial labour migration in the East Asian region has been of female domestic helpers from the Philippines — and to a lesser extent from Thailand, Indonesia, and the Indian sub-continent — to the NIEs, especially to Hong Kong and Singapore. The supply of overseas domestic helpers enabled mothers to join the labour market; indeed, it was public policy in government interventionist Singapore to encourage
well-educated women both to have families and apply their qualifications to the economy (Wilkinson and Leggett 1995: 11-12). However, the Asian economic crisis has reduced the demand for domestic helpers and led to pay cuts, such that in February this year Filipina domestic helpers in Hong Kong publicly protested at a five per cent drop in their minimum wage (Far Eastern Economic Review 18 February 1999: 18-19). Hong Kong's Filipina domestic helpers have a visible presence in Hong Kong and, in contrast to their compatriots working in Singapore, an audible one as they have campaigned for improved working conditions on May Days in the 1990s.

Taiwan's migrant workers have come from Thailand, Malaysia, the Philippines and Indonesia, mainly as unskilled workers in construction, manufacturing, seafaring and domestic service. The NIE governments have regulated the supply of migrant labour through visa and employment passes, through the licensing of labour agencies and, in the case of Singapore, severe punishments for migrants overstaying and employers for illegal hiring. The policy is to supplement the national workforce, not to replace it. The Taiwan authorities appear to share their Singapore and South Korean counterparts' concern that foreign workers from sources which culturally are significantly different may disturb the social homogeneity of their own countries.

Although company welfarism and state regulation are found in Hong Kong and Taiwan, Poon (1996) sees the flexibility derived from subcontracting, (i.e. quite different working conditions from South Korea and Singapore) as underwriting their dramatic economic growth since World War II. However, she envisages changes in the operation of the subcontracting networks in both countries—as a result of government intervention in Taiwan and the relocation of labour-intensive manufacturing to Mainland China from Hong Kong—and uncertainty for the employment of manufacturing workers unless they are able to upgrade their skills. Particularly vulnerable are full-time women workers whose dislocation from manufacturing has been by the use of part-time married women workers, and by foreign workers. Since the economic crisis began in 1997, women workers have been among the first targets for dismissal.

MALAYSIA'S WAY

The employment relations policies of East Asian industrialisers', including Malaysia, Thailand and the Peoples Republic of China, have attracted attention in the 1990s as they have echoed the experiences of the Asian NIEs. These countries were seen as caught in a low wage trap with competition from below and exclusion from higher value added markets from above (Deyo 1995: 23). Both Malaysia and Thailand have been severely affected by the 1997 Asian financial crisis, but the Malaysian Government has reacted by resisting rather than complying with IMF formulae for recovery, a response which has resulted in a serious political crisis.

Before the 1997 Asian financial crisis, the Malaysian Government, following Singapore's example, sought to avoid the low wage trap by attracting high-technology, high-value-added production through national employment relations policies. The intention was to raise Malaysia to an industrialised economy by 2020 (Kuruvilla and Arudsothy 1995: 184). To this end competition in the private sector and revitalisation in the public sector were changing employment relations practices (Kuruvilla 1995: 59-61). Unlike Singapore, Malaysia does not have a single union federation to act as a transmission belt to inform and mobilise the workforce to meet national industrial imperatives. Traditionally, the Malaysian Trades Union Congress (MTUC) and its affiliate, the National Union of Plantation Workers (NUPW) had been the face of manual workers and the Congress of Unions of Employees in the Public and Civil Services (CUEPACS) of white-collar workers in Malaysia. However, the Malaysian Government initiated the Malaysian Labour Organisation (MLO) with a view to it becoming more occupationally representative of Malaysia's industrialised future than were the traditional federations (Ramachandran 1994; Kuruvilla 1995: 55-56). Electronics workers, as employees of that industrial future, had only been permitted to unionise in 1988, when they quickly formed the National Union of Electronics Workers. Employers in the electronics industry in Malaysia have not willingly accepted even house unions and the Malaysian Government has been ambivalent.

The MTUC did attempt to organise women EPZ workers but has not been so successful because it is not itself structured to represent women workers' interests. Most of Malaysia's EPZ employees (about 150,000) are unmarried Malay women, often from rural communities who, as they do in Indonesia, see their
employment as a liberating opportunity. However, the cultural dislocation and repetitive, monotonous work can be stressful and has at times resulted in mass hysteria (Asian Labour Update May-July 1995: 12-13). Foreign workers in export-oriented industries in Malaysia are to be allowed to stay, although, as a result of the Asian economic crisis, some 850,000 out of two million foreign workers in Malaysia are not getting their work permits renewed (Far Eastern Economic Review 22 January 1998: 23).

THAILAND'S LABOUR INTENSIVE INDUSTRIALISATION

In the late 1980s and early 1990s, the Thai economy was achieving an annual average growth rate of about 10 per cent, mostly driven by export-oriented manufacturing, especially of textiles. However, liberalising trade in ASEAN and within APEC, among other developments, exposed Thailand’s labour-intensive manufacturers to cheaper labour competition resulting in the short run in the adoption of a range of cost-cutting measures. However, the 1997 Asian financial crisis can be expected to prolong these initially short-run measures. Among the measures have been mechanisation and diversification, relocation to cheap-labour sites, non-compliance with minimum wage and standards legislation, casualisation and subcontracting to households. Although some employers adopted long-term strategies of flexibility and quality enhancement, these were confined to a few companies—mainly in engineering—and are unlikely, without the government’s backing to be carried over to other sectors (Deyo 1995: 26-36).

Thailand has been among the locations for Hong Kong manufacturers seeking cheaper labour than had become available in Hong Kong. Hong Kong entrepreneurs became the world’s leading producer of toys in the 1980s, but in the 1990s they were sub-contracting the manufacture of globalised favourites such as Batman figures, Barbie Dolls and Ninja Turtles, to local factories in China, Thailand, Malaysia, the Philippines, Macao and Indonesia. Employment standards are not always enforced by the local governments and working conditions in the factories are often hazardous, which in the case of a toy factory in Bangkok in 1993 resulted in the deaths of 189, mostly young women, workers in a fire.

In the 1990s Thai workers have been restricted from forming trade unions and taking industrial action, and in tripartite institutions, the government representatives tend to side with the employers. Thus pay cuts were achieved by the employers’ Federation of Thai Industries in designated areas along the borders with Burma and Laos, areas intended to attract migrant workers. These migrant workers are now being repatriated as a result of the Asian economic crisis. In June 1998 it was estimated that Thailand was host to one million illegal workers, most from Burma, but also from Cambodia and Laos (Far Eastern Economic Review 22 January 1998: 22-23).

As with most other countries in this survey, Thailand’s economic growth has depended on export-oriented manufacturing, and in the EPZs electronics is the most common industry. The composition of the workforce in Thai export-oriented manufacturing is 90 per cent female and is not inactive in campaigning for benefits and wage increases in spite of the threat by employers to move their operations to China or Vietnam.

In the 1980s, professional employment relations management was infused into medium-sized and larger business establishments in Thailand, particularly among foreign-owned companies (Supachai 1993: 265). When, in 1989, Lawler and Atmiyanandana (1995: 302-315) conducted a survey of firms in Thailand, the results enabled them to classify HRM strategies according to companies’ countries of origin, including Thai-owned companies. They found that Western subsidiaries of multinational firms had structured internal labour markets, paid relatively high wages, avoided unionisation and aimed at rational control and efficiency. Japanese subsidiaries, on the other hand, were more concerned with acculturation, had relatively unstructured internal labour markets, and emphasised training and employee involvement. The larger Thai family enterprises were generally owned by ethnic Chinese entrepreneurs whose control of employees was through the management of the deference that is observed to be a part of Thai interpersonal relations. In contrast, publicly held Thai corporations were nurturing a young equitable managerial elite equipped with North American MBAs, who nevertheless also exploited traditional values to control lower-level employees.

PEOPLES REPUBLIC OF CHINA SEZS

In the Peoples’ Republic of China (PRC) the central planning priorities determined the state-level employment relations policies which shaped those at the enterprise level. However, subsequent reform has
meant that ‘the HR [human resource] policies of Chinese enterprises are driven by product-market considerations and by state-level HR policies which are being adjusted to a market-driven economy’ (Verma and Yan 1995: 317-318). Labour reform has not been straightforward. For example, disputes arising from the rapid transfer of workers from lifetime to contract employment appeared to provide the trigger for about 50 per cent of all labour disputes in the late 1980s and early 1990s. Moreover, rural migration, in spite of restrictions, has created heavy urban unemployment. (Jackson 1994). Although it was once claimed that the PRC provided some of the cheapest labour in the world to the factories being developed by expatriate, mainly Chinese, and then mostly from Hong Kong, entrepreneurs in the special economic zones (SEZs) along its coast (O’Leary 1994: 51), this is no longer the case. Consequently, Hong Kong and other Asian entrepreneurs have been moving inland from the coast and the Pearl River delta and into northern China in search of cheaper labour. One study of pay policy and wage determination in Hong Kong and Guangdong concluded that despite important differences there are now sufficient similarities to suggest an element of convergence in the region (White et al. 1998: 363-373).

Notwithstanding an element of convergence, according to the Hong Kong Christian Industrial Committee (Asian Labour Update May-July 1995) there are between 60 and 70 million workers employed in the PRC’s five SEZs and 14 ‘open cities’. Approximately 80 per cent of SEZ workers are young, unmarried women who are housed in dormitories, as they usually are in other EPZs in East Asia. Working conditions are said to be poor, especially health and safety – a fire at a toy factory in Shenzhen adjacent to Hong Kong in 1993 killed 84 workers – but few workers are unionised. Attempts to organise unions independent of the All China Federation of Trade Unions (ACFTU) in the Shenzhen SEZ in 1993-94 were suppressed. However, in Zhuhai SEZ in 1995, Matsushita employees, aggrieved at the cancellation by management of their Chinese New Year leave, successfully organised a strike and picket.

INDONESIA’S FAILED NEW ORDER

Indonesia's economic development under Suharto’s New Order Government, which had been in office since 1968, had been predicated on the supply of cheap labour to complement heavy investment in manufacturing with an increasing export orientation. The quality of employees’ working lives was largely determined within a labyrinthine complexity of relationships involving the ruling elite, the military and ethnic Chinese entrepreneurs, and underpinned by the Pancasila (five principles) state ideology. As elsewhere in East Asia, the US government and labour groups had pressured Indonesia to reform its labour practices by threatening to revoke tariff concessions.

The official view of employment relations in Indonesia before the economic and political crises that have challenged and continue to challenge the structure of the society since 1997 is that they should be non-confrontational, and this is consistent with the tradition of musyawarah-mufakat (discussion leading towards consensus). Dispute resolution tribunals were established by Law No. 22 of 1957 as the Panitia Penyelesaian Perselisihan Perburahan Daerah (Regional Mediation Body for Labor Conflict or P4D) and the central body, the Panitia Penyelesaian Perselisihan Perburuhan or P4P, but served the corporatist policies of the New Order Government.

Pressures for labour reform in Indonesia came from the USA, the World Bank and the ILO. In 1994, the International Confederation of Free Trade Unions (ICFTU) complained to the ILO Committee on Freedom of Association of Indonesia’s infringement of conventions and the ILO censured the country ‘for violations of trade union rights including suppression of independent unions, intimidatory use of the military, and restrictions on collective bargaining and strike action (Upham 1995: 1-31). Although in January 1994 the Government repealed a decree (Regulation 342/1986) which allowed military intervention in disputes, army intervention continued, as at Medan later that year.

Labour standards in Indonesia were perceived as a problem before 1997. Although larger firms had complied with protective labour codes, small and medium enterprises in general had not, so that labour welfare provisions had lagged development. In any case, labour standards were unlikely to follow the trends in other Asian industrially more advanced countries, such as Taiwan and Korea, because a much higher proportion of Indonesian workers were outside the formal sector—as much as 80 per cent—and Indonesia never had the tight labor market typical of the Asian NIEs (Manning 1996: 263-268).
Restriction on foreign investment in Indonesia were lifted in 1993, but the country has experienced capital investment from Japan, South Korea, Taiwan and Hong Kong since the 1970s and into EPZs since the first one, the Nusantara Bonded Zone, was opened in 1986. Manufacturing in the EPZs has been mostly of garments and shoes, by young unmarried women workers. Before the economic and political crises hit Indonesia protests over pay and working conditions broke out from time to time in the EPZs and other industrial areas of Indonesia, but were suppressed, usually by military intervention. A military organised crackdown on striking workers involving the torture and horrendous murder of a woman workplace representative in Medan in 1994 demonstrated the extent of the New Order Government’s intolerance of labour activists and the resentment by ethnic Malay workers of ethnic Chinese entrepreneurs. Ethnic Chinese Indonesians make up about three per cent of Indonesia’s population but are said to control about 70 per cent of the economy (Asiaweek 24 January 1997, 28 February 1997).

Since 1985, the only officially recognised trade union federation, apart from the 1.3 million member Indonesian Teachers’ Association, has been the Serikat Pekerja Seluruh Indonesia (All Indonesian Workers’ Union or SPSI). In 1991, environmental and human rights groups organised Serikat Buruh Merdeka Setiakawan (Solidarity Free Trade Union or SBMS), in effect challenging the corporatist and unitarist model of wadah tunggal which had permitted only one organisation for each sector of society. SBMS was banned, but in 1993 the Serikat Buruh Sejahtera Indonesia (Indonesian Prosperous Labour Union or SBSI) was formed with support from the American and European unions. It too was banned but survives and SPSI, in a tactical move, was restructured as an industry-based federation to give it a more respectable face internationally, in particular in a bid to achieve the sought after recognition from the ICFTU.

Social unrest remains endemic in Indonesia in spite of the resignation of President Suharto and the prospects for economic recovery are poor according to the IMF until institutional reforms are undertaken. (Far Eastern Economic Review 4 March 1999: 44). In this uncertainty, it is unlikely to be a favoured location for investment by Hong Kong entrepreneurs who may also be deterred by the anti-Chinese sentiment of labour and political protest demonstrations.

VIETNAM ON THE MARGIN IN EAST ASIA

Structural reforms in the 1990s in Vietnam were directed towards transitioning from a centralised planned to a market economy. A labour code was enacted in 1994. It distinguished between industrial relations in the state sector, in the non-state sector and in foreign funded establishments. The new structures led to new types of employment relations. The role of trade unions was limited and the Vietnam General Confederation of Labour (VGCL) has had to adjust its Marxist principles to the Vietnamese Communist Party’s economic restructuring imperatives. Under the new labour code the capacity to strike has been constrained, the VGCL’s monopoly of representation broken, and employers’ prerogatives extended (Lansbury, 1994). Although the concept of tripartism was established and institutionalised in Vietnam, both employers and employees have had difficulty in understanding it and as a result, disputation and strikes over pay and conditions increased.

Vietnam has not been very successful in developing EPZs. Only Tan Thuan is functioning and it employs only just over a thousand workers, all of them women. The enterprises in Tan Thuan are mostly joint ventures, and it was in joint venture enterprises in Ho Chi Minh City that strikes occurred in the early 1990s. Since the Asian financial crisis began, Vietnamese workers have been laid off by foreign invested companies, including the Hong Kong-owned Kollan Company, which in 1998 was unable to pay all their wages to those laid off. Hong Kong manufacturing companies had been competing with investors from Taiwan and South Korea and with state-owned companies subcontracting from East Asian countries in Vietnam. (Asian Labour Update February-May 1998).

DISUNITY IN THE PHILIPPINES’ LABOUR MOVEMENT

As with other less developed countries in East Asia in the 1990s, the Philippines was faced with the requirement to accommodate to globalisation. However, the role of labour in this accommodation has been hampered by lack of unity within the labour movement. The “moderate” Trade Union Congress and the “progressive” Kilusang Mayo Uno (KMU) appear to be beset with political infighting, thus inhibiting their effectiveness as a labour movement. Consequently, one might expect a diversity of employment relations
practices according to the national or ethnic ownership of the employing company as has been observed in Thailand and Hong Kong. However, hypothesising that in the Philippines historical and structural factors have shaped a convergence of employment relations, Amante (1995), after comparing pay and employment in Japanese-owned, Western-owned and Filipino-owned firms, concluded that ‘it is quite meaningless to attach [these ethnic-ownership terms] to universal concepts like IR and human resource approaches’.

An important characteristic of Filipino labour is its employment overseas, such that a significant component of the Philippines economy is net factor income from abroad, consisting mostly of foreign exchange remittances by overseas Filipino workers. In 1995 it was estimated that overseas Filipinos numbered 4.2 million (Department of Labour and Employment 1995). Filipina domestic helpers, as has been observed, make up a significant constituent of the workforce in Hong Kong.

In the EPZs of the Philippines, as elsewhere in East Asia, female workers are expected to be single, and although also required to be college educated, are mostly allocated the unskilled jobs, the higher skilled ones being allocated to men. Hiring for less than six months as a means of avoiding the regularisation of employment is common among employers. Nevertheless, women workers in the EPZs have had some success at organising themselves — as the Kilusang ng Manggagawang Kababaihan (KMK) in 1984 — to pursue women’s specific demands at work and KMK was instrumental through striking and picketing in forcing union recognition by a joint Korean-Philippine shoe manufacturer in the Bataan EPZ (Asian Labour Update May-July 1995).

PEOPLES REPUBLIC OF CHINA BEYOND THE SEZs

The impact of globalisation on the PRC’s economy has deepened the disparity between areas and incomes. A difficulty is that, although the ACFTU has a long history, there is no labour organisation that can independently represent workers’ interests or bargain effectively with management. In addition, Chinese labour legislation is basic and not systematically enforced. Meanwhile, the Government has sought to transfer workers to contract employment. The transfer of workers to contract employment is one of three reforms (the others being of payments and social insurance systems) of state-owned enterprises introduced in North East China in the early 1990s. The employment relations implications are discussed by Warner (1996) who concludes that the labour contracts have served mainly to clarify duties and responsibilities and that the introduction of social insurance is intended to provide protection to workers on contracts.

Structural reforms to state enterprises, especially their reorganisation into shareholding companies, has been accompanied by large-scale lay-offs — about 17 million by the end of 1998 (Far Eastern Economic Review 18 February 1999: 12), and workers still employed in some cases are not getting paid. Worker grievances are not without protest and labour unrest is reported to be rampant but not mobilised (Far Eastern Economic Review 25 February 1999: 46-48).

CONCLUSION

The foregoing review of East Asian employment relations has reflected a chronology of industrialisation which has to account for the fact that any one country cannot exactly emulate a more industrially advanced country. Thus significant differences are observable between, for example, employment relations at the workplace in Korea from the workplace in Singapore, or again in Hong Kong, although all three are NIEs and may be said to have followed Japan’s lead. Many factors account for the differences, including political history, culture, technology and government policies and ideologies. The role of the state has almost everywhere been important in defining the role of workers’ organisations and determining the legal framework of employment relations, but also important is the nature of the employer, for example, multinational, backyard workshop, or homegrown family conglomerate. Likewise, the history and quality of trade unionism differs from one country to another in spite of affiliation to regional and international federations.

The militancy of trade union leaders in Taiwan has not been matched in Malaysia for several decades, and that of Korean unionists has no parallel in Singapore, and the enterprise union structure in Korea is a cause of tension in that country’s industrial relations but of industrial harmony in Japan at this time.
Throughout much of the East Asian region there has been a substitution of capital for labour in production systems. To organise this on a national scale was a priority of the Singapore government from 1979; the Korean government through its relationship with the chaebol moved the country’s economy from labour-intensive activities in the 1960s to heavy industry in the 1970s and towards electronics and service industries in the 1980s and 1990s. For the more advanced industrialised countries the cheap labour production has been shifted overseas—to the PRC, Vietnam, Indonesia, the Philippines and now Cambodia—or retained within the country by the import of cheap labour—from Indonesia to Malaysia, from the Indian sub-continent to Korea, and from Thailand, the Indian sub-continent and the Philippines to Singapore and Taiwan. Thus, competition is still maintained by the employment of cheap labour. For employment relations, the market, pro-employer labour legislation and employment passes/work permits are sufficient to maintain cheap labour quiescence. Trading bloc pressures—from the EU for example—have had an influence on employment relations in some of the more industrialised East Asian countries where labour is no longer cheap. Korea’s December 1996 industrial relations legislation and subsequent stand-off between its government and trade unions embarrassed the Organisation for Economic Cooperation and Development (OECD) which Korea had just joined. For most countries in the East Asia region, however, despite their membership of regional trading blocs, employment relations issues are handled domestically or, if internationally, by quiet diplomacy.

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78
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IS THERE A CONFUCIAN MULTINATIONAL TYPE? A PRELIMINARY STUDY OF
JAPANESE AND KOREAN MULTINATIONAL ENTERPRISES IN AUSTRALIA.¹

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Department of Management
University of Melbourne

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The impact of nationality on multinational enterprise strategy has been a constant theme in international business for the past two decades. (Puxty 1979, Kogut and Singh 1988, Benito Gripsrud 1991, Hennart 1998, Padmanabhan and Cho 1996, Erramilli 1996). Generally, cultural distance has been used as a short cut to describe the complex set of differences between western culture, with its focus on the individual, directness, merit and competition, as compared to the east Asian, so-called neo-Confucianism orientation, with its focus on the family, broadly defined, indirectness, seniority and consensus. (Yeung 1994, Luo 1999)

Studies of managerial goals, have shown strong similarities between Asian corporations, as compared to the goals of their US and European counterparts. Return on investment has been cited as the single most important goal for Western firms while market share is the dominant consideration of Asian firms, underscoring an Asian focus on the longer term, versus the western focus on the more short term. Also studies have shown a much greater emphasis on product innovation in Asian firms and a relatively lower importance accorded to stockholders' gains as compared to the US firms. (Chung, Lee and Okamura 1988, Chung and Lee 1989). Whilst many studies have compared the behaviour of European and US MNEs and more recently, US and Japanese MNEs, few studies have attempted to compare local subsidiary behaviour of MNEs with a similar East Asian neo-Confucian cultural heritage.

The ascension of the Japanese MNE to rival its western counterparts and the more recent arrival of the Korean MNE begs the question as to the existence of an Asian MNE type as compared to the western multinational type. Both Japanese and Korean society embrace similar cultural traditions and philosophies that have strongly influenced the development of their management systems. Key values of Confucianism and Buddhism dominate both cultures, emphasising such values as family, hierarchical order, interpersonal relations, the importance of education and hard work and have had a strong influence on what Kuwaja (1983) described as ‘product, process and management-centred production strategies’. Others have pointed to the interdependent relationship between production and process technologies with HRM practices associated with both Japanese and Korean firms. (Aoki 1994, Ungson, Steers and Park 1997). More than three decades of Japanese colonial rule have also left its imprint on the development of the Korean management system. (Chen, 1995)

However, despite the striking similarities between Japanese and Korean culture, distinctive differences are also evident between the two cultures. Since MNEs are to a large extent a product of their environments, it seems reasonable to assume that both differences and similarities in individual national cultures will strongly influence individual corporate cultures and subsequently multinational behaviour. (Laurent 1983). The major ways in which Japanese and Korean business systems are assumed to vary have been described by Whitely (1992) and are summarised in Figure 1 below.
### Figure 1
Characteristics of the Japanese and Korean Firm

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Kaisha</th>
<th>Chaebol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Large</td>
<td>Large</td>
</tr>
<tr>
<td>Capital intensity</td>
<td>Varied</td>
<td>Varied</td>
</tr>
<tr>
<td>Managerial discretion by owners</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Business specialisation and managerial homogeneity</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Strategic change</td>
<td>Incremental</td>
<td>Discontinuous</td>
</tr>
<tr>
<td>Growth focus</td>
<td>Sector share</td>
<td>Vertical integration and diversification</td>
</tr>
<tr>
<td>Integration of different activities</td>
<td>Minority shareholding</td>
<td>Authority hierarchy</td>
</tr>
<tr>
<td>Risk management</td>
<td>Extensive mutual dependence</td>
<td>Diversification and state support</td>
</tr>
</tbody>
</table>

### Authority and Control Systems

<table>
<thead>
<tr>
<th>Importance of personal authority of owners</th>
<th>Kaisha</th>
<th>Chaebol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralisation of decision-making</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>Delegation to middle management</td>
<td>High</td>
<td>Some operational decisions</td>
</tr>
<tr>
<td>Work group task autonomy</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Managerial involvement in work group</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Importance of group morale</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Managerial style</td>
<td>Facilitative</td>
<td>Authoritarian</td>
</tr>
</tbody>
</table>

### Differences in Market Organisation

<table>
<thead>
<tr>
<th>Interdependence of firms</th>
<th>Kaisha</th>
<th>Chaebol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to particular exchange partners</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Scope of relations with exchange partners</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Reciprocity of commitments</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Vertical integration by quasi contractual links</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Horizontal coordination between sectors through L/T commitments</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

### Employment and Personnel Practices

<table>
<thead>
<tr>
<th>Wage differentials by gender and education</th>
<th>Kaisha</th>
<th>Chaebol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term commitments to core manual workers</td>
<td>High</td>
<td>Limited</td>
</tr>
<tr>
<td>External recruitment of senior managers</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Importance of seniority-based rewards for core workers</td>
<td>High</td>
<td>Considerable</td>
</tr>
<tr>
<td>Formalisation of reward system</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Formalisation recruitment procedures</td>
<td>High</td>
<td>High for white collar staff</td>
</tr>
<tr>
<td>Manual worker training</td>
<td>Institutionalised</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>Importance and integration of trade unions</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>
Differences in management style, however, also reflect a complex bundle of factors, which are not only related to national culture. Each firm has a stock of knowledge, a map of the way things are done and a unique corporate philosophy that has been institutionalised over time in its organisational design, management style, etc. The body of knowledge, values, managerial competence and past experience, 'the firms administrative heritage' (Bartlett and Ghoshal 1987) actively influences how new operations are organised and managed. In particular where the firms and markets are mutually constitutive, the beliefs and rationalities of the economic actors necessarily affect economic outcomes, so that, who controls the firm, helps to determine managerial structure and practice. Usually home country expatriates from the headquarters, who are sent to establish new operations, bring with them this institutionalised stock of knowledge and beliefs and are key actors in the transfer of their firms core capabilities and ownership advantages from HQ to subsidiary. (Merrett, Nicholas, Purcell 1996)

Japanese and Korean firms, also differ considerably in terms of their size, the variety and range of their economic activities they coordinate and direct, the scope of their competitive competencies and managerial experiences and in the autonomy of senior managers as well the scope of HRM and the nature of firm networks. These differences are closely related to variations in strategic focus and change, growth patterns, the management of subsidiaries and ways of dealing with risk and uncertainty and the need for control. (Y00 and Lee 1987, Ungson et al 1997, Kobayashi 1985, Aoki and Dore 1994, Odagiri 1992)

The central research question of this paper is whether or not there are any generalisations that can be made about the existence of an East Asian multinational type. This study focuses on a comparison of two East Asian multinationals, in this case Japanese and Korean MNEs and their operations in Australia. It seeks to discover the similarities and differences between the multinational strategies and operations of two national cultures, which share similar values and cultural heritage. The paper covers a variety of issues including investment motives, ownership advantages, HQ-subsidiary control, HRM practices and buyer-supplier relations. The study is by its nature preliminary and the limitations of the data set are recognised.

Survey Data

The data for this survey combine two separate data sets based on similar survey instruments which were conducted for separate on Japanese and Korean FDI in Australia in 1993 and 1998 respectively. The data set for the Japanese FDI survey comprises 69 Japanese MNEs (51% response rate) drawn from A Directory of Japanese Business Activity in Australia, 1992, prepared by the Australia-Japan Economic Institute. The data set for the Korean FDI survey comprises 17 Korean MNEs (45% response rate) from data provided by the Korean Chamber of Commerce in Australia.

Location Strategy

Table 1 presents the reasons for both Japanese and Korean MNEs selecting Australia as an investment location. Japanese MNEs ranked political stability, the need to adapt to consumer needs, energy costs and tariffs as the most important location variables but all scored poorly. Korean firms MNEs also political stability, strong market growth potential and need to adapt to consumer needs in their top responses although access to inputs/raw materials scored most highly among Korean MNEs. Government incentive variables scored just less than moderately important in the case of Korean firms, while these policy variables were unimportant in the case of Japanese MNEs. Cultural distance was also significantly ranked more highly for Korean firms than for Japanese firms, although it was not an important variable for either cohort. The large size of the standard errors for Japanese firms reported in Table 1 suggests that there was little agreement on these factors as compared to the close clustering of Korean MNEs.

Competitive Advantages

Table 2 scores the ownership advantages identified by Japanese and Korean MNEs. The standard errors for high average scores suggest the variances are quite concentrated, with the responses similar across
Table 1
Average Score of locational factors in Japanese FDI

<table>
<thead>
<tr>
<th>Location Factor</th>
<th>Japan Rank</th>
<th>S.E</th>
<th>Korea Rank</th>
<th>S.E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of the market</td>
<td>1.9</td>
<td>7</td>
<td>2.9</td>
<td>5</td>
</tr>
<tr>
<td>Strong market growth prospects</td>
<td>2.2</td>
<td>5</td>
<td>3.5</td>
<td>3</td>
</tr>
<tr>
<td>Skilled labour force</td>
<td>2.0</td>
<td>6</td>
<td>2.9</td>
<td>6</td>
</tr>
<tr>
<td>Good industrial relations record</td>
<td>1.5</td>
<td>12</td>
<td>2.8</td>
<td>8</td>
</tr>
<tr>
<td>Access to inputs/raw materials</td>
<td>1.8</td>
<td>8</td>
<td>4.5</td>
<td>1</td>
</tr>
<tr>
<td>Tariffs/import duties and controls</td>
<td>2.5</td>
<td>4</td>
<td>2.0</td>
<td>14</td>
</tr>
<tr>
<td>Tax incentives</td>
<td>0.7</td>
<td>13</td>
<td>2.6</td>
<td>11</td>
</tr>
<tr>
<td>Low energy costs</td>
<td>2.5</td>
<td>3</td>
<td>1.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Conducive cultural/legal/social system</td>
<td>1.0</td>
<td>7</td>
<td>2.6</td>
<td>10</td>
</tr>
<tr>
<td>Political stable country</td>
<td>2.9</td>
<td>1</td>
<td>3.7</td>
<td>2</td>
</tr>
<tr>
<td>Need to adapt to local consumers' needs</td>
<td>2.9</td>
<td>2</td>
<td>3.0</td>
<td>4</td>
</tr>
<tr>
<td>State government assistance</td>
<td>1.5</td>
<td>11</td>
<td>2.9</td>
<td>7</td>
</tr>
<tr>
<td>National government assistance</td>
<td>1.8</td>
<td>9</td>
<td>2.7</td>
<td>9</td>
</tr>
<tr>
<td>'Follow a competitor'</td>
<td>1.5</td>
<td>10</td>
<td>2.2</td>
<td>13</td>
</tr>
</tbody>
</table>

Note: 0-no importance, 1-low importance, 3-moderate importance, 5-high importance

ownership advantages and industries. Japanese MNEs investing in Australia relied mainly on firm specific product or production ownership advantages. Quality-related advantages figured most prominently in the top listed responses from Japanese firms. Our sample of firms identified product quality linked to the production advantage of in-house quality control, as their most significant ownership advantages followed by quality of inputs, process technology, parent reputation, after sales service, product price keeping delivery dates and work organisation. The competitive advantages of Korean firms were similar to their Japanese counterparts, save for the fact that product price was the most important ownership advantage for Korean firms, followed by product quality, keeping delivery dates, quality of inputs, after sales service and work organisation.

Entry Modes

Table 3 shows a remarkable similarity in entry mode patterns between Japanese and Korean MNEs. The overwhelming contractual mode for both Japanese and Korean MNEs was the for wholly owned subsidiaries

Table 2
Average Scores of Competitive Advantages of Japanese and Korean MNEs in Australia

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Japan Rank</th>
<th>S.E</th>
<th>Korea Rank</th>
<th>S.E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patent protection</td>
<td>2.1</td>
<td>11</td>
<td>3.7</td>
<td>10</td>
</tr>
<tr>
<td>Product quality</td>
<td>4.4</td>
<td>1</td>
<td>4.7</td>
<td>2</td>
</tr>
<tr>
<td>Product price</td>
<td>3.4</td>
<td>5</td>
<td>4.8</td>
<td>1</td>
</tr>
<tr>
<td>Keeping delivery dates</td>
<td>3.3</td>
<td>6</td>
<td>4.6</td>
<td>3</td>
</tr>
<tr>
<td>After sales service</td>
<td>3.6</td>
<td>4</td>
<td>4.5</td>
<td>4</td>
</tr>
<tr>
<td>Advertising and marketing methods</td>
<td>3.0</td>
<td>8</td>
<td>3.7</td>
<td>12</td>
</tr>
<tr>
<td>Process technology</td>
<td>3.8</td>
<td>3</td>
<td>2.7</td>
<td>13</td>
</tr>
<tr>
<td>Work organisation</td>
<td>3.3</td>
<td>6</td>
<td>4.5</td>
<td>4</td>
</tr>
<tr>
<td>In-house quality control</td>
<td>4.4</td>
<td>1</td>
<td>4.2</td>
<td>7</td>
</tr>
<tr>
<td>Quality of inputs</td>
<td>3.9</td>
<td>3</td>
<td>4.5</td>
<td>4</td>
</tr>
<tr>
<td>Favoured access to parent inputs</td>
<td>1.9</td>
<td>12</td>
<td>4.0</td>
<td>9</td>
</tr>
<tr>
<td>Favoured access to parent technology</td>
<td>3.0</td>
<td>9</td>
<td>3.5</td>
<td>11</td>
</tr>
<tr>
<td>Parent’s reputation</td>
<td>3.8</td>
<td>3</td>
<td>4.3</td>
<td>8</td>
</tr>
<tr>
<td>Part of worldwide operations</td>
<td>2.9</td>
<td>10</td>
<td>Na</td>
<td></td>
</tr>
</tbody>
</table>
Table 3
Ownership Types (%)

<table>
<thead>
<tr>
<th></th>
<th>Korean MNEs</th>
<th>Japanese MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly Owned Subsidiary</td>
<td>88</td>
<td>76</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Greenfield</td>
<td>85</td>
<td>63</td>
</tr>
<tr>
<td>Acquisition</td>
<td>15</td>
<td>37</td>
</tr>
</tbody>
</table>

and greenfield startups, although the preference for wholly owned subsidiaries and for new startups was stronger among Korean subsidiaries than in Japanese subsidiaries.

The sample provides support for Erramilli (1996) who tested the impact of a country’s national characteristics on subsidiary ownership policies and found that country’s characterised by high power distance and high uncertainty avoidance like Japan and Korea will have a higher preference for majority or wholly owned subsidiaries. It also is in line with Kogut and Singh’s study (1988) which found high levels of uncertainty avoidance (both cultural dimensions characteristic of Japanese and Korean culture) in the investor home country associated with greater preference for wholly-owned greenfield subsidiaries. Our results are also in line with other recent mode entry research on Japanese and Korean MNEs. (Erramilli, Srivastava and Kim 1999, Hennart and Lorimo 1998)

HQ-Subsidiary Control

As Tables 4 and 5 show, the high levels of ownership illustrated in Table 3 for both Japanese and Korean MNEs are mirrored by the domination of Japanese and Korean nationals to the boards of their respective subsidiaries. In both cases Japanese and Korean nationals held the lion’s share of the post of chairman in their respective companies as well as holding the majority of board positions.

Table 4
Proportion of Parent Firm Chairman of Board of Directors (%)

<table>
<thead>
<tr>
<th></th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Tables 4 and 5 show the domination of Japanese and Korean nationals to both chairman and director positions of the boards of their respective Australian subsidiaries. While the proportion of home country executives appointed as Chairman was almost identical for both cohorts (78 and 77 per cent), so too was the proportion of boards which comprised less than 50 per cent Australian membership (80 and 85 per cent of Japanese and Korean firms respectively). The only significant difference was in the proportion of subsidiaries where there were no Australians, 42 per cent in the case of Japanese MNEs as compared to nearly 70 percent in the case of Korean MNEs. This finding supports the small number of comparative studies of multinational HQ-subsidiary relations in Japanese MNEs which suggest that the locus of decision making lay more with head office than was the case with western MNEs. This proposition seems even more

Board control also gives boards the control over senior management appointments. The appointment of expatriate managers to the most senior positions in the overseas subsidiary is a common form of control in multinational firms. Table 6 shows remarkable similarities in the levels of senior expatriate appointments, with local senior managers being in the majority in exactly 50 percent of both Japanese and Korean subsidiaries, although more Japanese firms employed no local Australian managers (28%) than was the case for Korean firms (17%).

The heavy reliance on expatriate managers is not a surprising finding. Their strategic positioning addresses the potential agency problem that has been well documented in the MNE literature (Hennart 1993: 170-172). Expatriate managers have an intimate knowledge of what is expected of them by the parent as a result of their prior employment with the company and are rotated between postings at frequent intervals to discourage their entering coalitions with stakeholders from the host country.

**Table 6**

<table>
<thead>
<tr>
<th>Proportion of Local Senior Managers (%)</th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>1-49%</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>50-99%</td>
<td>30%</td>
<td>28%</td>
</tr>
<tr>
<td>100%</td>
<td>20%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Another common control device used in MNEs is required HQ approval for operational and planning decisions. Table 7 compares HQ control over local decision making in Japanese and Korean MNEs. A score of one indicates that the parent had no input, a score of two indicates that the parent was consulted and a score of three that the parent required formal approval for local decisions. Consequently an average score of 2.5 or more would arise if the majority of respondents sought parental approval, and an average score of two or more would result if a majority of respondents consulted and sought approval.

If we divide parental control across three broad areas, capital expenditures; production, technology and marketing; and human resources we find some considerable differences in the nature of parent control. On the one hand Japanese parents exercised tight control over strategic and resource issues via approval over new capital expenditures, less control over production, technology and marketing issues and little control over HRM issues. Korean parents on the other hand, kept a less tight grip over their subsidiaries, entrusting most operational decisions, with the exception of marketing, to subsidiary managers who consulted and sought approval only on HRM issues.

**Table 7**

<table>
<thead>
<tr>
<th>Parent Control over Local Decision-Making by Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Area</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Product/service range</td>
</tr>
<tr>
<td>Work organisation</td>
</tr>
<tr>
<td>Marketing methods</td>
</tr>
<tr>
<td>Personnel management</td>
</tr>
<tr>
<td>Capital expenditure</td>
</tr>
<tr>
<td>Production technology</td>
</tr>
<tr>
<td>R &amp; D</td>
</tr>
<tr>
<td>Sourcing inputs</td>
</tr>
</tbody>
</table>

Notes: Based on a scale of 1 to 3, lowest to highest. Highest averages indicate greatest parental control.
This result is somewhat counter-intuitive, given the generally accepted view that there is a much stronger degree of centralised management Korean chaebols, as compared to their Japanese counterparts. (Ungson. Steer and Park 1997, 71-72). Table 8 suggests that Japanese respondents reported higher scores for following their parents in a range of operational area than they did for seeking approval and were much more likely to follow their parents than were their Korean counterparts.

Table 8
Operational Areas in Which subsidiaries ‘Follow’ Parents

<table>
<thead>
<tr>
<th>Decision Area</th>
<th>Ave Rank (SE) Japan MNEs</th>
<th>Ave Rank (SE) Korea MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/service range</td>
<td>2.6 (0.1)</td>
<td>1.1 (0.1)</td>
</tr>
<tr>
<td>Work organisation</td>
<td>1.7 (0.1)</td>
<td>1.9 (0.2)</td>
</tr>
<tr>
<td>Marketing methods</td>
<td>1.5 (0.1)</td>
<td>2.0 (0.2)</td>
</tr>
<tr>
<td>Personnel management</td>
<td>1.8 (0.2)</td>
<td>1.8 (0.2)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>2.0 (0.2)</td>
<td>1.3 (0.2)</td>
</tr>
<tr>
<td>Production technology</td>
<td>2.7 (0.1)</td>
<td>1.0 (0.2)</td>
</tr>
<tr>
<td>R &amp; D</td>
<td>2.1 (0.2)</td>
<td>1.0 (0.1)</td>
</tr>
<tr>
<td>Sourcing inputs</td>
<td>1.9 (0.2)</td>
<td>1.1 (0.2)</td>
</tr>
</tbody>
</table>

Notes: Based on a scale of 1 to 3, lowest to highest. Highest averages indicate greatest parental control.

Management Style

Table 9 reveals substantial close similarities in the transfer of indigenous management styles to local subsidiaries on the part of both Japanese and Korean subsidiaries. Our survey shows that very few Japanese or Korean firms replicated their parent’s management systems in Australia, opting instead for hybrid systems containing elements of both local and parent styles. However, 61 percent of both Japanese and Korean subsidiaries described their management styles as being either modified Japanese or Korean rather than local. Korean management styles tended to be either ‘more Korean’ or ‘more Australian’ than their Japanese counterparts, whose management styles slightly more hybridised.

Table 9
Types of Management Practice adopted by Subsidiaries

<table>
<thead>
<tr>
<th>Management Style</th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese/Korean, no modification</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Japanese/Korean, minor modification</td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>Japanese/Korean, major modification</td>
<td>35%</td>
<td>25%</td>
</tr>
<tr>
<td>Australian, some modification</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>Mostly Australian</td>
<td>15%</td>
<td>22%</td>
</tr>
</tbody>
</table>

HRM Practices

Lifetime Employment

While neither Japanese nor Korean firms offered lifetime employment to local Australian employees the survey results suggest that Japanese MNEs were more likely to approximate lifetime employment practices than were Korean MNEs. More than 50 percent of Japanese respondents as compared to 24 percent of Korean respondents, provided high levels of employment security as part of company policy. Table 9 confirms this pattern further in terms of layoff and transfer policy. Seventy eight per cent of Japanese subsidiaries responded that they layed-off workers during period of economic downturn as compared to 92 per cent of Korean subsidiaries. Eighty three percent of Japanese companies also responded that they attempted to transfer workers before exercising the layoff option as compared to two-thirds of Korean companies.
Table 10
Layoff and Transfer Policies

<table>
<thead>
<tr>
<th></th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layoff Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>78%</td>
<td>92%</td>
</tr>
<tr>
<td>No</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Transfer workers to other tasks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>83%</td>
<td>67%</td>
</tr>
<tr>
<td>No</td>
<td>17%</td>
<td>33%</td>
</tr>
</tbody>
</table>

This confirms our intuition based on the literature that the Japanese HRM system is much more highly committed to lifeterm employment than is the Korean. In Japan, large companies are generally committed to job security even in periods of heavy economic downturn. Korean companies have semi-life-employment but feel free to lay off workers during periods of economic downturn. (Ungson. Steer and Park 1997: 195, 207, Whitely, 1992: 75)

Recruitment Practices

Very strong similarities existed in recruitment practices for both white-collar and blue-collar workers among Japanese and Korean firms. When hiring white-collar workers both Japanese and Korean firms indicated a preference for experienced white-collar workers over recruitment of high school or university graduates. The results suggest a substantial departure from home country practices and suggest that both groups of firms, white-collar workers are employed on the basis of their specialist knowledge and experience and not directly out of school or university. However, for a significant number of both Japanese and Korean firms, traditional hiring practices of raw recruits directly out of university or high school remained the preferred recruitment path. As for blue-collar workers both Japanese and Korean firms showed an almost identical preference for skilled workers over new graduates (83 and 81 per cent). Korean firms, however, showed a stronger preference for skilled tradesman in the firm’s product group than did their Japanese counterparts. This may, however, have been due to the smaller average size of Korean firms compared to their Japanese counterparts. In a recent study, Purcell and Nicholas et al (1999) found for Japanese firms that the larger the firm the more likely it was to hire experienced workers who could carry out a wide range of jobs in the firm, whilst the smaller the firm the more likely was it to hire on the basis of specific trade skills.

Table 11
Recruitment Practices

<table>
<thead>
<tr>
<th>Recruiting Preference</th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>White collar workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New graduate students from university or high school</td>
<td>41%</td>
<td>33%</td>
</tr>
<tr>
<td>Experienced white collar workers</td>
<td>58%</td>
<td>66%</td>
</tr>
<tr>
<td>Blue collar workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recently graduated high school/TAFE</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>Experienced workers in any trade</td>
<td>50%</td>
<td>47%</td>
</tr>
<tr>
<td>Skilled workers in same product area</td>
<td>33%</td>
<td>44%</td>
</tr>
</tbody>
</table>

87
Remuneration systems

Table 12 shows that in contrast to seniority-based wage systems at home, factors other than seniority dominated the remuneration of local subsidiary workers for both cohorts. (Purcell et al 1999:77) For both Japanese and Korean MNEs, skill, followed by experience and local rates were the most important determinants in local remuneration. Although age ranked poorly in both cohorts of firms, it was significantly more important for Korean MNEs than it was for Japanese MNEs.

Table 12
Factors determining wage levels

<table>
<thead>
<tr>
<th>Factor</th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1.0 (0.2)</td>
<td>2.5 (0.3)</td>
</tr>
<tr>
<td>Experience</td>
<td>4.1 (0.1)</td>
<td>4.4 (0.2)</td>
</tr>
<tr>
<td>Skill</td>
<td>4.8 (0.1)</td>
<td>4.6 (0.2)</td>
</tr>
<tr>
<td>Rates paid by other Japanese/Korean Firms</td>
<td>0.3 (0.3)</td>
<td>3.0 (0.4)</td>
</tr>
<tr>
<td>Local Rates</td>
<td>4.1 (0.2)</td>
<td>4.0 (0.2)</td>
</tr>
</tbody>
</table>

Note: Mean average scores calculated by assigning a six point scale 0 no importance, 1 low importance, 3 moderate importance and 5 to high importance.

Quality Control and Teamwork

Our study found that quality control methods were largely institutionalised within the production process of both cohorts of our sample firms. Just-in-time production and statistical process control were used with much the same intensity in Korean manufacturing subsidiaries as in Japanese subsidiaries, although the application of quality control circles was significantly higher for Japanese firms than for Korean firms. Likewise teamwork and multiple tasking were widespread among both Japanese and Korean manufacturing subsidiaries.

Table 13
Application of Quality Control and JIT Methods

<table>
<thead>
<tr>
<th>Application</th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC circles</td>
<td>72%</td>
<td>50%</td>
</tr>
<tr>
<td>JIT</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td>Statistical Process Control</td>
<td>85%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Table 14
Application of Training, Team Work and Multiple Tasking

<table>
<thead>
<tr>
<th>% of employee involvement</th>
<th>On the job training</th>
<th>Off the job training</th>
<th>Multiple jobs/tasks</th>
<th>Team Work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>J</td>
<td>K</td>
<td>J</td>
<td>K</td>
</tr>
<tr>
<td>100%</td>
<td>48</td>
<td>40</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>50-99%</td>
<td>21</td>
<td>30</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>25-49%</td>
<td>8</td>
<td>10</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>10-25%</td>
<td>14</td>
<td>05</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Less than 10%</td>
<td>9</td>
<td>15</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>
This result is supportive of wider literature which suggests that in general Japanese organisations seem to invest more in systematic training and for a longer period than Korean firms, and that while job rotation is quite frequent and institutionalised in Korean firms as in Japanese firms, group work is much less so. (Yoo and Lee 1987, Amsden 1989: 224-9)

Relations with Australian Suppliers

Table 15 provides information on the interactions between Japanese and Korean manufacturing firms and their Australian suppliers. It shows almost identical pre-contracting sourcing policies in both Japanese and Korean firms, especially in relation to seeking quotations, providing details of the required input and establishing long-term relationships with potential suppliers. However, in terms of post contractual relationships two interesting trends emerge. The first is that whilst pre-contractual relationships with Australian suppliers mirror many of the aspects of home country practice, in terms of regularly visiting and establishing long term relationships with their suppliers, there was a much greater reluctance to provide advice on material specifications, or to transfer technical know-how, designs, tools and machinery, or to train operatives. This was especially the case for Korean MNEs who showed even a greater reluctance than their Japanese counterparts to deepen their post contractual relationships with Australian suppliers.

<table>
<thead>
<tr>
<th></th>
<th>Japanese MNEs</th>
<th>Korean MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek quotations</td>
<td>3.7 (0.2)</td>
<td>4.0 (0.0)</td>
</tr>
<tr>
<td>Provide details of input to potential suppliers, then seek quotations</td>
<td>3.5 (0.2)</td>
<td>3.6 (0.2)</td>
</tr>
<tr>
<td>Establish long term relationships with suppliers</td>
<td>3.6 (0.1)</td>
<td>3.3 (0.2)</td>
</tr>
<tr>
<td>Always contract with two or more firms</td>
<td>3.5 (0.2)</td>
<td>3.6 (0.2)</td>
</tr>
<tr>
<td>Train operatives</td>
<td>1.6 (0.2)</td>
<td>1.5 (0.2)</td>
</tr>
<tr>
<td>Transfer designs and drawings</td>
<td>2.7 (0.2)</td>
<td>1.2 (0.2)</td>
</tr>
<tr>
<td>Transfer equipment to supplier</td>
<td>2.4 (0.3)</td>
<td>1.2 (0.2)</td>
</tr>
</tbody>
</table>

Note: Based on scale 1-4, 1:never, 2:rarely, 3:sometimes, 4: usually

Again this result appears to be supported by the literature which suggests that within large Korean firms the extent of subcontracting is less than in Japan. While vertical integration in Japan is characterised by relational sub-contracting, in the Korean case links between the large firms, subcontractors and customers tend to be more short term and hierarchical rather than reciprocal. (Hamilton, Zeile and Kim 1989, Amsden 1989: 183)

Conclusion

Both Japanese and Korean MNEs in Australia viewed their competitive advantage as relying mainly on product quality linked to production advantages, although Korean firms also ranked product price as an important source of their competitive strength.

Both Japanese and Korean firms also opted for 'high control' strategies in their MNE operations. Wholly owned new start-ups were characteristic of both nationalities and potential agency problems were attenuated by high degree of HQ-subsidiary control in both firm cohorts, signaling the importance of uncertainty avoidance in both cultures. Board chairman and board positions were heavily dominated by home country personnel as were senior managers who played a crucial role both in terms of maintaining HQ control and as a conduit for transferring corporate ownership advantages to the subsidiary. Surprisingly, Korean MNEs kept a less tight grip over operational issues than did their Japanese counterparts.
In respect of management practices, both Japanese and Korean MNEs were heavily influenced by home country cultural practices. Although few firms in either cohort reported replicating their home systems, 61 percent in both groups described their management styles as being predominantly Japanese or Korean, although Korean management styles tended to be either more Korean or more Australian than their Japanese counterparts, whose management styles were somewhat more hybridised.

It was in the area of HRM and related practices that we most observed the differences in home practices being reflected in subsidiary practices. Japanese firms were more likely to approximate lifetime employment practices than were Korean firms and were also more likely to also attempt to re-deploy firms rather exercise the layoff option as compared to their Korean counterparts. Korean firms were also less committed to training, team work and quality control practices than were Japanese firms although the differences were not always significant. In terms of supplier relationships both Japanese and Korean firms displayed remarkable similarities.

Our study concludes that although Korean and Japanese MNEs might not be considered as 'identical twins' they might be appropriately described as 'close cousins'. Both cohorts displayed remarkable similarities in relation to a variety of strategic and operational issues. These conclusions, however, are preliminary and must be qualified by both the limitations inherent in the data and the level of analysis. More work needs to be done to develop a robust analytical framework in which specific hypotheses can be developed and tested.

Notes
1. The authors wish to acknowledge the contributions of David Merrett and Greg Whitwell from the University of Melbourne who jointly collaborated with two of the authors in the preparation of the Japanese MNE survey data for a related project on Japanese FDI in Australia. We also wish to acknowledge the contribution of Jascha Zimmermann for preparing the statistical analysis.

References


HISTORICAL PROPERTIES OF BUSINESS CYCLES AND STOCK RETURNS IN KOREA AND JAPAN: INTERPRETING THE KOREAN EVIDENCE

David Deok Ki Kim
University of Sydney

"We have fundamentals still in place"  
Mr. Kang Kyong Shik, a former Minister for Finance and Economy in Korea, 1997

1. Introduction

Economists have long been interested in the relationship between real economic activity and the financial markets. But, this long-held line of inquiry has not yielded any definitive answers to conventional questions such as "Has the stock market crash caused the recent recession?"

Numerous studies tried to find the link between the two sides of the economy empirically or theoretically. While it was Fisher (1907) who originally noted the link between the financial market variables and real economy, many authors have been interested in this ongoing research area in recent years. Some of these studies are, for example, Stock and Watson (1989), Harvey (1989), Bernanke (1990), Chen (1991), Estrella and Hoardouvelis (1991), Hu (1993), and Plosser and Rouwenhorst (1994), for the United States, and Lowe (1992) and Kim (1998) for Australia.

Another line of study that has received as much attention during the last 10 years was to find the stylised facts of an economy over business cycles and growth, in the spirit of Kaldor (1956). Since the initial contribution by Hodrick and Prescott (1997), a number of studies attempted to empirically document these stylised facts, mostly, the US and European developed economies. For the East Asian economies, Kim and Choi (1997) document stylised features in Korea and Kim (1999) presents some evidence on empirical properties of South East Asian business cycles.

Turning to the financial markets, it has been regarded as a puzzle in the asset-pricing literature that, in the developed economies, the excess returns from stock exceed returns from relatively riskless assets to a significant extent, which is hard to be reconciled with the standard Arrow-Debreu equilibrium model. This has been a robust phenomenon in international data and attracted a considerable amount of theoretical research for an explanation.

This paper explores the two kinds of empirics; that is, the stylised facts of business cycles and the equity premium puzzle in the context of Korea and Japan. In presenting business cycle facts, we adopt the definition suggested by Lucas (1977) and the empirical methodology proposed by Hodrick and Prescott (1997). In investigating the existence of the equity premium puzzle, we use the theory pioneered by Merton (1963) and the methodology proposed by John Campbell (1997) are used, both of which are based on the intertemporal consumption based asset-pricing model (C-ICAPM).

In the sections that follow, this paper discusses each of these empirical issues for Korea, and then will be compared with the evidence for Japan. Choosing Japan as a country to be compared is due to a high level of financial and trade interdependency between two countries as well as similar industrial composition. The similarities and dissimilarities will be outlined in the historical properties of both business cycles and stock returns.

* Department of Economics, The University of Sydney NSW 2006 Australia E-mail: David.kim@econ.usyd.edu.au. I wish to thank Dr. Lance Fisher, Dr. Glenn Otto, and Dr. Graham Voss for their insightful and constructive comments at an informal seminar at the University of NSW in 1998. I am also very grateful to Dr. Chung-Sok Suh for his encouragement and generous consideration. I acknowledge Professor John Campbell for sharing his data appendix. I am grateful to the University of NSW for financial assistance in obtaining the data. All remaining errors are my own.
2. Historical Overview

It would be important to begin by briefly discussing the historical background of the Korean stock market. Korean stock market is often classified as an emerging market according to the International Finance Corporation, a subsidiary of the World Bank. However, recent studies suggest that Korea fails to qualify as an emerging market with per capita GDP in excess of US$5,000 in 1990 [see Bekaert and Harvey (1995)]. Other researchers such as Goetzmann and Jorion (1997) argue that Korea is rather a re-emerging market as Korea’s history in stock market goes back to 1943 at times which was established largely to finance the wartime economy under the Japanese colonial regime.

The Bank of Korea outlines its history as follows.

"It was abolished in 1946 and was formerly institutionalised in 1956 with only 12 companies and 3 government bonds listed. The shares started to be traded actively since 1962 but due to institutional deficiencies, the stock prices were frequently subject to manipulations by a few investors. It was not until 1974 when there were significant institutional improvements that participation of ordinary investors by licensing the establishment of securities and mutual fund companies was facilitated. As of December 1996, 760 stocks were listed and total market capitalization was well in excess of US$138 billion." [The Bank of Korea (1998)]

In terms of market capitalization and the liquidity it is the third largest emerging market and the 15th largest market in the world as of 1996. While there is some evidence that this market has become integrated with the rest of the world since 1981, it was not until 1992 that foreign investors could have direct access, although limited, to the Korean market. The initial 10% ceiling in 1992 that limited foreign ownership were subsequently raised to 25% for 10% of the market capitalization. This has been raised further recently to 50% and has fully opened to foreign capital inflows since July 1998 as part of the government’s commitment under the IMF program. However, it would probably be correct to say that the market was segmented from the rest of the world, for most of the sample period of this study spanning 1975-1996.

3. Equity Premium Puzzle: Theoretical Background

In this section, the asset pricing theory underlying the equity premium puzzle is briefly outlined. This theory is then used to compute the excess equity returns over bills.

Suppose a representative agent maximizes a time-separable power utility which increases with consumption

$$\max \sum_{j=0}^{\infty} \delta^j \frac{C_{t+j}^{1-\gamma}}{1-\gamma},$$

subject to an intertemporal budget constraint.

Solving this intertemporal problem yields the following bond pricing formula:

$$1 = E_t[(1 + R_{i,t+1}) \delta (C_{t+1}/C_t)\gamma] \tag{1}$$

Note that $E_t$ is the expectation conditional on information available at time $t$, $R_i$ is the yield on a one-period bond $i$, $C$ is the consumption, $\gamma$ is the coefficient of relative risk aversion, and $\delta$ is the subjective rate of time preference. The joint conditional distribution of asset returns and consumption is assumed to be lognormal and homoskedastic.

It can be shown [see Campbell (1996) for derivation] that the log risk premium is defined as

$$E_t[r_{i,t+1} - r_{f,t+1}] + \sigma_i^2 / 2 = \gamma \sigma_{ic} \tag{2}$$
where \( r \) is the log gross real return, \( \log (1 + R) \), on a risky asset \( i \) and a riskless asset \( f \), and \( \sigma_i^2 / 2 \) is a Jensen’s inequality adjustment.

Rewriting the equation, to remove the adjustment term, we get

\[
\log E_t\left[\left(1 + R_{i,t+1}\right) / \left(1 + R_{f,t+1}\right)\right] = \gamma \sigma_{ic}
\]  

This implies that the log risk premium can be determined by the coefficient of relative risk aversion (RRA) times covariance with consumption growth. This equation provides the theoretical basis for computing the excess return.

4. Data and Methodology

A. Business Cycles

The data set used in this study covers a broad spectrum of macroeconomic time series for Korea and Japan including financial and monetary variables: GDP, consumption (C), investment (I), government consumption (G), labour productivity, employment, the price level, financial markets indicators, and monetary aggregates. All data are quarterly, and taken from the following sources: International Financial Statistics (IFS) on CD-ROM, the Bank of Korea, National Statistical Office (NSO) of Korea, and the Main Economic Indicators (MEI) published by the OECD.

Data for output, consumption, government spending and investment are all expressed in real terms by the GDP deflator. The deflated variables are then transformed into natural logarithms.

While there is no universal definition\(^1\) of “business cycles”, the following decomposition is not rare:

\[
y_t = \tau_t + \epsilon_t + e_t,
\]

where a series for output, \( y \), can be decomposed into “trend” (\( \tau \)), “cyclical” (\( \epsilon \)), and “noise” (\( e \)).

Therefore, in representing business cycles facts, one needs to remove the trend component (\( \tau \)) from the data. A widely adopted procedure in business cycle studies is to use the Hodrick-Prescott (HP) filter, due to Hodrick and Prescott (1997), to extract the “business cycle” or “cyclical components” from the data. This filter is consistent with the business cycle definitions characterised by Lucas (1977).\(^2\) The business cycle components obtained after filtering indicate fluctuations about the growth path with a frequency of 3 - 5 years [see Cooley and Prescott (1995)].

B. Equity Premium

The data used in this section are taken from the following sources: the Emerging Markets Data Base (EMDB) on CD-ROM published by the International Finance Corporation (IFC), Morgan Stanley Capital International (MSCI), and the Korean Stock Exchange (KSE). The measures of stock prices, dividends, and yields are defined and transformed in the following way.

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\(^1\) There are two broad definitions of business cycles: classical cycle and growth cycle. To qualify for the classical cycles, there should be absolute decline in the level of output for at least two consecutive quarters, for example, see Burns and Mitchell (1946). Growth cycle does not require an absolute decline in output but a decline below growth or trend path. For many East Asian countries in which persistent and high growths were a norm, growth cycles would be more of interest to policy makers and business firms. However, the recent financial crisis in Korea resulted in absolute declines in the level of output, hence being a classical recession.

\(^2\) The HP Filter is consistent with the “growth cycles”, not the classical cycles.
1) Stock Return

Korea:
Stock returns defined here are gross returns measured in local currency units. Two measures of stock returns are used. The first is to use the total return index taken from the IFC EMDB. IFC EMDB computes stock price and total return indices both in local and US currencies in emerging markets for international investors. The data on total return index in local currency (TRLC) will be used for analysis.

IFC Global Index in which TRLC is a subset covers 70-75% of total exchange market capitalization and adjusted for corporate cross-holding and government ownership but does not take foreign investment restrictions into account.³

The annualized percentage gross stock return can then be computed as follows.⁴

\[ SRI = \left( \frac{TRLC_t - TRLC_{t-1}}{TRLC_{t-1}} \right) \times 400 \] for arithmetic return. (4)

\[ SRI' = \left( \ln TRLC_t - \ln TRLC_{t-1} \right) \times 400 \] for geometric return. (4')

An alternative measure of total stock return is to compute the ex post return as

\[ SR2 = \left( P_{t+1} + D_t - P_t \right) / P_t \] (5)

as used for annual data in Mehra and Prescott (1985).

Implementing this method using quarterly data requires a slight modification.

For stock prices, KOSPI is used which is a market value weighted Laspeyres index for all of listed common stocks. Unlike the IFC Global Index, this is the most comprehensive measure and works as a benchmark for local investors, although this data is likely to be more noisy.

To compute the ex post annualized percentage return, the following formula is used:

\[ SR3 = \left( \frac{KOSPI_{t+1} + DYMA_t - KOSPI_t}{KOSPI_t} \right) \times 400 \] (5')

where \( DYMA_t = \left[ \sum_{j=0}^{3} \frac{DY_{t-j}}{4} / 4 \right] / 4 \), a moving average of quarterly data on dividend yields (DY), assuming the dividend growth rate is constant within a year.

Japan:
Stock returns on Japanese shares are computed using the MSCI gross return index. Many researchers use the MSCI data in analyzing the equity markets in developed countries. [for example, Harvey (1995), Campbell (1997)]. To compute the stock returns for Japan, the above methods (4) and (4') are used.

2) Bill Returns

The best proxy for the short-term riskless return would be the 3 month or 90 day treasury bills or notes. Unfortunately, these short-term debt instruments are not well traded in Japan and Korea although the long-term bonds are readily available.

To qualify as a proxy for these, it should satisfy two things. First, it should be relatively default free, and secondly, it should generate a reasonable rate of return.

³ The methodology is quite similar to that of Morgan Stanley's MSCI (see The IFC Indexes: Methodology, Definitions, and Practices, 1997).
⁴ Note that the geometric mean will always be less than or equal to the arithmetic mean. [see, for example, Bekaert and Harvey (1995), Harvey (1994), Goetzman and Jorion (1997)]
For Korea, the short-term money market rate included in the International Financial Statistics (IFS) is used to represent the returns on short-term debt instruments. Commercial Paper (CP) (91 days) are widely traded and were initially considered but was ruled out due to its higher risk structure and much smaller sample period. The data period for the money market rate used is 1976:4 – 1996:4.

For Japan, the rate on the lending rate on short-term loans and collateral is used to represent the return on short-term debt instruments. The data period used is 1970:1 – 1996:4. For the notations used in this paper and details on computation, see the Appendix at the end of the paper.

5. Interpreting the Evidence

A. Business Cycles

Tables 1 and 2 show the cyclical properties of the major economic variables in Korea and Japan. Business cycle characteristics of the data are found by means of computing the estimates of the ‘variability’, measured by the standard deviation or variance, ‘co-movement’ measured by the contemporaneous correlations and ‘cyclical nature’ measured by the cross correlations with output.

A widely documented feature in the business cycle study for developed economies is that consumption is smooth and pro-cyclical while investment is very volatile and strongly pro-cyclical. The standard deviations of the nondurable consumption in both Korea and Japan are less than those of output, and the contemporaneous correlations with output are all positive. Investment is much more volatile than output while showing strongly positive contemporaneous relationship with the output. This confirms the findings documented in previous work for other industrialised countries.

Government consumption appears to be country specific. It is weakly positively correlated in Japan while a weakly negative relationship is found for Korea. Considering that it is acyclical in the US and weakly negatively correlated in Australia, one cannot get a stylised finding on this. Employment appears to be pro-cyclical as expected a priori. However, the degree of volatility differs across countries. A consistent finding in work for the industrialised countries is that employment responds with a slight lag. Korean data on employment is an outlier in the sense that it fluctuates as much as output while the opposite is true for other countries. There is no consistency in the cyclical properties of the wage. Wage appears to be negatively correlated with the future output in both Korea and Japan. While wage is acyclical in most developed countries, it appears to be counter-cyclical in Korea since the 1980s, although it is pro-cyclical over the full sample.

The cross correlations of output with other variables are useful in identifying leading, coincident, and lagging indicators of business cycles. For Korea, stock price, export, capacity utilisation, M2, real interest rate, price of imports, and the level of exports appear to be leading the cycles. This indicates that the Korean economy has been largely dependent on export over the decades. In particular, stock price is a very persistent indicator of future output level at forecasting horizons exceeding 6 quarters. This is extraordinary as the stock price fails to predict future output level exceeding 4 quarters from today in other countries studied [see Harvey (1989) and Harvey (1993), for example]. Coincident indicators in Korea are consumption, investment, employment, labour productivity, and wage rate while import and construction investment appear to be lagging the cycles.

For Japan, stock price, exchange rate, and M2 are the main leading indicators. The Yen/$ rate is leading the cycle in Japan by 2-6 quarters, which implies, the cyclical nature of output in Japan has been largely affected by this bilateral exchange rate. What distinguishes the Japanese leading indicators from those of Korea is that the information contained in the stock price cannot predict the future output level 4 quarters ahead, a finding also found for most developed economies.

Overall, except for the labour market evidence, the business cycle statistics for Korea appear to be broadly consistent with the findings for Japan, the US, and Australia.
B. Stock Market

Table 3 reports the market capitalisation in Korea and Japan. According to the IFC Global index in 1996, the market capitalisation in Korea is 79% as a percentage of GDP and US$ 73 billion. The market capitalisation in Japan, however, was well in excess of US$ 1650 billion in 1993. In terms of market capitalisation, Korea is less than one twentieth of that in Japan even under the conservative assumption that the market capitalisation in Japan has not grown since 1993.

Table 4 reports average stock returns in Korea and Japan for the period to 1996:4. For the full sample, the average return is higher in Korea but when one considers a return in the post 1980 period, the Japanese stock return appears to be slightly higher than the Korean one. Volatility measured by the standard deviations also indicates that the Korean stock returns are more volatile. The level of persistence in stock returns is captured by the first order autocorrelation coefficient. By this measure, Japanese stock returns appear to be more persistent. The high volatility and low autocorrelation imply that predicting stock returns in Korea is a very difficult exercise.

Turning to the bill returns in Korea and Japan, Table 5 reports that average bill returns in Korea are very high, 2-3 times those of Japan. These returns are ex post nominal returns in which the inflationary expectations were realised, implying higher expectation of the changes in price level in Korea.

Table 6 provides summary statistics on consumption and dividend in Korea and Japan. The average consumption growth in Korea is almost twice that of Japan, and in particular, the consumption growth in Korea is positively correlated with dividend growth while these features are not observed in the Japanese data. This implies that consumption data contains some useful information that can be used to forecast dividend growth in Korea.

Table 7 reveals what the data say about the equity premium puzzle in Korea and Japan. The table reports the average excess log return on stock over bills, standard deviations of the excess log return and consumption growth, the correlation and covariance of the excess log return and consumption growth, and also estimates of the relative risk aversion coefficient.

The estimate of equity premium in Korea is much lower than that in Japan while the volatility is higher. Not only is the volatility of stock returns higher in Korea but the volatility of consumption is also high. This implies that risks implicit in holding the stock in Korea is higher than in Japan but the reward for these risk borne by the stock market investors is low in Korea. Moreover, consumption pattern in Korea appears to be susceptible to shocks that may hit the economy. This has an important welfare implication of short-term economic fluctuations as this can lead to erratic reactions in consumption without a room for gradual consumption adjustment.

At any point in time, however, the correlation of consumption and excess return is low. This is interesting, as in Table 6, the consumption growth is positively correlated with the growth in dividend yields. This implies that short-term consumption decisions are not affected by the excess returns on stocks. A plausible interpretation is that economic agents face a high degree of risk in the market, in which environment the economic agents are reluctant to materialise any short-term capital gain from holding stock into increased consumption.

What is however puzzling is that despite such risk perceptions held by investors in Korea, the excess return over bills is surprisingly low. This can be partially answered by computing the relative risk aversion coefficients implied in the asset-pricing model. Two risk aversion coefficients are computed. The estimate of RRA\(^1\) reported in Table 7 indicates that investors in the stock market in Korea are risk seeking. This behaviour is not significantly altered even if the risk aversion coefficient is re-computed assuming a perfect correlation between the stock return and consumption growth. The RRA\(^2\) computed in this manner is 2.71 for the entire sample and 2.55 for the later sample period. As these estimates are point estimates, allowing for standard errors of estimates it would be difficult to reject the hypothesis that the true risk aversion coefficient is close to zero.

Campbell (1998) examined 11 industrialised countries to see whether or not the equity premium puzzle is a robust international phenomenon. None of the countries Campbell examined shows a feature of very low
excess return and negative risk aversion simultaneously. Korea would have been an outlier if included among this group of industrialised countries in Campbell (1998).

Another possible interpretation is that there had been some economic catastrophe that depressed, if not destroyed, almost all stock market value, which is very much unlikely in reality. In the industrialised countries, a good example of this catastrophe that was a disaster for stockholders but did not adversely affect holders of short-term debt instruments is the Great Depression. For the peso problem to be a plausible candidate as an explanation for the Korean evidence, a sequence of the catastrophes must have occurred almost continuously over the last two decades, which is hardly convincing. Although the peso problem can be inherent in historical economic and financial data such as exchange rates, there is no reason to believe that the peso problem is a problem only found in Korea. Hence the peso problem per se is very unlikely to be considered an explanation for the Korean evidence.

Moreover, this could mean that the stock market and the market for short-term debt instruments are viewed differently by both market participants and investors. One can relate this concept to the risk seeking behaviour of the Korean financial investors. But the remaining puzzle is the implication that while taking a risk in the short-term money market is highly rewarded, taking a higher level of risk in the organised exchange is not adequately compensated. That is, both financial investors and borrowers in Korea seem to show a very strong preference for hoarding short-term debt instrument or money market over stock market. This explanation of market segregation is important, as one needs to look into the institutional as well as the market structure to provide a plausible theoretical explanation for this kind of behaviour.

There is much work to be done in order to properly model the financial returns in Korea and this would require careful modelling of institutional regimes and microeconomic behaviour of market participants, which would be ongoing research project.

6. Concluding Remarks

A variety of symptoms can foreshadow economically difficult times ahead. It is often difficult to distinguish symptoms of short-term nature from those of long-term. While a country can enjoy high growth coupled with strong productivity growth, a country can be subjected to a serious economic instability if abnormal and persistent characteristics in the financial markets are long left ignored, no matter how it might appear to be unrelated to the ‘economic fundamentals’ to the eyes of the policy makers.

This paper attempted to document some historical properties of business cycles and stock returns in Korea and Japan using selected time series data. Throughout this paper, a dichotomy of ‘fundamentals’ versus ‘non-fundamentals’ is implicitly maintained as this paper does not attempt to provide a theoretical linkage between the real activity and financial markets.

Some stylised facts were presented in relation to the cyclical behaviour of macroeconomic time series in both Korea and Japan. These facts were then compared with those found in the work for other industrialised countries. What distinguishes Korea from other countries such as Japan and other industrialised countries in terms of the characteristics of the historical data is the behaviour of equity returns over the comparable bill returns.

While the phenomenon of high equity premium over bill returns has been termed a ‘puzzle’ by theoretical economists, this phenomenon has appeared to be a robust ‘normal’ feature in the international financial data. This has been at least a feature of markets in the industrialised countries. The Korean data, however, reveal quite the opposite. The real return of the bills has often outperformed that of the equity, contradicting the conventional wisdom and anecdotes found in finance. This paper provides some interpretations and implications of the Korean evidence in financial returns. Peso problem, risky attitude, and market segregation are considered as possible explanations.

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5 A peso problem is basically a sample problem due to infrequent important events such as war and regime breakdown or shifts.
While explaining this 'puzzling' phenomenon using a theoretical model should be left for future research, a feasible starting point in this line of research would be to consider the market segregation from a microstructural perspective.\textsuperscript{6}

This paper provides a preliminary but empirical basis for interpreting the empirical evidence in connection with the recent financial crisis in Korea. Empirically examining the asset market along with business cycle properties yields very important welfare implications of macroeconomic fluctuations.

In an economic environment, where consumption growth is strong but not stable, and heavy preference towards short-term money market is prevalent, any external shock to the economy is almost certain to have a serious welfare cost of short-term fluctuations.

This paper concludes with an interpretation that this may have been a long-held but largely ignored symptom that could lead to serious economic instability such as the recent financial crisis experienced by Korea. This is an important welfare implication that policymakers should take into account when policy tradeoffs between growth and macroeconomic stability lie ahead.

\textsuperscript{6} I am grateful to Dr. Graham Voss and Dr. Lance Fisher for pointing out this research implication.
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<th>-2</th>
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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<td>-0.15</td>
<td>-0.21</td>
<td>-0.38</td>
<td>-0.52</td>
<td>-0.29</td>
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<td>-0.35</td>
<td>-0.37</td>
<td>-0.03</td>
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</tr>
<tr>
<td>Export Price</td>
<td>75:1 -</td>
<td>4.99</td>
<td>-0.22</td>
<td>-0.19</td>
<td>-0.18</td>
<td>-0.19</td>
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<td>0.21</td>
<td>0.21</td>
<td>0.19</td>
</tr>
<tr>
<td>Import Price</td>
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<td>-0.03</td>
<td>0.10</td>
<td>0.16</td>
<td>0.26</td>
<td>0.29</td>
</tr>
<tr>
<td>Exchange Rate (Won/$)</td>
<td>75:1 -</td>
<td>5.01</td>
<td>0.05</td>
<td>0.03</td>
<td>0.03</td>
<td>-0.23</td>
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<td>-0.46</td>
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<td>-0.23</td>
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<td>-0.14</td>
<td>-0.14</td>
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<tr>
<td>Money Supply (M2)</td>
<td>75:1 -</td>
<td>2.73</td>
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<td>0.10</td>
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<td>0.02</td>
<td>-0.01</td>
<td>-0.03</td>
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Table 2: Descriptive Statistics for Cyclical Components of Quarterly Series for Japan, 1960 – 1996

<table>
<thead>
<tr>
<th>Series</th>
<th>Sample</th>
<th>Std.Dev</th>
<th>-6</th>
<th>-5</th>
<th>-4</th>
<th>-3</th>
<th>-2</th>
<th>-1</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>60:1</td>
<td>1.70</td>
<td>-0.19</td>
<td>-0.01</td>
<td>0.09</td>
<td>0.29</td>
<td>0.50</td>
<td>0.72</td>
<td>1.00</td>
<td>0.72</td>
<td>0.50</td>
<td>0.29</td>
<td>0.09</td>
<td>-0.06</td>
<td>-0.19</td>
</tr>
<tr>
<td>C (Nondurable)</td>
<td>60:1</td>
<td>1.27</td>
<td>-0.19</td>
<td>-0.16</td>
<td>-0.07</td>
<td>0.07</td>
<td>0.15</td>
<td>0.24</td>
<td>0.40</td>
<td>0.32</td>
<td>0.31</td>
<td>0.27</td>
<td>0.16</td>
<td>0.10</td>
<td>0.05</td>
</tr>
<tr>
<td>C (Durable)</td>
<td>60:1</td>
<td>2.25</td>
<td>-0.21</td>
<td>-0.15</td>
<td>-0.07</td>
<td>0.07</td>
<td>0.11</td>
<td>0.23</td>
<td>0.36</td>
<td>0.38</td>
<td>0.29</td>
<td>0.22</td>
<td>0.19</td>
<td>0.15</td>
<td>0.02</td>
</tr>
<tr>
<td>I (Fixed Private)</td>
<td>60:1</td>
<td>3.63</td>
<td>-0.16</td>
<td>-0.10</td>
<td>0.01</td>
<td>0.16</td>
<td>0.31</td>
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<td>0.37</td>
<td>0.24</td>
<td>0.08</td>
<td>-0.01</td>
</tr>
<tr>
<td>I (Eq't &amp; Mach'y)</td>
<td>60:1</td>
<td>6.12</td>
<td>-0.07</td>
<td>-0.03</td>
<td>0.04</td>
<td>0.13</td>
<td>0.26</td>
<td>0.38</td>
<td>0.50</td>
<td>0.50</td>
<td>0.47</td>
<td>0.37</td>
<td>0.22</td>
<td>0.07</td>
<td>-0.05</td>
</tr>
<tr>
<td>I (Nonres. buildings)</td>
<td>60:1</td>
<td>5.97</td>
<td>-0.05</td>
<td>-0.05</td>
<td>0.01</td>
<td>0.13</td>
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<td>0.29</td>
<td>0.21</td>
<td>0.11</td>
<td>0.07</td>
<td>-0.02</td>
<td>-0.12</td>
<td>-0.14</td>
</tr>
<tr>
<td>Inventory</td>
<td>60:1</td>
<td>6.10</td>
<td>-0.13</td>
<td>-0.13</td>
<td>-0.06</td>
<td>0.05</td>
<td>0.21</td>
<td>0.36</td>
<td>0.47</td>
<td>0.47</td>
<td>0.43</td>
<td>0.32</td>
<td>0.17</td>
<td>0.02</td>
<td>-0.11</td>
</tr>
<tr>
<td>G (G.consumption)</td>
<td>60:1</td>
<td>1.26</td>
<td>0.10</td>
<td>0.10</td>
<td>0.15</td>
<td>0.13</td>
<td>0.09</td>
<td>0.07</td>
<td>0.05</td>
<td>-0.03</td>
<td>-0.04</td>
<td>-0.11</td>
<td>-0.18</td>
<td>-0.15</td>
<td>-0.10</td>
</tr>
<tr>
<td>Employment</td>
<td>60:1</td>
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<td>-0.10</td>
<td>-0.06</td>
<td>-0.01</td>
<td>0.15</td>
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<td>0.21</td>
<td>0.26</td>
<td>0.24</td>
<td>0.17</td>
<td>0.07</td>
<td>0.02</td>
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<tr>
<td>Wage</td>
<td>60:1</td>
<td>2.04</td>
<td>0.01</td>
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<td>-0.04</td>
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<td>-0.06</td>
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<td>0.01</td>
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<td>0.09</td>
<td>0.06</td>
<td>0.05</td>
<td>0.02</td>
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<tr>
<td>Hours worked</td>
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<td>0.12</td>
<td>0.18</td>
<td>0.25</td>
<td>0.33</td>
<td>0.38</td>
<td>0.37</td>
<td>0.38</td>
<td>0.23</td>
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<td>-0.04</td>
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<td>-0.30</td>
</tr>
<tr>
<td>Labour productivity</td>
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<td>-0.28</td>
<td>-0.19</td>
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<td>0.08</td>
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<td>0.77</td>
<td>0.58</td>
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<td>0.19</td>
<td>0.13</td>
<td>0.01</td>
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<tr>
<td>Export</td>
<td>60:1</td>
<td>7.60</td>
<td>0.14</td>
<td>0.14</td>
<td>0.10</td>
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<td>0.04</td>
<td>-0.04</td>
<td>-0.09</td>
<td>-0.13</td>
<td>-0.11</td>
<td>-0.08</td>
<td>-0.02</td>
<td>0.03</td>
<td>0.04</td>
</tr>
<tr>
<td>Import</td>
<td>60:1</td>
<td>11.94</td>
<td>0.07</td>
<td>0.08</td>
<td>0.06</td>
<td>0.05</td>
<td>0.05</td>
<td>0.00</td>
<td>-0.04</td>
<td>-0.07</td>
<td>-0.07</td>
<td>-0.06</td>
<td>-0.04</td>
<td>-0.02</td>
<td>-0.01</td>
</tr>
<tr>
<td>Stock Prices</td>
<td>60:1</td>
<td>11.34</td>
<td>-0.01</td>
<td>0.07</td>
<td>0.12</td>
<td>0.18</td>
<td>0.24</td>
<td>0.25</td>
<td>0.18</td>
<td>0.09</td>
<td>-0.02</td>
<td>-0.11</td>
<td>-0.19</td>
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<td>-0.19</td>
</tr>
<tr>
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<td>-0.10</td>
<td>-0.03</td>
<td>0.00</td>
<td>0.04</td>
<td>0.01</td>
<td>-0.02</td>
</tr>
<tr>
<td>Export Prices</td>
<td>60:1</td>
<td>5.32</td>
<td>0.06</td>
<td>0.03</td>
<td>-0.03</td>
<td>-0.07</td>
<td>-0.10</td>
<td>-0.15</td>
<td>-0.19</td>
<td>-0.18</td>
<td>-0.12</td>
<td>-0.06</td>
<td>0.04</td>
<td>0.11</td>
<td>0.13</td>
</tr>
<tr>
<td>Import Prices</td>
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<td>11.21</td>
<td>0.14</td>
<td>0.13</td>
<td>0.10</td>
<td>0.06</td>
<td>0.01</td>
<td>-0.08</td>
<td>-0.17</td>
<td>-0.22</td>
<td>-0.24</td>
<td>-0.23</td>
<td>-0.17</td>
<td>-0.07</td>
<td>0.00</td>
</tr>
<tr>
<td>Exchange Rate (¥/$)</td>
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<td>0.23</td>
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<td>0.00</td>
<td>-0.03</td>
<td>-0.04</td>
<td>-0.05</td>
<td>-0.02</td>
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<td>0.04</td>
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<tr>
<td>M2 + CD</td>
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<td>0.00</td>
<td>0.08</td>
<td>0.16</td>
<td>0.21</td>
<td>0.20</td>
<td>0.17</td>
<td>0.13</td>
<td>0.08</td>
<td>0.04</td>
<td>0.02</td>
<td>0.03</td>
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</table>
Table 3. Market Capitalisation relative to GDP for Korea and Japan

<table>
<thead>
<tr>
<th>Country</th>
<th>Index source</th>
<th>Date</th>
<th>Market Cap. (V_i) (Bill. of US$)</th>
<th>V_i/GDP_i (%)</th>
<th>No. of Firms in the index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>IFC Global</td>
<td>1996</td>
<td>73.1</td>
<td>79.1</td>
<td>162</td>
</tr>
<tr>
<td>Japan</td>
<td>MSCI</td>
<td>1993</td>
<td>1652</td>
<td>39.7</td>
<td>N/A</td>
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* Note: The market capitalization reported here is only for those stocks included in the indices which would include between 60 – 75% of the total market capitalization.

Table 4. Summary Statistics for Stock Returns in Korea and Japan through to 1996:4

<table>
<thead>
<tr>
<th>Country</th>
<th>Sample</th>
<th>Annualized Mean (%)</th>
<th>Annualized Std.Dev (%)</th>
<th>Autocorr.</th>
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<tr>
<td></td>
<td></td>
<td>arithmetic</td>
<td>geometric</td>
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<tr>
<td></td>
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<td>0.20</td>
</tr>
<tr>
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<td>76:1</td>
<td>15.53</td>
<td>12.18</td>
<td>0.19</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>16.65</td>
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<td>0.36</td>
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<td></td>
<td></td>
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<td>13.27</td>
<td>0.33</td>
</tr>
<tr>
<td>Japan</td>
<td>70:1</td>
<td>15.57</td>
<td>13.27</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>15.57</td>
<td>13.27</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Table 5. Summary Statistics for Bill Returns in Korea and Japan through to 1996:4

<table>
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<th>Country</th>
<th>Sample</th>
<th>Mean (%)</th>
<th>Std.Dev (%)</th>
<th>Autocorr.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>76:4</td>
<td>6.94</td>
<td>6.78</td>
<td>-0.15</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>6.52</td>
<td>3.28</td>
<td>0.07</td>
</tr>
<tr>
<td>Japan</td>
<td>70:1</td>
<td>3.66</td>
<td>2.28</td>
<td>-0.16</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>2.94</td>
<td>1.46</td>
<td>-0.12</td>
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</table>

Table 6. Summary Statistics for Consumption and Dividend growth in Korea and Japan

<table>
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<tr>
<th>Country</th>
<th>Sample</th>
<th>Consumption (Δc)</th>
<th>Dividend (Δd)</th>
<th>Corr (Δc, Δd)</th>
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</thead>
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<tr>
<td></td>
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<td>Mean S.D. p1</td>
<td>Mean S.D. p1</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>6.94 6.78 -0.15</td>
<td>-10.15 32.29 -0.02</td>
<td>0.15</td>
</tr>
<tr>
<td>Korea</td>
<td>76:1</td>
<td>6.52 3.28 0.07</td>
<td>-14.62 32.38 0.00</td>
<td>0.20</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>3.66 2.28 -0.16</td>
<td>-5.00 20.52 0.27</td>
<td>-0.16</td>
</tr>
<tr>
<td>Japan</td>
<td>70:1</td>
<td>2.94 1.46 -0.12</td>
<td>-4.12 22.20 0.24</td>
<td>-0.09</td>
</tr>
<tr>
<td></td>
<td>80:1</td>
<td>2.94 1.46 -0.12</td>
<td>-4.12 22.20 0.24</td>
<td>-0.09</td>
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</tbody>
</table>

Table 7. The Equity Premium Puzzle in the Korean and Japanese data through to 1996.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sample</th>
<th>μ(er)</th>
<th>σ(er)</th>
<th>σ(Δc)</th>
<th>p(μ, Δc)</th>
<th>cov(μ, Δc)</th>
<th>RRA 1</th>
<th>RRA 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>76:4</td>
<td>3.72</td>
<td>25.84</td>
<td>5.32</td>
<td>-0.034</td>
<td>-4.61</td>
<td>-80.78</td>
<td>2.71</td>
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<tr>
<td></td>
<td>80:1</td>
<td>2.11</td>
<td>25.22</td>
<td>3.28</td>
<td>-0.095</td>
<td>-7.87</td>
<td>-26.79</td>
<td>2.55</td>
</tr>
<tr>
<td>Japan*</td>
<td>70:2</td>
<td>2.11</td>
<td>25.22</td>
<td>3.28</td>
<td>-0.095</td>
<td>-7.87</td>
<td>-26.79</td>
<td>2.55</td>
</tr>
</tbody>
</table>

*Note: The estimates for the Japanese data are taken from Campbell (1998), which covers the sample period 1970:2 – 1996:2. The data period for Korea runs through December 1996.
Appendix

1. Filtering the data for business cycle analysis.

To extract the business cycle components from the time series data, the data filtering method suggested by Hodrick and Prescott (1980, 1997) is used. The HP-filter is based on the following programming problem:

\[
\min_{\{c_t\}} \left\{ \sum_{t=1}^{T} c_t^2 + \lambda \sum_{t=2}^{T-1} \left[ (g_{t+1} - g_t) - (g_{t-1} - g_{t-2}) \right]^2 \right\}
\]

where the cyclical or "business cycle" component \( \{c_t\} \) of a log time series \( \{y_t\} \) is defined as deviations from the growth component \( \{g_t\} \): \( c_t = y_t - g_t \). The value for the smoothing parameter, \( \lambda \), is set at 1600, which is well accepted for quarterly data series.

2. Computing the equity premium: Notes for Table 7.

The average excess log return is the left-hand side of equation (3) multiplied by 400 to express it in annualised percentage point. Annualised standard deviation of the excess log stock return can then be computed by multiplying the quarterly return by 200.

The notations and computation details are as below.

The average excess log return on stock over bills adjusted for the variance of this excess return is

\[
\mu(\text{er}) = \left[ \bar{r}_i - \bar{r}_f + \sigma^2 (\bar{r}_i - \bar{r}_f) / 2 \right] \times 400
\]

where
- \( \bar{r}_i \) = the log return on stock \( = \log (1 + R_i) \)
- \( \bar{r}_f \) = the log return on bills \( = \log (1 + R_f) \)
- \( \sigma \) = the variance of the excess return, \( \bar{r}_i - \bar{r}_f \).

Also, the following notations are used in the tables.

- \( \sigma(\text{er}) \) = the standard deviation of the excess return.
- \( \sigma(\Delta c) \) = the standard deviation of the log real consumption growth rate, times 200 in quarterly data.
- \( \rho(\text{er}, \Delta c) \) = Correlation between the excess log stock return and consumption growth.
- \( \text{Cov}(\text{er}, \Delta c) \) = Covariance between the log stock return and consumption growth: \( \sigma(\text{er}) \times \sigma(\Delta c) \times \rho(\text{er}, \Delta c) \).

Relative risk aversion (RRA) coefficients are computed as follows.

\[
\text{RRA}_1 = 100 \times \frac{\mu(\text{er})}{\text{Cov}(\text{er}, \Delta c)}, \text{ a measure of risk aversion computed from equation (3)}.
\]

\[
\text{RRA}_2 = 100 \times \frac{\mu(\text{er})}{\sigma(\text{er}) \times \sigma(\Delta c)}, \text{ a measure of risk aversion computed assuming perfect correlation between stock returns and consumption growth [see Mehra and Prescott (1985)]}.
\]
References


Fisher, I. (1907), The Rate of Interest, New York, Macmillan.


THE CHANGING WEIGHT OF FDI IN KOREA:
THE AUSTRALIAN ROLE UNDER THE ECOTECH AGENDA

Hyung-Min Kim
Monash University

1. INTRODUCTION

International trade has served the world economy in many profitable ways. Many of the economies in the world have enjoyed rapidly increasing economic growth through promoting trade activities and developing more extensive trade patterns. However, the world economic order has seen the prevailing new tendency, 'regionalism', which 'discriminates' in favour of intra-regionally-driven members and against non-members. In the Asia-Pacific region, realising that discriminatory regionalism is a main cause of reduction in global welfare, the economies in the region came to develop the idea of forming Asia-Pacific Economic Cooperation (APEC), with its ultimate goal of strengthening the GATT-based (now, WTO) multilateral trading system, and establishing an open and free environment for trade and investment in the region. Since the successful inaugural meeting of APEC in 1989, the process to achieve the goal has been accelerated, with productive outcomes providing further impetus to the process.

In contrast to the progress of the APEC process over time, increasing concern over the uncertainty of the success of the process has remained at the same time. A major cause of the concern, economic diversity among the member economies, has led them to realise the significance of reducing the economic and technological gap, and to create the so-called 'Ecotech agenda' to promote more extensive cooperation. In this context, promotion of technological flows in the region is one of the main areas of the agenda. However, due to the economic diversity, it is necessary to develop a new channel to maximise potential gains for both developed and developing economies. One possible alternative can be 'exchange of technology transfer'.

The evolution of APEC has seen the acceleration of bilateral economic relationship between member economies. One significant relationship which has been emerged is bilateral economic ties between the Republic of Korea (hereafter, Korea) and Australia. These two active member economies have shared common interests in pursuing and promoting the APEC process, tightening reciprocal economic links and increasing two-way trade share in the region. In addition, it can be suggested that the two should play an interactive role in seeking technical cooperation in order to further deepen their engagement of the process and invite commitments of other member economies.

Although joint efforts have been taken to improve the two-way trade, the reality has shown a sign of the need for further improvement in the bilateral business dealings. It is thus suggested that investigation should be further extended to provide more efficient ways for bilateral business patterns. The period of currency and financial crisis in Korea has provided opportunities to restructure its economic patterns, in particular the increasing understanding of the importance of foreign direct investment (FDI) in sustaining its economic growth. Meanwhile, the crisis has given opportunities to the bilateral economic relationship between Korea and Australia. The main purpose of this paper is to evaluate the significance of technical cooperation, in particular FDI between the two under the Ecotech agenda of APEC.

2. THE EVOLUTION OF APEC

2.1 THE CHANGING WORLD ECONOMY

Since the end of the Cold War, economic issues have moved to the top of the global agenda. The world economy has witnessed the extension of trade patterns and creation of opportunities for gaining mutual

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1 Elek, 1992, p. 162; Ching, 1995, p. 36; Yoo, 1995, p. 5
2 Yuan, 1994, p. 1
benefits between countries. Two main features of the world economy today are 'globalism' and
'regionalism'\textsuperscript{iii}. There is much argument about whether globalism or regionalism serves the world economy
more efficiently. It is, however, certain that more prevalent tendency of the current economic pattern is
regionalism. Particularly, the 1980s saw an acceleration of regionalism with the wake of the EC's launching
of its internal market program\textsuperscript{iv}. Since then, the regional trading arrangements have proliferated in the world
economy. These regional groupings include the North America Free Trade Agreement (NAFTA), European
Union (EU), Association of South East Asian Nations (ASEAN), and Closer Economic Relations Agreement
(CER), promoting trade creation and diversion among member economies with strong and deepening
economic ties. The recent tendency to seek more regional preferential trading areas has, however, created
negative impact on global trade. In other words, the recent proliferation of regional integration arrangements
and proposals have fuelled fears that international trade is becoming more of a regional affair in ways that
will reduce global welfare\textsuperscript{v}. Given the fears of uncertain future evolution of the world economy, there has
been need for a regional approach of confronting the worldwide tendency toward regionalism and
developing a multilateral free trade system\textsuperscript{vi}.

2.2 THE ESTABLISHMENT OF APEC

The call for strengthening the multinational trading system and stimulating open and free trade and
investment in the world economic order has inspired the economies in the Asia-Pacific region, and come to
form a new regional forum, Asia-Pacific Economic Cooperation (APEC). In contrast to the discriminatory
regionalism practiced in the world economic order, Asia-Pacific regionalism proposed a different concept of
regionalism, 'open regionalism'. 'Open regionalism' is defined as a regional approach that contains no
element of exclusion or discrimination against the rest of the world\textsuperscript{vii}. The principle of open regionalism is
further confirmed in the Bogor Declaration. There, APEC leaders reiterated that:

\textit{We wish to emphasise our strong opposition to the creation of an inward-looking trading
bloc that would divert from the pursuit of global free trade (APEC 1994, in Elek, 1995, p. 3)}

The inaugural meeting of APEC was held in Canberra, Australia in November, 1989. At this meeting, there
were twelve participants (six members of ASEAN - Brunei, Indonesia, Malaysia, the Philippines, Singapore,
Thailand -, Australia, Canada, Japan, Korea (ROK), New Zealand, the United States). It is now a 21-
member organisation with the subsequent participation of China, Chinese Taipei and Hong Kong in 1991,
Papua New Guinea in 1993, Chile in 1994, and Peru, Russia and Vietnam in 1997. The region is now one of
the most diverse and the fastest growing economic regions in the world, including all the major economies
- the US, Japan, etc. - , containing over half of world GDP and 40 percent of the world's people, and
anticipating an increase to 57 percent of world output by the year 2000\textsuperscript{viii}. The member economies have
enjoyed rapidly increasing intra-regional economic development.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Share of world output}
\end{figure}

\textsuperscript{iii} Okita, 1989, in Arndt, 1993, p. 271\textsuperscript{ iv} Young, 1993, p. 111
\textsuperscript{v} Anderson and Norheim, 1993, p. 91\textsuperscript{ vi} Yoo, 1995, p. 10
\textsuperscript{vii} Garnaut and Drysdale, 1994, p. 2; Elek, 1995, p. 3
\textsuperscript{viii} APEC: Australia Brief I, 1995, p. 1; DFAT, 1995, page no. unavailable; Drysdale and Garnaut, 1992, in Phillips, Winton and
Gunasekera, 1993, p. 200

106
2.3 THE EVOLUTION OF APEC

APEC has matured in various ways with the three main meetings (Leaders', Ministerial, and Senior Officials'), and effectively divided sections such as Working groups, Committees, and Eminent Persons Group (EPG). Each year, since its formation, APEC has rapidly evolved towards a freer environment for trade and investment in the region, taking a significant step forward. One of the most significant shows of commitment from APEC member countries at the Meeting was the symbolic and historical gathering of all the APEC leaders, except the leader of Malaysia, in Seattle in 1993. In this summit, the leaders issued a vision statement in which they pledged to support an expanding world economy and an open multilateral trading system. After Seattle, the second summit was held in Bogor in Indonesia in 1994. At this meeting, another milestone in the development of the APEC process was reached. In its report in August, the Eminent Persons Group recommended the main ways to achieve the ‘vision’ of trade and investment liberalisation in the region. In this instance, an agreement was passed on the specific target dates of “Vision 2010” for developed economies, and “Vision 2020” for developing ones with regards to free and open trade and investment in the region. To achieve the goals, a clear guidance of the “Action Agenda” was announced and confirmed at the next summit in Osaka, Japan in 1995. The Osaka Action Agenda (OAA) includes three major categories - the trade and investment liberalisation program, the trade facilitation program, and the program for ‘economic and technical cooperation (Ecotech). Flexibility was allowed in implementing the future Action Agenda and in discussing the direction of economic and technical cooperation for the final goal (Yamashita, 1996, p. 1). At the Manila meeting in 1996, the leaders of the APEC member economies declared that APEC work has shifted from ‘Vision’ to ‘Action’ under the rubric of ‘the Manila Action Plan for APEC (MAPA). Moreover, MAPA included the Individual Action Plans (IAPs) for each member economy, encouraging sincere implementation of trade liberalisation and investment facilitation. The APEC member economies are a diverse group at various levels of economic development and structure. IAPs will secure the individual member economy’s efforts to work towards the same goal of trade liberalisation and investment facilitation at an individually appropriate pace.

Besides the ongoing process for the ultimate goal of APEC, the year 1997 faced another demand during the preparation for the 5th Leader’s Meeting in Vancouver, Canada. In other words, the so-called financial crisis occurred in Thailand in 1997, and spread to Indonesia and Korea, destabilising the Asian and world financial market. A high priority was given to provide relief to the crisis-hit member economies and the financial ministers of the member economies played a significant role for APEC. Meanwhile, Early Voluntary Sectoral Liberalisation (EVSL) was launched with the endorsement of 15 sectors. Given the spread of the economic crisis to other regions, the following year in Kuala Lumpur, Malaysia, further encountered a challenge of overcoming and sustaining the continuing crisis in the region, resulting in a lack of concrete fruits from EVSL. The forthcoming 7th summit to be hosted in New Zealand in 1999 identified four broad goals: 1) to achieve further substantive progress towards trade and investment liberalisation and facilitation; 2) to shape a credible response to the economic crisis; 3) to reinforce the capacity of institutions and human resources in the region to deal with the economic challenge they face; and 4) to build broader support for APEC among the wider community. With the rapid stage of overcoming the economic hurdles in the crisis-affected member economies, it is anticipated that heavier weight will be given to the previously initiated APEC arrangements to sustain the process for freer trade and investment in the region.

3. THE ECOTECH AGENDA

3.1 THE EVOLUTION OF ECOTECH AGENDA

One major concern over the successful achievement of the ultimate goal is that developed member economies have placed disproportionately heavy emphasis on lifting trade and investment impediments, which existed mainly in the developing members, and devoted too little efforts to promote economic and
technology cooperation\textsuperscript{ xv }. Meanwhile, the increasing gap in the level of infrastructure between the developed and developing APEC member economies has been a major hurdle in pursuing further implement of the APEC process. At last, it has been perceived that better provision of infrastructure in the region will provide a more significant contribution to the APEC process, rather than further reduction of trade barriers\textsuperscript{xvi}. In this regard, the need for a balanced program, combining technical cooperation with efforts to reduce impediments to all international economic transactions among APEC economies was given a high priority on the agenda, leading to the creation of ‘Ecotech’ (Economic and Technical Cooperation) as one of the three key elements of Manila Action Plan for APEC (MAPA)\textsuperscript{xvii}.

The goals of Ecotech agenda can be further characterised as follows: 1) achieving goal-oriented development with explicit objectives, milestones, and performance criteria; 2) encouraging private/business sectors to participate in Ecotech activities in line with APEC goals to achieve sustainable growth and equitable development in the region; 3) reducing economic disparities among APEC economies; 4) improving economic and social well-being of the region; and 5) building a true Asia-Pacific Community\textsuperscript{xviii}. Given these goals, thirteen important areas\textsuperscript{xix} where collaboration in some 320 joint activities, some 151 sub-activities, and some 220 projects so far have been extensively pursued by the member economies\textsuperscript{xx}. It is highly likely that more active involvement with economic and technical cooperation among the member economies will enhance the trade liberalisation and investment facilitation in the region, and reduce the existing infrastructure gaps between developed and developing member economies.

3.2 THE SIGNIFICANCE OF FDI IN APEC

Many studies have shown that technology is a key element that enhances economic development and improves infrastructure. In this context, increasing FDI in the APEC region has a profound meaning for developing APEC economies since it not only provides a source of finance to develop their industries, but also typically involves the transfer of technology and management expertise, which is widely perceived to have spillover benefits\textsuperscript{xxi}. For the active economies in the APEC region, it has been deeply perceived that reduction of technological gap between developed and developing member economies provides a more profit-sharing environment in performing the activities. The APEC Eminent Person Group also observed that the flow of new technology among the member economies stimulates economic development, intensifies scientific and technological capabilities, stimulates trade and investment liberalisation, and alleviates disparities among APEC economies\textsuperscript{xxii}. Through the establishment of the Ecotech agenda, the member economies have embarked on technical cooperation, taking a closer step to the success of the trade and investment liberalisation and facilitation (TILF) process. Moreover, through freer flows of technology, it is most likely that further progress will follow, and that more active cooperation will be carried out.

One of the most common ways of developing technology is through the so-called ‘North-South channel’ (ie. technology transferred from industrially advanced economies to less advanced ones). This channel has, however, created two main criticisms - 1) the technology transferred is often too modern in terms of technology absorption capability in host countries, and 2) most R&D activities are conducted in home countries, preventing the development of core technologies in host countries\textsuperscript{xxiii}. One of the models that demonstrates the existing inefficiency of the North-South channel is the Yamashita’s Black Box Model\textsuperscript{xxiv}. More specifically, the model implies that the North-South channel has contributed insufficient technological transfer as well as managerial transfer to the process of production in host countries, leaving locals only simple tasks such as preliminary processing and assembling. However, the model does not describe the

\textsuperscript{xv} Omura, 1997, p. 149  
\textsuperscript{xvi} Oxley, 1997, p. 8  
\textsuperscript{xvii} Elek, 1995, p. 2; Yamazawa, 1997  
\textsuperscript{xviii} Omura, 1997, p. 8; Ro and Ahn, 1997, p. 9  
\textsuperscript{xx} Choi and Kim, 1998, p. 10; Ro and Ahn, 1997, p. 15  
\textsuperscript{xxi} BIE, 1995, p. 24  
\textsuperscript{xxii} Omura, 1997, p. 116  
\textsuperscript{xxiii} Enos et al, 1997, p. 56  
\textsuperscript{xxiv} Yamashita, 1996, p. 29
specific disadvantages that host countries have when the North-South channel is applied. As can be seen in Figure 2, the egg is the technological capability of the home country transferring technology to the host country. The activities required to absorb imported technologies for the host country such as spinning out skilled workers, providing technical guidance to subcontractors, bringing in new capital goods and technology, introducing advanced management know-how, conducting in-house R&D, and enhancing competition also need to be possessed by the host country since they are inter-related in accumulating the new technologies. However, in many cases, given the two main criticisms and the fear of losing access to new markets or distribution channels, the home country avoids to share the key activities, using the imported components in which advanced technologies are applied.

APEC is a fast-developing and fast-changing organisation. For the dynamic economies in the region, the traditional 'catch-up' approach in technology transfer can no longer sustain growth that relies on leading-edge products and processes. In addition, although the member economies have shown firm responses to the importance of promoting technology transfer, in reality, only 4 out of 259 projects connected with the Ecotech agenda are directly related to the matter of technology transfer. As Ahn and Han pointed out, part of the reason for this is due to the limited participation by developing member economies to their reserved attitude toward present Ecotech projects caused by insufficient supply of capital and technology. In other words, since most projects are designed and chosen based on ease of promotion such as seminars, workshops, and training courses, rather than the real needs of the beneficiaries, many of the projects have been divergent from the developing economies' actual requests. Here, a strong need for developing a new channel in transferring technology in more problem-solving and concrete-results-providing ways among the member economies is strongly called for. One of the possible options to consider in satisfying the need is 'exchange of technology transfer'. In other words, instead of less-technologically-developed member economies merely being receivers of intended technology, more economic benefits can be provided to both transferees and transferrers by exchanging their comparatively advantageous technology with each other. In doing so, it can be anticipated that more active participation in transferring technology, and more appropriate transfer of technology can be performed. In addition, as shown in Figure 3, it is highly probable that structural development in technology transfer will provide a more balanced relationship.
between developed and developing member economies in persuading the liberalisation and facilitation process of trade and investment in the region.

4. THE BILATERAL ROLE FOR KOREA AND AUSTRALIA

4.1 KOREA AND AUSTRALIA IN THE ASIA-PACIFIC REGION

Korea has enjoyed rapid industrialisation over the past thirty years. At the same time, the story of its economic success has led to considerable interest as a model for developing and transforming economies as well as a major competitor of the developed world in many industries. As a consequence, she has gained heavy weight in economic power with appreciable global market impact. Traditionally, Korea has not looked specifically for trading partners, which were within close proximity. Furthermore, Korea has never experienced the taste of economic benefits provided by economic activities generated among member economies of a trade grouping. Due to this, when Australia proposed the idea of forming APEC, Korea welcomed it with great support. APEC has been the key region for Korea in increasing economic activities. The APEC region incorporates 4 out of Korea’s 5 top exports markets, as well as 7 out of its 10 largest exports markets, and 13 out of its 20 leading export markets. With regard to imports markets in the region, 3 out of 5 largest imports markets, as well as 6 out of its 10 largest imports markets, and 9 out of 20 leading imports markets, are active member economies of APEC. These figures reflect both Korea’s active role in promoting economic development within the Asia-Pacific region, and also the importance of this region to Korea.

In the early years, Australia’s international trade and investment enjoyed substantial growth with Western Europe, dominated by the United Kingdom. Then during the 1960s, Japan became a major trading partner. That was followed by a steady increase in the importance of a growing number of countries of Northeast Asia. By the early 1990s, Europe accounted for only a fifth of Australia’s merchandise trade compared with more than three-fifths in the 1950s. Due to the recent strong economic ties with Asian countries, there has been a strong need for a framework to secure economic growth potential for both Australia and Asian countries. Dedicated research has contributed the idea of promoting trade and investment on a regional
basis. At last, scholars in Australia and Asia have come to agree with the idea of forming a regional grouping in the Asia-Pacific region, with an anticipation of potential mutual benefits from regional cooperation. Since the first meeting of foreign and trade ministers for APEC Australia's regional diplomatic activity has been strongly focused on the region, with determined efforts devoted to building a new architecture. This view is further reinforced when an examination of Australia's current increasing trade share with APEC member economies is undertaken. In 1993-94 over 72 per cent of Australia's trade was with APEC members, an increase of 15 per cent on the previous year. However, worth $A 63 billion in 1997-98 of exports to the APEC region have expanded at more than 9 per cent a year over the last five years, more than twice the growth rate of Australia's global exports over the same period, with the imports into Australia from APEC of worth $A 61.5 billion in 1997-98. Nine of Australia's top 10 trading partners belong to APEC. Australia has a firm promise from APEC that its largest trading partners such as Japan, Korea and USA will continue to deregulate barriers in the APEC process. In this context, as the Australian Government estimated, APEC free trade under the terms of the Bogor Declaration will increase national income in the entire region by $A 366 billion per year in the long term. In order to collect the rewards, Australia should accomplish its leading role in harmonisation with other member economies for the achievement of economic and technical cooperation of the APEC process.

4.2 THE CHANGING WEIGHT OF FDI IN KOREA

Korea's industrial structure has been transformed from concentration of a light and labor-intensive industry (1960s) to a heavy-and capital-intensive industry (1970s - 1980s), and to a capital-intensive and high value-added technology-intensive industry (1990s). The economic growth patterns of Korea have been rapidly evolved and transformed, culminating in becoming the 11th trading country in the world. Meanwhile, the international competitiveness of the economy has a different story that Korea ranked the 35th competitive economy among the 45 economies evaluated. This implies that unbalanced efforts have been taken between increasing trading volume and improving technological capability. In other words, Korea has been unsuccessful in attracting a large amount of FDI relative to the size of its economy. Korea acquired mature technologies mainly from the US and Japan. Due to the heavily regulated inward FDI policy with a preference for foreign borrowing in Korea, the diminution of investment from the two was encountered during the last decade. A main reason for this is the reserved public attitude towards FDI caused by the fear of foreign domination. Albeit temporary success, becoming the 29th member of the OECD realigned the Korean foreign direct investment regime in line with international norms and standards. However, the basic position towards FDI remained a passive one. In other words, the government allowed foreign direct investment into a number of business categories and activities, but was not interested in removing various impediments of promoting foreign direct investment in general.

Many economists called the economic and financial crisis in Korea a necessary evil. Albeit belated, the Korean government finally came to the understanding that FDI plays a pivotal role in boosting the domestic economy and sustaining its long-term growth. In addition, as a recent research project conducted by Korea Institute for International Economic Policy (KIEP) reveals, a lack of FDI or FDI-related debt in total debt increases the probabilities of currency crashes. As can be seen in Table 1, further evidence is that countries like Malaysia could endure or overcome the recent economic crisis without being forced to resort to the IMF bail-out loans due to the dominant presence of multinationals.
Table 1

Comparison of incoming foreign direct investment between Korea and Malaysia (USD Billion)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>0.6</td>
<td>0.8</td>
<td>1.8</td>
<td>2.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>5.0</td>
<td>4.3</td>
<td>4.1</td>
<td>4.7</td>
<td>3.8</td>
</tr>
</tbody>
</table>


Given the more clear understanding of the significance of promoting FDI in Korea, the government has taken more tangible actions such as allowing hostile cross-border M&A, enacting the Foreign Investment Promotion Act, and ending most restrictions on foreign land ownership in 1998. In particular, as shown in Table 2, the enactment of the Foreign Investment Promotion Act shows how committed the government is to achieve freer flows of FDI into Korea. This legislation covers almost all existing regulations, focusing on creating an investor-oriented policy environment by streamlining foreign investment procedures, expanding investment incentives and establishing an institutional framework for investor relations, including a one-stop service\textsuperscript{xlv}. Moreover, the Committee for Regulatory Reform was established under the Prime Minister's Office in order to review the remaining regulations to deregulate them. Besides the deregulations, various benefits can be provided to foreign invested firms in FIZs, such as tax benefits, infrastructure support, receive lower utilities rates\textsuperscript{xlv}.

Table 2

Major Points of the 1998 Foreign Investment Promotion Act in Korea

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplified Procedures</td>
<td>• Streamline the investment notification system.</td>
</tr>
<tr>
<td></td>
<td>• Expand the number of institutions accepting notifications and applications.</td>
</tr>
<tr>
<td></td>
<td>• Abolish the notification requirement for the arrival of induced foreign capital and mandatory requirement of using a resident agent.</td>
</tr>
<tr>
<td>Transparent And Liberalised Regulations</td>
<td>• Reduce the number of provisions regulating FDI from 66 to 36.</td>
</tr>
<tr>
<td></td>
<td>• Proclaim no restrictions on FDI in principle unless the preservation of national security, public order, public health, environment, or social morals are threatened.</td>
</tr>
<tr>
<td></td>
<td>• Announce each year all laws and regulations relevant to investment.</td>
</tr>
<tr>
<td>Expanded Incentive System</td>
<td>• Increase tax incentives-tax reduction and exemption periods.</td>
</tr>
<tr>
<td></td>
<td>• Provide greater autonomous power to local governments in the fields of local tax and rent reduction and tax exemption.</td>
</tr>
<tr>
<td></td>
<td>• Expand the number of high technology manufacturing and service industries where tax reductions are available for foreign investors from 265 in seven sectors to 516 in nine sectors.</td>
</tr>
<tr>
<td></td>
<td>• Expand the rental period for national and local government activities to promote FDI by providing funds and public subsidies.</td>
</tr>
<tr>
<td>One-Stop Service System</td>
<td>• Establish the Korea Investment Service Centre to assist foreign investors with each other facet of the investment process.</td>
</tr>
<tr>
<td></td>
<td>• Expedite approval or authorisation procedures by establishing a &quot;Comprehensive Process System; where, if the main points of a process package is approved, approval is then given and supplemental items are reviewed afterwards.</td>
</tr>
<tr>
<td></td>
<td>• Introduce the Automatic Authorisation System where, if there is no response to an investment application for approval or authorisation within a given period, approval or authorisation shall be automatic.</td>
</tr>
<tr>
<td>Free Investment Zones</td>
<td>• Establish Free Investment Zones (FIZs) to induce large-scale FDI.</td>
</tr>
<tr>
<td></td>
<td>• Give greater autonomy for designating, developing and maintaining FIZs to local governments.</td>
</tr>
</tbody>
</table>

Source: Hong (1998) p. 16

\textsuperscript{xlv} Kim, June-Dong, 1999, p. 12

\textsuperscript{xlv} Kim, June-Dong, 1999, p. 30
In the immediate aftermath of the Korean financial crisis, the investment climate in Korea was decidedly negative. However, intensive efforts exerted by the government and the private sector to induce more foreign direct investment and technology transfer along with liberalisation and deregulation drive resulted in a series of positive outcomes\textsuperscript{xiv}. As Table 3 shows, the recent trend (from July 1998 to November 1998) has shown a substantial month-to-month increase, implying that increasing foreign firms have taken advantage of the opportunity created by the economic and financial crisis in Korea. The Foreign Investment Promotion Act was enacted in November 1998. Having the largest expansion of the monthly growth in November, it can be noted that the government’s trust-building efforts to establish a freer environment for incoming FDI in Korea were well appreciated by foreign investors. Considering all of the trends, it is highly likely that FDI inflows into Korea will continue to increase in the future as long as the government continues to make progress in providing a FDI friendly environment.

Table 3

<table>
<thead>
<tr>
<th>The statistics of current incoming foreign direct investment in Korea (1996 – 1998.11) (USD m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.– Apr.</td>
</tr>
<tr>
<td>Amount (USD m)</td>
</tr>
<tr>
<td>3,203</td>
</tr>
<tr>
<td>(65.0)</td>
</tr>
<tr>
<td>Number of cases</td>
</tr>
<tr>
<td>968</td>
</tr>
<tr>
<td>(11.0)</td>
</tr>
</tbody>
</table>

Note: the figures in the brackets are the increased and decreased rate compared to the previous year
Source: KIEP (1998) p. 31

4.3 THE BILATERAL ROLE FOR KOREA AND AUSTRALIA UNDER THE ECOTECH AGENDA

When Korea’s investment in Australia is compared to Australia’s investment in Korea, there is a remarkable imbalance in the amount of investment, ie. the two-way investment has been in favour in Australia. Although there are differences in economic structures of the two countries both should be encouraged to make joint efforts to develop further strategies in order to improve the investment imbalances. In addition, together with the recent enactment of Foreign Investment Promotion Act, the FDI environment in Korea has been more favourable than ever before.

Korea and Australia now need a new competitive strategy to build a more sophisticated bilateral cooperation. The new strategy should be based on technology and innovation. The strategy must promote a competitive advantage based on differentiation of the two. To this end, stronger bilateral commitments to an efficient R&D strategy, active inducement of FDI for the transfer of technology between two are required. With the spirit of the Ecotech agenda, Korea and Australia are undoubtedly of great importance to each other in creating potential gains from technical cooperation for further evolution of the bilateral economic relationship and APEC as a whole.

5. CONCLUSION

As the 21st century fast approaches, the world economy is faced with the need to cope with the changes towards ‘regionalism’ and ‘globalism’. In order to strengthen the new world economy for the upcoming 21st century, the fruition of these changes cannot be delayed any further. Fortunately, the formation of APEC has clearly encouraged the changing world patterns to be guided towards open and free environment for trade and investment. To this end, member economies have come to realise the significance of technical cooperation among member economies, and of initiating the Ecotech agenda for the achievement of the ultimate goal.

\textsuperscript{xiv} Hong, Yoo-Soo, 1998, p. 40
The Ecotech agenda needs to persuade member economies to further proceed with the process for free and open trade and investment in the region. One major area of the agenda is promoting technology transfer. Given the constant criticisms of inefficient results from the North-South channel, the development of a new channel to maximise the potential economic gains for both developed and developing member economies has been in urgent need. One of the suggested options to meet this need can be 'exchange of technology transfer'.

Obtaining a clear view that the Asia-Pacific region is the most important region to both Korea and Australia in economic terms, the two close economies share common interests in playing a leading role for the technical cooperation under the Ecotech agenda. Given the opportunities from the economic and financial crisis of Korea, it is suggested that both should encourage one another in exchanging technology transfer to enlarge mutual economic gains. In doing so, more vigorous and broad economic and technical cooperation in the APEC region will be unavoidable.

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\[1\]
A STUDY OF REAL ESTATE TRUST INSTITUTION IN KOREA

Jinu Kim
The University of New South Wales

Sang-Young Lee
Construction and Economy Research Institute of Korea

After the foreign exchange crisis in 1997 and sequential finance crisis in 1998, there was a serious credit crunch in Korea. One of the consequences of this was that the two main Real Estate Trust (RET) companies, ‘Korea Real Estate Trust Company’ (KRET) and ‘Hankook Real Estate Trust Company’ (HRET), almost went into bankruptcy, and many projects handled by RET companies have been interrupted. In September 1998, the Finance Supervisory Commission (FSC) found operations of these RET companies insolvent partly due to loose management. Hence, FSC prohibited new ‘land development trust’ operation of the two RET companies for six months. In March 1999, the lenders to these RET companies delayed the repayment of their loans and interests, and FSC extended the prohibition for further six months.

If the two RET companies have gone into bankruptcy, the financial institutions would have new insolvent loans of 1.3 trillion Won (about US$1.1 billion). About 150 apartment complex projects would be stopped, and more than thirty thousands buyers supposed to move into the apartments constructed by these RET companies, would be affected. Therefore, the financial institutions and the real estate industry focused on the restructuring the two RET companies.

FSC and Ministry of Finance and Economy (MOFE) prepared a plan that included the transfer of good projects from the two insolvent companies to a new company – ‘Saengbo Real Estate Trust Company’ (SRET) – which started operation from 1999. FSC considered that all related companies including the parent companies and the financial institutions should share the burdens, as they had common liabilities for the insolvency of the RET companies. The parent companies had not controlled properly their affiliated RET companies. The lenders had relied on the ability of the parent companies rather than the projects, and made excessive loans to the RET companies.

In a superficial view, the crisis of the RET companies in Korea was due to the foreign exchange crisis at the end of 1997 and the credit crunch that followed. The crisis, however, was not only the result of a temporary credit crunch, but also of internal problems in the RET companies. These structural problems can be seen in a comparison with foreign real estate trust institutions, such as the Australian Listed Property Trust (LPT) and the U.S. Real Estate Investment Trust (REIT). This paper analyses the experiences and problems of the real estate trust institutions in Korea. In conclusion, it proposes a Listed Real Estate Investment Trust in Korea (K-LREIT) which would stabilize the real estate trust institutions and minimize the harm.

Background of Introducing the Real Estate Trust Institutions in Korea

In the 1960's and 1970's, fast economic growth had expedited real estate development in Korea. This development had increased the inequality of income distribution and wealth, because a few of large business groups (chaebols) and landowners owned the greater part of real estates and capital gains. Therefore, the Korean government carried out plans to regulate the real estate market, and to levy heavy taxes on real estate capital gains. Especially, after skyrocketing prices of real estate in the 90's due to the boom of the late 80's, the government established a number of policies in order to prevent speculation of real estate market.

The core policy was ‘The Public Concept in Land’ in 1989. This concept composed a set of strong and
The core policy was 'The Public Concept in Land' in 1989. This concept composed a set of strong and fundamental measures, the Urban Residential Land Limit Charge, the Land Development Charge, and the Land Value Increment Tax. The object of the laws was to regulate land use in order to satisfy public welfare, even though private ownership was recognized (Park, et al.; 1998:18). When this policy was introduced, the government needed an institution to regulate land use efficiently. The new institution – the RET company – was introduced in order to prevent real estate market from speculation, and to use land efficiently. If private funds were invested in developing land market through these institutions, the public development burdens would be lessened.

A second objective of introducing RET companies was to achieve a competitive advantage in real estate development when Korean construction and real estate markets were opened up for international competition. Otherwise, foreign real estate companies with powerful capital and financial know-how could easily erode the market shares of Korean real estate related companies. Hence, the government had prepared to introduce real estate trust institution since 1990, and allowed RET companies (KRET and HRET) since 1991 (Jung & Choi; 1996:16).

Characteristics of the RET companies

The RET were introduced in order to regulate speculation of real estate market and to strengthen the competitiveness of Korean real estate companies. Hence, the government controlled the real estate trust business. The requirements of license for real estate trust business were expertise, adequate capital, and that is acted in the public interests. The expertise was an ability to carry out real estate trust business and employing professionals. The requirement of adequate capital was a credibility to operate the real estate trust business by large companies, in order to prevent business failure. At the beginning, the minimum capital of a RET company was 500 million Won (about US$417,000). It was increased to 10 billion Won (about US$8.3 million) in 1998.

As a RET company need license from the government, among the license requirements, the most important one was the public interests. To satisfy the requirement for acting in the public interests, the applicant of RET company (parent company) should fit into one of the following three cases. The first case was that the parent company was a government enterprise or a government-invested enterprise. The second case was that the National Assembly or the Board of Audit and Inspection could audit directly or indirectly the parent company. The third case was that the government controlled the parent company directly or indirectly in the process of license, product development, public offer, and the articles of association. (Shon; 1998:353)

Table 1 shows a summary of the RET companies establishment in Korea. There are six RET companies currently. In 1991, 'Korea Asset Management Corporation' (KAMCO) and 'Korea Appraisal Board' (KAB) established 'Korea Real Estate Trust Company' (KRET) and 'Hankook Real Estate Trust Company' (HRET) respectively. In 1996, 'Korea Land Corporation' (KLC) and 'Housing and Commercial Bank' (HCB) established 'Korea Real Estate Investment Trust Company' (KREIT) and 'Jooeun Real Estate Trust Company' (JRET) respectively. 'Korea Housing Financial Cooperative' (KHFC) established 'Housing Cooperative Real Estate Trust Company' (HCRET) in 1997. Three life insurance companies (Kyobo, Samsung, and Heungkook) established 'Saengbo Real Estate Trust Company' (SRET) in 1998. All RET companies except SRET are institutions backed by the government agencies. KRET, HRET, and KREIT were established by government enterprises. JRET and HCRET were established by the bank (government-invested enterprises) and the association controlled by the government. The government only allowed the public companies to establish the RET companies in order to emphasize public interests and to minimize the negative side effects of speculation in real estate market. However, after the IMF crisis, SRET was allowed in order to use the funds of the insurance companies and to revitalize the real estate market with the advanced management skills of private companies.}

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3 After the IMF crisis in 1997, the implementation of 'The Public Concept in Land' policy was postponed.
4 Saengbo Real Estate Trust Company (SRET) is a private company established by three insurance companies. (equity capital ratio; Kyobo 0.5, Samsung 0.4, Heungkook 0.1)
Table 1. A Summary of the RET Companies Establishment

<table>
<thead>
<tr>
<th>RET Company</th>
<th>Parent Company</th>
<th>Establishment</th>
<th>Capital (US$)</th>
<th>Shareholders of the Parent Company (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOREA REAL ESTATE TRUST (KRET)</td>
<td>Korea Asset Management Corporation</td>
<td>1991.4.13</td>
<td>KW6 bil (US$5 mil)</td>
<td>Govt.: 33.3 KDB: 33.3 Others: 33.3</td>
</tr>
<tr>
<td>HANKOO REAL ESTATE TRUST (HRET)</td>
<td>Korea Appraisal Board</td>
<td>1991.4.13</td>
<td>KW7 bil (US$5.8 mil)</td>
<td>Govt.: 49.4 KDB: 30.6 Others: 20.0</td>
</tr>
<tr>
<td>KOREA REAL ESTATE INVESTMENT TRUST (KREIT)</td>
<td>Korea Land Corporation</td>
<td>1996.4.4</td>
<td>KW50 bil (US$41.7 mil)</td>
<td>Govt.: 92.9 KDB: 7.1</td>
</tr>
<tr>
<td>JOOEUN REAL ESTATE TRUST (JRET)</td>
<td>Housing &amp; Commercial Bank</td>
<td>1996.12.3</td>
<td>KW10 bil (US$8.3 mil)</td>
<td>Govt.: 22.4 ESOP: 9.8 KSD: 63.1 Individual: 4.1 Seoul Bank: 0.6</td>
</tr>
<tr>
<td>HOUSING COOPERATIVE REAL ESTATE TRUST (HCREIT)</td>
<td>Korea Housing Financial Cooperative</td>
<td>1997.12.15</td>
<td>KW10 bil (US$8.3 mil)</td>
<td>Association of more than 1,400 housing construction companies</td>
</tr>
<tr>
<td>SAENGBO REAL ESTATE TRUST (SRET)</td>
<td>Three Life Insurance Companies</td>
<td>1998.12.8</td>
<td>KW10 bil (US$8.3 mil)</td>
<td>Private Shareholders</td>
</tr>
</tbody>
</table>

Source: Sohn(1998:357)

Contents of Real Estate Trust Business

There are two types of trust – money trust and real estate trust - according to the form of entrusted property. By regulation, the Real Estate Trust (RET) could only deal with real estate. The landowners entrust their real estate to the RET companies, which develop, manage, and/or dispose the entrusted real estate. They arrange loans from financial institutions for landowners (beneficiary) with entrusted real estates as collateral. Because the RET companies could not raise the funds by themselves, they rely on borrowing from outside when they need additional funds.

There are four major types of real estate trust business; management trust, disposal trust, land development trust, and collateral trust. Management trust is a vehicle where trustee (RET company) manages the entrusted real estate for a beneficiary. Disposal trust is designed to dispose the real estate safely and quickly for a beneficiary. Collateral trust is a vehicle that beneficiary can use real estate as collateral to finance. Land development trust is designed to develop entrusted land for a beneficiary. The RET companies develop the entrusted land as housing complex or land subdivision, and return profits to beneficiaries after sale or lease of the developed real estate. Land development trusts can be classified into two types; trusts for sale and trusts for lease. The former distributes profits to beneficiaries after selling the developed real estate in lots. The latter returns the developed real estate and rental incomes to beneficiaries after leasing.

At the beginning, RET companies operated management trust and disposal trust. Land development trust and collateral trust were started November 1992 and February 1993, respectively. However, public land owned by the central government could be entrusted to RET companies from January 1994. In 1999, public land owned by the local governments was included in land development trust business. Therefore, in the beginning, the RET companies concentrated on management trust, disposal trust, and related businesses.

5 Collateral trust has advantages of cost, management, and disposal in comparison with the fixed collateral of financial institutions. (Korea Institute of Finance;1999:14)
only. Later did they focus on land development trust business. Figure 1 shows basic elements and structure of land development trust.

As all participants – beneficiary, trustee, constructor, financial institution, and end users – were satisfied with land development trust business, it became a main business of the RET companies. For the beneficiaries (landowners), the vacant or under-developed lands could be developed without their own funds by the RET companies who could manage the constructors and other related parties effectively. For the trustees (RET companies), large-scale and short-term land development trust business provided more profitability than other trust businesses, because its fee was bigger than that of other trust businesses. For the constructors, land development trust was a useful financing vehicle. Financial institutions regarded the RET companies as creditable borrowers due to the following reasons. Firstly, the project of land development trust would continue even though the constructor went into bankruptcy. Secondly, the RET companies were backed up by the creditability of the parent companies. Thirdly, the financial institutions could recover the loans by selling the lands at worst case. End users (buyers) also regarded the project of land development trust as safe, because the RET company was project manager.

Size of Entrusted Real Estate and the Profitability

Currently, the RET companies in Korea concentrated their business on land development trust and collateral trust. The portion of management trust and disposal trust to total amount of the entrusted real estate was less than 10 per cent in 1997. In 1992, total number of real estate trust was 33 cases, and total amount of entrusted real estate was 18.6 billion Won (US$15.5 million). In 1997 year of the IMF crisis, total number

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6 During the construction period, the fee of land development trust is within 5 per cent of the value of entrusted real estate plus construction cost. After the construction, the fee is within 10 per cent of annual rental incomes or 5 per cent of sale price. (KREIT; 1997:12)
Table 2. Total Entrusted Real Estate by Trust Business
Unit: million Won (US$ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>1,352,3</td>
</tr>
<tr>
<td>1993</td>
<td>4</td>
</tr>
<tr>
<td>1994</td>
<td>11,419</td>
</tr>
<tr>
<td>1995</td>
<td>(9.5)</td>
</tr>
<tr>
<td>1996</td>
<td>26,365</td>
</tr>
<tr>
<td>1997</td>
<td>203,001</td>
</tr>
<tr>
<td>1998</td>
<td>599,719</td>
</tr>
<tr>
<td>1999</td>
<td>1,352,3</td>
</tr>
<tr>
<td>2000</td>
<td>(1,127.0)</td>
</tr>
<tr>
<td>2001</td>
<td>(10.4)</td>
</tr>
<tr>
<td>2002</td>
<td>(1,724.8)</td>
</tr>
</tbody>
</table>

*Guarantee trust* is the specific business of Housing Cooperative Real Estate Trust Company (HCRET), which is that the land of project is entrusted for the guarantee of sales by HCRET.

Source: Korea Institute of Finance (1999:26)

reached 394 cases, and total amount was 3.7 trillion Won (US$3.1 billion). Especially, *land development trust* was 36.3 per cent of total amount of entrusted real estate in 1997.

As Table 2 shows, total amount of entrusted real estate increased after the IMF crisis. In 1998, total number and amount of entrusted real estate reached 711 cases and 8.3 trillion Won (US$6.9 billion). This was due to the increase of *guarantee trust* business started in 1998. *Collateral trust*, 81 cases (54.4 per cent of total real estate trust) and 2.2 trillion Won (US$1.8 billion) (75.1 per cent of total real estate trust) was the top business in number and amount except *guarantee trust*. The next was *land development trust*, 26 cases (17.4 per cent), 171.5 billion Won (US$142.9 million). However, as Table 3 shows, the number of cancelled trust business reached 96 cases and the amount 1.4 trillion Won (US$1.2 billion) in 1998.

Since 1995, the number of *land development trust* has been increased double or triple every year. From 1992 to 1997, there were 284 cases of *land development trust* and the total amount of 2.2 trillion Won (US$1.8 billion). After the IMF crisis, the number of *land development trust* decreased from 165 cases of 1997 to 26 cases of 1998. As Table 4 shows, there were 223 cases of sale type in *land development trust* and 87 cases of lease type, between 1993 and 1998. The number of sale type was three times of lease type cases. However, the number of sale type was decreased dramatically in 1998, while the number of lease type was increased. As Table 5 shows, there were 131 cases of apartment (42.3 per cent) and 55 cases of shopping centre (17.7 per cent). If residential and commercial complex building was regarded as apartment, the number of apartment became 156 cases.
Table 3. New Contracts and Cancellations of Real Estate Trust in 1998
Unit: Million Won, (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>New Contracts</th>
<th>Cancellations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Amount</td>
</tr>
<tr>
<td>Land Development Trust</td>
<td>26 (17.4%)</td>
<td>171,549 (5.9%) (US$143.0 mil)</td>
</tr>
<tr>
<td>Management Trust</td>
<td>28 (18.8%)</td>
<td>411,209 (14.1%) (US$342.7 mil)</td>
</tr>
<tr>
<td>Disposal Trust</td>
<td>14 (9.4%)</td>
<td>143,180 (4.9%) (US$119.3 mil)</td>
</tr>
<tr>
<td>Collateral Trust</td>
<td>81 (54.4%)</td>
<td>2,187,321 (75.1%) (US$1,822.8 mil)</td>
</tr>
<tr>
<td>Total</td>
<td>149 (100%)</td>
<td>2,913,259 (100%) (US$2,427.8 mil)</td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:28)

Table 4. Number of ‘Land Development Trust’ by Types
Unit: Number, (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease type</td>
<td>3 (75.0)</td>
<td>2 (25.0)</td>
<td>11 (44.0)</td>
<td>18 (22.0)</td>
<td>33 (20.0)</td>
<td>20 (76.9)</td>
<td>87 (28.1)</td>
<td>310 (100.0)</td>
</tr>
<tr>
<td>Sale type</td>
<td>1 (25.0)</td>
<td>6 (75.0)</td>
<td>14 (56.0)</td>
<td>64 (78.0)</td>
<td>132 (80.0)</td>
<td>6 (13.1)</td>
<td>223 (71.9)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:29)

Table 5. Number of ‘Land Development Trust’ by Building Usage
Unit: Number, (%)

<table>
<thead>
<tr>
<th></th>
<th>Office Building</th>
<th>Apartment Complex</th>
<th>Shopping Center</th>
<th>Office-tel</th>
<th>Communication facilities</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease type</td>
<td>14 (16.1)</td>
<td>48 (55.2)</td>
<td>-</td>
<td>8 (9.2)</td>
<td>-</td>
<td>6 (6.9)</td>
<td>11 (12.6)</td>
</tr>
<tr>
<td>Sale type</td>
<td>17 (7.6)</td>
<td>83 (37.2)</td>
<td>25 (11.2)</td>
<td>47 (21.1)</td>
<td>24 (10.8)</td>
<td>13 (5.8)</td>
<td>14 (6.3)</td>
</tr>
<tr>
<td>Total</td>
<td>31 (10.0)</td>
<td>131 (42.3)</td>
<td>25 (8.1)</td>
<td>55 (17.7)</td>
<td>24 (7.7)</td>
<td>19 (6.1)</td>
<td>25 (8.1)</td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:30)

As Table 6 shows, there were 171 projects (55.2%) with project cost except land price more than 20 billion Won (US$16.7 million). It means that more than half of land development trust in numbers was large-scale development project. The project cost more than 100 billion Won (US$83.3 million) reached 20 cases. Especially, the 19 cases of more than 100 billion Won were sale type trust. In summary, majority of land development trust were short-term, large-scale, and sale-type apartment development projects.

As the demand of the RET increased, the profitability rapidly improved. According to the trust system in Korea, the performance of the RET was assessed not by trust account, but by company account. As Table 7 shows, the operating incomes of the RET companies' accounts were increased from 1.6 billion Won (US$1.3 million) in 1993 to 56.6 billion Won (US$47.2 million) in 1998. At the beginning of the RET, the operation incomes from consultation were the main source of total incomes. After 1995, the most operation incomes
Table 6. Number of ‘Land Development Trust’ by Size
Unit: Number, (%)

<table>
<thead>
<tr>
<th>Billion Won (US million)*</th>
<th>Less than 5</th>
<th>5~10</th>
<th>10~20</th>
<th>20~30</th>
<th>30~40</th>
<th>40~50</th>
<th>50~100</th>
<th>More than 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>42</td>
<td>34</td>
<td>63</td>
<td>45</td>
<td>32</td>
<td>18</td>
<td>56</td>
<td>20</td>
</tr>
</tbody>
</table>

*Project cost except land price
Source: Korea Institute of Finance (1999:32)

were generated from land development trust. Between 1993 and 1998, 71 per cent of total operation incomes were generated from land development trust. However, after the IMF crisis, the operation incomes from land development trust were decreased while the operation incomes from collateral trust were rapidly increased.

As Table 8 shows, the total net incomes of the RET companies were negative at the beginning. But after the rapid improvement, it became 8.6 billion Won (US$7.2 million) in 1997. Return on Asset (ROA) was negative until 1993. From 1994, ROA turned into positive (12.3 per cent) and it was 17.8 per cent in 1995. From 1996 to 1997, ROA decreased, because of the new RET companies (KREIT and HCRT). However, ROA increased in 1998 because of the following reasons. Firstly, the moratorium of interest payments without the closure of insolvent trusts, lessened the financial costs for the RET companies. Secondly, the operation incomes from collateral trust were increased. Return on Equity (ROE) increased from 15.2 per cent in 1994 to 23.3 per cent in 1995. It means that the RET companies gained enormous profits before the IMF crisis.

Table 7. Operating Incomes by Real Estate Trust Business (Company Account)
Unit: Million Won (US thousand)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Development Trust</td>
<td>258</td>
<td>2,321</td>
<td>8,371</td>
<td>24,223</td>
<td>42,659</td>
<td>33,540</td>
<td>111,372</td>
</tr>
<tr>
<td>Management Trust</td>
<td>81</td>
<td>222</td>
<td>740</td>
<td>560</td>
<td>466</td>
<td>326</td>
<td>2,395</td>
</tr>
<tr>
<td>Disposal Trust</td>
<td>139</td>
<td>220</td>
<td>307</td>
<td>320</td>
<td>928</td>
<td>497</td>
<td>2,411</td>
</tr>
<tr>
<td>Collateral Trust</td>
<td>38</td>
<td>433</td>
<td>828</td>
<td>338</td>
<td>6,582</td>
<td>19,313</td>
<td>27,532</td>
</tr>
<tr>
<td>Consultation</td>
<td>1,077</td>
<td>3,438</td>
<td>1,434</td>
<td>2,466</td>
<td>1,671</td>
<td>2,964</td>
<td>13,050</td>
</tr>
<tr>
<td>Total</td>
<td>1,593</td>
<td>6,634</td>
<td>11,680</td>
<td>27,907</td>
<td>52,306</td>
<td>56,640</td>
<td>156,760</td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:38)

Table 8. Profitability of Real Estate Trust Companies
Unit: Million Won (US million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Asset</td>
<td>7,494</td>
<td>7,770</td>
<td>9,729</td>
<td>13,405</td>
<td>54,503</td>
<td>143,788</td>
<td>156,542</td>
</tr>
<tr>
<td>Equity Capital</td>
<td>6,300</td>
<td>6,729</td>
<td>7,857</td>
<td>10,262</td>
<td>45,589</td>
<td>90,053</td>
<td>106,384</td>
</tr>
<tr>
<td>Net Income</td>
<td>-2,457</td>
<td>-1,571</td>
<td>1,198</td>
<td>2,391</td>
<td>4,367</td>
<td>8,578</td>
<td>18,495</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>-32.8</td>
<td>-20.2</td>
<td>12.3</td>
<td>17.8</td>
<td>8.0</td>
<td>6.0</td>
<td>11.8</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>-39.0</td>
<td>-23.3</td>
<td>15.2</td>
<td>23.3</td>
<td>9.6</td>
<td>9.5</td>
<td>17.4</td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:40)
However, the above-mentioned outcome of the operating income, ROA, and ROE resulted from the separation of company account and trust accounts. When a company account included the short-term loans of trust accounts, ROA and ROE would be decreased on a large scale. Since 1998, the government changed the accounting standard of RET companies, and company account should include the short-term loans of trust accounts.

Financing and Operation

The RET Code 11 of MOFE (1991) states that the RET companies are able to finance the project funds as the following methods: (1) Loans from banks and insurance companies. (2) Loans from trust companies. (3) Loans from various funds. (4) Entrusted funds and trustee's own funds. (5) Loans from construction companies. (6) Business funds such as sale or lease deposit. (7) Advanced funds of real estate development. (8) Other methods approved by the FSC. The RET companies are not allowed to finance funds through issuing shares or receiving money trust. As results, financing of the RET companies depended on borrowing from financial institutions. The RET companies principally financed funds from merchant banks. In this case, finance was arranged through discount on short-term (3 to 6 months) CP (commercial paper) of the RET companies. As Table 9 shows, the total amount of debts in the RET companies was 2,379.7 billion Won (US$1,983 million) during the period from 1993 to 1997. The main sources of financing were commercial banks - 494.2 billion Won (US$412 million) (20.8 per cent) - and merchant banks - 1,704.3 billion Won (US$1,420 million) (71.6 per cent). The amount of debts reached 2.8 trillion Won (US$2.3 billion) at the end of 1998.

Table 9. Amount of Financing by Financial Institutions

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>(Billion Won (US$ million))</td>
<td>(Billion Won (US$ million))</td>
<td>(Billion Won (US$ million))</td>
<td>(Billion Won (US$ million))</td>
<td>(Billion Won (US$ million))</td>
<td>(Billion Won (US$ million))</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>2.2</td>
<td>5.7</td>
<td>42.4</td>
<td>24.6</td>
<td>419.3</td>
<td>494.2 (20.8%)</td>
</tr>
<tr>
<td></td>
<td>(1.8)</td>
<td>(4.8)</td>
<td>(35.3)</td>
<td>(20.5)</td>
<td>(349.4)</td>
<td>(411.8)</td>
</tr>
<tr>
<td>Merchant Bank</td>
<td>-</td>
<td>43.5</td>
<td>69.8</td>
<td>433.8</td>
<td>1,157.2</td>
<td>1,704.3 (71.6%)</td>
</tr>
<tr>
<td></td>
<td>(36.3)</td>
<td>(58.2)</td>
<td>(361.5)</td>
<td>(964.3)</td>
<td>(1,420.3)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>0.6</td>
<td>0.1</td>
<td>1.6</td>
<td>5.1</td>
<td>173.8</td>
<td>181.2 (7.6%)</td>
</tr>
<tr>
<td></td>
<td>(0.5)</td>
<td>(0.1)</td>
<td>(1.3)</td>
<td>(4.3)</td>
<td>(144.8)</td>
<td>(151.0)</td>
</tr>
<tr>
<td>Total</td>
<td>2.8</td>
<td>49.3</td>
<td>113.8</td>
<td>463.5</td>
<td>1,750.3</td>
<td>2,379.7 (100%)</td>
</tr>
<tr>
<td></td>
<td>(2.3)</td>
<td>(41.2)</td>
<td>(94.8)</td>
<td>(386.3)</td>
<td>(1,458.5)</td>
<td>(1,983.1)</td>
</tr>
</tbody>
</table>

Source: Korea Institute of Finance (1999:44)

The reasons why the RET companies preferred to finance the short-term loans from merchant banks were as follows. Firstly, the interest rate was around 12 per cent to 13 per cent through the CP discount from the merchant banks, while the interest rate of trust loans was around 14 per cent to 15 per cent before the IMF crisis. Secondly, because land development trust that needed financing was capable to repay debts with the advanced deposits, the RET companies preferred to short term loans. Thirdly, the RET companies should arrange financing only with the credit backed by the parent companies and the stability of the real estate trust institutions, because the RET companies can not provide entrusted real estate as collateral. (Shon; 1998:362)

Management trust, disposal trust, and collateral trust did not need financing due to the nature of trust business. But, the most of loans arranged for land development trust. Hence, the debts of the RET companies should be separated to individual trust account. It means that the RET companies should arrange financing only with the value of entrusted real estate and the viability of the projects. However, the RET companies borrowed the loans through company account with company credit.

7 On Table 8, the new accounting standard is not used in 1998 to keep consistency.
Role and Problems of the Real Estate Trust Institutions

The RET companies were growing rapidly until the IMF crisis, and profitability of them was very high. During those growing periods, the RET companies carried out various social functions. Firstly, the RET companies contributed the efficient land use and the revitalization of land. They functioned as a private agent of real estate development which public agent could not do. Secondly, the RET companies enhanced competitiveness of real estate market. Before introduction of the RET company, most of the surplus values leaked in the planning stage of real estate development due to fall-behind real estate market conditions in Korea. The RET companies improved transparency of real estate business and the new financing methods. Thirdly, the RET companies contributed the housing supply through land development trust for apartments. They also played the role of intermediates between landowners and constructors, which coordinated the conflict of interests, and shared loss and risk. (Shon; 1998:350-351)

Nevertheless, the RET companies were in financial difficulties after the IMF crisis. Firstly, because of the domestic credit crunch after the foreign exchange crisis, it was impossible for the RET companies to finance necessary funds. While new loans were suspended, and the pressure of repayment increased, the interest rate rose to around 35 per cent. Due to this credit crunch, the RET companies which borrowed short-term loans, encountered very difficult situations. Secondly, because of the interruption of financing, the projects of land development trust were suspended. As results, the values of projects were reduced, and the projects became worthless. The bankruptcy of constructors worsened the loss of the projects. Thirdly, due to asset deflation after the credit crunch, the profitability of land development trust was forecasted unfavorably. Hence, some of the RET companies almost went into bankruptcy.

Although those financial difficulties were generated by the external elements, the fundamental causes were the structural problems of the RET companies. The structural problems of the RET companies are as follows:

(1) The RET companies had not been managed according to the principles of capital market economy. They were controlled by the public administrations. The public entities backed by the government agencies were primarily used as credibility to finance from financial institutions. Despite of the code of separate trust account, the RET companies borrowed the funds with the company credit and payment guarantee by the parent companies. Therefore, during the period of credit crunch, not only the projects in trusts, but the RET companies as a whole went into the risky situation.

(2) The RET companies were prohibited to finance funds through issuing shares or receiving money in customers' accounts. Although beneficiary certificates that guaranteed dividends from entrusted real estate were issued, the certificates were illiquid. Therefore, the entrusted land was the only equity capital of land development trust and the remainders were loans. This business structure of RET was exposed the RET companies to liquidity and interest risks. There was no securitisation of real estate to hedge these risks.

(3) As the RET companies tried to satisfy mainly the parent companies' interests, there were conflicts of interests between the RET (trustee) and landowners (beneficiaries), and between the RET and financial institutions. Although the principles of separate trust account and sharing risks were instituted, the RET companies actually did not follow those principles. There was no system to control the RET companies by landowners and financial institutions against conflict of interests. Although the RET companies were able to manage real estate in long-term, they concentrated on land development trust of high-profit and short-term sale type projects. Therefore, the RET companies mainly focused on high-risk and high-return projects.

(4) The government, which should supervise the RET companies, was blamed for mis-management of them. The government not only neglected the structural problems before the IMF crisis, but also left the disease untreated after the suspension of land development trust projects. As results of this improper policy, things went from bad to worse. When the values of the projects decreased, it was more difficult for the government to restructure the RET companies. The RET companies were regarded as financial company by regulation, but they had a combined function of financing and construction for entrusted property. Therefore, the supervision system of them was confused. While the MOFE took charge of permission, M&A, dissolution, and liquidation of the RET companies, the FSC took charge of general business of them. As the RET companies were affiliates of the government agencies, the government supervised them as the affiliates. For example, while the parent companies of three RET companies (HRET, KREIT, and HCRET) were under the
supervision of the Ministry of Construction & Transportation (MOCT), those of two RET companies (KRET and JRET) were under the supervision of the FSC. This overlapping of supervision mechanisms caused confusion in policy for the RET companies. Currently, MOCT, MOFE, and FSC control the RET companies and the parent companies. This complexity of control mechanism should be simplified.

Alternatives: the Introduction of Listed Real Estate Investment Trust (K-LREIT)

Although the RET companies were introduced as real estate trust institutions, they actually functioned as not real estate trusts, but real estate development companies. The RET companies developed real estate with loans from the financial institutions. The RET companies had same business mechanism as the construction companies that were affiliates of chaebols, of which characteristics were guarantee of repayment and short-term capital gains in real estate development business. On the other hand, the RET companies as financial institutions supplied the funds to high-risk business. Hence, after the IMF crisis, the RET companies encountered the crisis of bankruptcy due to moral hazard and high risk of development projects.

Currently, the government and the lenders have plan to restructure the RET companies in order to solve the above-mentioned problems. At the moment, restructuring of the insolvent RET companies (KRET and HRET) is an urgent problem. However, the restructuring was delayed for the last one and half years and there were two major reasons for this delay. First, it was not yet decided how the participants of the projects would share the burdens of bad trusts. Second, the valuation method of the individual project was not decided. These problems delayed the restructuring of the RET companies, which included whether the projects should continue or not, and who should be the project owner. For the former problem, the priority order among the participants - landowners (beneficiary), RET company (trustee), parent companies, and financial institutions – should be decided according to one's own right of the project. If buyers and subcontractors already involved financially, these secondary participants should be included in this priority order. For the latter problem, it is necessary to decide a valuation method, which estimate the value of the project on the basis of land price, input value, and future cash flow. The Resolution Trust Corporation (RTC) in U.S. developed the method of Derived Investment Value (DIV) in the disposal process of the insolvency problems of Savings and Loan Associations (S&L) (FIDIC; 1998:391). The RET in Korea needed a valuation method of the project such as DIV.

After solving these problems, the government should restructure the RET companies with the method used in restructuring other financial institutions. The good trust accounts should be distinguished from the bad ones, and the former should be continued. The government should prevent the RET companies from bankruptcy through the bad accounts liquidation or hand-over to Korea Asset Management Corporation (KAMCO).

However, the government and related industries discussed the improvement of the real estate trust institution and management, separately from the restructuring. At first, it was considered that the focus of public welfare should be changed to the capitalism market principles. After the IMF crisis, the RET companies could not do business like government agencies any more, and the financial institutions could not lend funds on collateral of real estate only. Instead, the principles of capitalism market should be applied, and lending money based on the profitability of the project should be implemented. This trend would change how the real estate trust institutions do business. The securitisation of real estate such as project finance, money trust, issuing certificate note, and financing through Special Purpose Company (SPC) were considered.

Furthermore, the government has plan to introduce the Listed Real Estate Investment Trust in Korea (K-LREIT), like Real Estate Investment Trust (REIT) in U.S. or Listed Property Trust (LPT) in Australia. Because the existing RET was operated as a trust, Australian LPT system was considered for securitisation of real estate in Korea. If REIT or LPT were introduced as new real estate trust institutions in Korea, land development trust would be changed into K-LREIT and the other types of RET could be transferred to KAMCO. The K-LREIT would not only strengthen the liquidity of the asset, but also prevent moral hazard through corporate governance. As the existing real estate trust institutions had a serious problem of improper disclosure or corporate governance, the K-LREIT was regarded as an alternative.

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8 On the LPT, refer to Kim (1998).
9 There is no disclosure requirement of financing in the RET company (Lee; 1998:113).
In case of listing the RET, the information on the RET companies' business should be disclosed. After the listing, the corporate governance should be established in order to guarantee profitability and security. In LPT, the corporate governance was institutionalized together with the disclosure requirements. The manager can be retired by vote of the unit-holders in the event that they fail to meet their obligations. Most of transactions between the manager and the trust should be governed by disclosure requirements and be required ratification by unit-holders as well as the trustee, in the case of major investment or capital expenditure decisions (Kim; 1998). This mechanism should be implemented into K-LREIT.

Lastly, the government should allow tax benefits to the new institution (K-LREIT). In the case of trust business in Korea, the amount of tax evasion was smaller than that of other businesses, because of reporting the correct business incomes to the tax office. Because the tax benefits are the determinant factors of real estate investment, the tax benefits should be given to the trust business (Lee; 1998:113). There was a consensus to remove double taxation in K-LREIT, like the existing mutual funds. The capital gains tax in K-LREIT was reviewed to levy in the case of more than 30% transaction gains for some periods like in U.S. These tax benefits are desirable in order to settle the new institution in Korea.

However, there was a debate whether the heavy taxes on real estate in Korea should be cut or not. In 1995, the ratio of tax liability of real estate to total tax revenue in the holding stage was 4.3 per cent, while the ratio in the transactional stage amounted to 11.6 per cent (Ro; 1998:32). When SPC was introduced in Korea on 1998, there were tax benefits of real estate transactions. But, it was really difficult for the local governments to allow the tax reduction on real estate transactions, because they faced a fiscal difficulty after the IMF crisis.

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10 Korea and Japan enforced the SPC law at the same time in September 1998. The difference between two countries is as follows. While Japan allows a stock company to be listed in the stock exchange market, Korea allows only a limited company not to be listed. Hence, SPC in Japan could function as listed real estate investment vehicle (J-REIT), and SPC in Korea could only liquidate bad debts and real estate.


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A ‘STROKE’ HYPOTHESIS OF KOREA’S 1997 FINANCIAL CRISIS

Hyun-Hoon Lee¹

"An economist, it is said, is an expert who will know tomorrow why the things he predicted yesterday did not happen today." (The Economist, April 18, 1998)

1. INTRODUCTION

Since the Asian financial crisis erupted in 1997, a number of people including economists, journalists and politicians have raised many explanations and theories of the causes of the crisis. However, there is no consensus, and each individual analyst tends to explain the causes of the Asian crisis, subscribing exclusively to one of the explanatory categories. These people can be categorised into four groups.²

The first group headed by Radelet and Sachs (1998a,b) argues that the Asian crisis erupted because, even though there was no serious problem, self-fulfilling investors suddenly panicked and ran away from East Asia in a herd. The second group headed by Krugman (1998a) and Corsetti, Pesenti and Roubini (1998a,b) takes the opposite position and claims that the fundamental problems of these countries had accumulated and finally erupted at once when they reached the maximum level. The third group blames mostly the policy failures made by the crisis countries before the crisis occurred. The fourth group argues that the crisis erupted mainly because of external factors like abrupt changes in international market conditions. Unlike the first and second groups, which include mostly economists, the third and fourth groups seemed to include mostly politicians and journalists.³

But, blaming only one factor for the crisis does not seem to be appealing. For example, attributing exclusively to the irrational (or rational) speculative attacks and contagion as the cause of the crisis does not seem to make sense, because the contagion varied widely across the East Asian countries. Blaming it solely on an economic system once praised as a successful model for development is also inconsistent.

It seems that there is some truth in each of these explanations. Had at least one of these four factors been different from what they actually were, the financial crisis would not have occurred, or it would not have been as destructive as it actually was. In other words, Korea’s financial crisis (and maybe most of the other Asian countries’ crises as well) occurred not due to one single reason, but due to elements from all of the four explanatory categories.

Accordingly this paper attempts to piece together the fragmented causes of the Korean financial crisis.⁴ We

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² In fact, there have been a very large number of contributions on the causes of the financial crises in Asia. They are mostly available at http://www.stern.nyu.edu/~nroubini/asia/AsiaHomepage.html, thanks to Nouriel Roubini.

³ For instance, the Korean parliamentary hearing in early 1999 on the causes of the financial crisis was mainly focused on the policy mistakes made by the then president and the government officials. Some advocates of the Asian values claim that the Asian financial crisis was the result of hegemonic conflict between the East and the West.

will do this by drawing an analogy between financial crisis and human ‘stroke’, which occurs when there is a sudden blockage of an artery in the brain by a blood clot, or by other debris carried in the bloodstream of the circulatory system. This approach may be considered as a kind of general systems theory. The ‘stroke’ hypothesis synthesises most of the appealing explanations and theories of the financial crisis, and shows how the numerous factors such as fundamental weaknesses, policy mistakes, unfriendly international circumstances and exogenous shocks were systematically intertwined in causing the financial crisis.

This paper is organised as follows. Section 2 introduces the ‘stroke’ hypothesis and explains how the underlying and direct causes of the financial crisis are systematically intertwined. In sections 3 - 6, this paper discusses each of the four major causes, respectively. Section 7 concludes.

2. ANALOGY BETWEEN STROKE AND FINANCIAL CRISIS

Financial crisis normally starts with a sudden liquidity crunch in the financial system. This is very similar to the human stroke, which happens with the sudden blockage of an artery in the brain. Financial crisis is also very similar to stroke in that financial crisis can result in the real sector’s paralysis and stroke can limit the body’s normal functions such as thinking, movement, speech and the senses.

Therefore, it may be very useful to understand the nature of stroke in understanding the nature of the financial crisis. To most people, a stroke normally seems to occur all of a sudden in a person who has been living his/her life quite normally. As a matter of fact, however, it does not strike a real healthy person. Figure 1 illustrates how strokes normally occur. As illustrated in the Figure, the chance of having a stroke is dependent upon how the person’s physical constitution is, how well the person responds to the warning signs of stroke, and how friendly the surroundings are.

Smoking, heavy alcohol intake, lack of exercise and a high fat diet normally result in the physical weakness of a person, contributing to high blood pressure, high blood cholesterol, diabetes and obesity, which then speed up hardening of the arteries. When a person’s physical constitution becomes weak, the risk of having a stroke increases. Therefore, if a person has high blood pressure or other contributing factors, it is very important for him/her to change his/her life style by stopping smoking, limiting the amount of alcohol intake, having regular exercise and eating less fat. If the person fails to react properly to his/her weakening physical constitution, then he/she becomes constitutionally predisposed to stroke. Unfriendly surroundings such as family dispute, competitive personal relationships and a heavy burden of work also contribute to the likelihood of having a stroke.

Strokes normally occur after giving several different kinds of warning signs beforehand. Sudden loss or blurring of vision in one eye is one important warning sign. And it may be only a passing weakness, dizziness, fainting or tingling in a limb. If there appears a warning sign and the person fails to take appropriate actions, then the stroke risk increases significantly. Finally when there is a sudden sharp stress, worry, heavy exercise or an exposure to the cold weather, which work as a trigger or an exogenous shock, then a stroke may finally occur, with a serious damage to the body.

Korea’s financial crisis underwent a very similar process to a typical stroke. To most people, it appears to have erupted all of a sudden when the panicked foreign investors turned their backs on Korea. Like a stroke,

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5 The human circulatory system is also very similar to the financial system of the economy in terms of their structure and functions.
<Figure 1> Systematic Flow of Strokes

Wrong Response
- No regular checkup
- Heavy work
- Heavy drinking

Exogenous Shocks
- Sharp stress
- Cold weather

Fundamental Weakness
- Smoking
- Heavy alcohol intake
- High fat diet
- Lack of exercise

LR Warning Signs
- High blood pressure
- High cholesterol
- Diabetes
- Obesity

Immediate Warning Signs
- Sudden loss of vision
- Dizziness and Fainting
- Tingling in a limb

Hostile Surroundings
- Family dispute
- Stressful & heavy work
- Competitive relationship

Stroke
However, it erupted after several early symptoms. Fundamental weaknesses, policy mistakes, unfriendly international circumstances and exogenous shocks all contributed to the crisis. Of course, one may argue that we still need to single out one or two factors, which are considered most critical to the crisis. Yes, this is a reasonable argument. But it seems that each of the four factors played a critical role and should be considered equally important causes of the financial crisis.

Using the 'stroke' framework, a systematic and comprehensive process of the Korean financial crisis is illustrated in Figure 2. As seen in the Figure, the four factors played a role and intertwined with each other systematically, resulting in the financial crisis. That is, since the late 1980s the fundamental weaknesses have accumulated, and hence the international competitiveness of Korean corporations has weakened. On the other hand, the international environment, which used to be friendly with Korea's export-oriented growth strategy, has rapidly become hostile. This also put the downward pressure on Korea's competitiveness, and made the Korean economy even more vulnerable to the sudden changes in the world economy. However, the Korean government has overlooked the signs of weakening competitiveness and possibility of financial crisis and, instead, aggravated the situation by making consecutive policy mistakes. Finally, a sudden exogenous shock in early 1997 triggered the financial crisis to erupt.

The following sections explain the factors and process of the financial crisis in more detail. Fundamental weaknesses, unfriendly environment, policy mistakes and triggering factors are considered in order.

3. FUNDAMENTAL WEAKNESS

Just like a typical stroke, the financial crisis of Korea had its roots in fundamental weaknesses. The fundamental weaknesses, and hence the weakening of the international competitiveness of Korea have developed since the late 1980s.

From the early 1960s, Korea enjoyed extraordinary growth that transformed it from one of the poorest countries in the world to the 29th member of the OECD. In 1996, Korea was the world's 11th largest economy in terms of GDP. With regard to the fundamental basis for economic growth, the following two factors contributed to Korea's rapid growth. First, Korean people were diligent as proven by their long working hours and high savings rates. Also they were well educated due to the strong Confucian emphasis on education. The second most important cause of the rapid growth was the government's strong leadership in creating and developing strategic manufacturing industries and in moving towards export-oriented growth. This is a somewhat controversial argument, as there is plenty of evidence that Korea's industrial policies did not contribute to the growth of industries' productivity. But at least until the early 1980s, a strong government leadership was somewhat necessary and desirable, because the size of the domestic markets was small, the structure of the domestic industry was rather simple, and Korea's exposure to the world market was limited.

Since the late 1980s onwards, however, these two factors have become no longer valid. We discuss the reasons below.

a. Sterilising Economic Soil

With the advent of democratisation in 1987 and the subsequent liberalisation of trade unions, nominal wage increased 15 percent per annum up until 1996, exceeding productivity that rose by 11 percent. However, tight

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7 Up until 1996, Korea enjoyed over 8 percent annual growth rate of its real GDP for over thirty years. Accordingly, its GDP soared from US$ 2.1 billion in 1961 to US$ 484.4 billion in 1996, while its per capita GNP rose from US$ 82 to US$ 10,543 over the same period.
8 For more detailed explanation about the sources of the Korea's rapid growth, readers are referred to Kim and Hong (1997).
<Figure 2> Systematic Flow of Financial Crises

**Fundamental Weakness**
- Sterile economic soil
- Gov-led capitalism

**Policy Mistakes**
- Strong ER policy
- Inadequate supervision
- Political events

**Exogenous Shocks**
- Sudden bankruptcies of chaebol
- Crises in SE Asia

**LR Warning Signs**
- Slowing Export growth
- Increasing CA deficits
- Increasing foreign debt
- Decreasing stock prices

**Immediate Warning Signs**
- Increasing nonperforming loans
- Difficulties in rollover
- Increasing spreads

**Hostile Surroundings**
- Rapid liberalization
- A nut in a nutcracker
- Conflicts with the U.S.
labour market conditions and strong trade union power ensured that labour market reform went untouched. The labour market was full of rigidities. An excessive degree of job protection prevented lay-offs and encouraged overmanning, inflexible working hours and few limits on strike action. (Fitch ICBA, 1999)

What was more critical than the rapid rise in the wage rate and labour market rigidities was that the Korean education system no longer provided the economy with a labour force it needed most. Since the late 1980s, as the Korean economy has moved toward the level of developed countries, its products have become more sophisticated and its production processes have become more complex and more deeply integrated into the world economy. This all means that Korea has rapidly become in urgent need of a creative and highly skilled labour force - entrepreneurs, workers, bankers and the like. However, the Korean education system has kept its repetitive-memory-oriented education, which once proved to be successful when the Korean economy was in a less developed stage.9

On the other hand, Koreans have continued to work longer hours than their competitors, and their savings rates have remained very high.10 However, the rapid rise in the wage rate, labour market rigidities and the lack of a creative labour force have made the Korean economic soil sterile, and these indigenous factors have weakened the international competitiveness of Korean firms.

b. Inefficient Government-driven Capitalism

As noted above, the government-led economic policy was once considered to have led the nation its remarkable economic success in the 1960s-1980s. But it was no longer suited in the 1990s as the Korean economy became larger and more complex, and as the global competition became keen. Excess government involvement in the economy caused inefficiency, over-capacity and imbalances in many sectors.11

The political sector had its ties with some businesses, intervening in the process of extending loans to huge family-controlled conglomerates or chaebols and in deciding major state-funded projects for political kickbacks in return. Accordingly, capital, production and exports were heavily skewed towards chaebols, with myriad cross-guarantees on borrowing and limited transparency and accountability. And a “too big to fail” mentality of chaebols resulted in their excessive risk-taking, over-investment and insufficient attention to credit and exchange rate risks. Over-indebtedness, over-capacity and poor earning power among chaebols were a natural outcome. By the end of 1997, the top 30 chaebols had debt-equity ratios of 519 percent, a sharp contrast with 154 percent in the United States and 193 percent in Japan.12

On the other hand, the excessive government control of the banking system made banking institutions rely more on government intervention than on profit-first business. This, in turn, resulted in the misguided advancing of bank loans to nonviable or insolvent borrowers. Thus, the active government’s involvement in the market resulted not only in corruption, but also in moral hazard and inefficiency in the general economic sector, and a weakening of the competitiveness of enterprises and banks. These altogether, of course, left Korea vulnerable to shocks in an increasingly globalising financial market.

4. UNFRIENDLY ENVIRONMENT

Korea’s fast growth was in part due to the international circumstances, which were favourable to Korea until the late 1980s. First of all, the world’s free trade movement under the GATT enabled Korea to effectively pursue an export-oriented growth strategy. Following a number of the multilateral trade talks, the developed countries moved toward the opening of their domestic markets, yet Korea, a less developed country, was allowed to keep its domestic market closed effectively until the end of 1980s. Secondly, Korea, which

9 For more discussion on this, see Kim and Lee (1997).
10 Korea's gross domestic savings amounted to 36 percent of GDP in 1995. In contrast, the U.S. gross domestic savings amounted to 15 percent in the same year.
12 For more discussion on chaebol, see Yoo (1995), and Lee and Lee (1996).
became a part of western capitalism after its independence in 1945, received a considerable amount of explicit and implicit economic assistance from the United States during the cold war era. The United States also provided the largest market for Korea's export.

Since the late 1980s, however, Korean companies have faced intense competition with foreign companies in both domestic and international markets. Competition has mainly come from the rapid opening of Korea's domestic market, the rapid catch-up growth of the NNIEs and the commercial conflicts with the United States.

a. Rapid Opening of the Domestic Market

In 1989, Korea announced that it would no longer restrict trade for the sake of its balance of payments (as covered in GATT Article XVIIIB) and it would follow article XI, further increasing its pace of import liberalisation. With the conclusion of the Uruguay Round and the embarkation of the World Trade Organization (WTO), Korea faced a more rapid opening of its domestic market. Furthermore, former President Kim Young-Sam who came to power in 1993 proclaimed that Korea would join the OECD during his term of office. OECD access required that Korea open even wider and faster its domestic market. As a result, by 1996, the number of restrictions and the average tariff rates for manufacturing goods were comparable to those of most industrial countries.

Compared to the goods market, the financial market, in the name of financial liberalisation, underwent an even faster opening. During the early 1990s, restrictions on the inflow and outflow of mobile capital were nearly removed. However, the liberalisation happened with little attention to the new kinds of regulation that would be required and with only a thin base of financial skills. The liberalised financial systems enabled inexperienced private domestic banks and firms to take out large, dollar-denominated loans from foreign lenders.

Thus, the rapid opening and liberalisation of the financial market in the early 1990s left the economy exposed and vulnerable to the instabilities of the international financial markets.

b. A Nut in a Nutcracker

Since the early 1980s, China has strongly pursued a so-called 'reform and open-door policy.' This new policy was very successful, and between 1980 and 1996 China's real GDP grew by more than 10 percent per annum. The rise of China, however, meant intense new competition for Korean firms. China's manufactured exports grew by more than 20 percent per annum in the US dollar terms between 1990 and 1996, and Chinese firms competed directly with Korean firms in textiles, apparel, and electronics. In addition, the rapid catch-up growth of the NNIEs of Southeast Asia, such as Indonesia, Malaysia, Thailand and the Philippines also led to harsher competition for Korea.

Obviously this new competition put downward pressure on Korea's international competitiveness and hence its exports. Accordingly, to maintain the wage rates higher than the NNIEs, Korea had to change its industrial structure to become more high-tech-oriented. In fact, following the textbook example of Japan, Korea invested a huge amount of capital into the so-called strategic industries such as electronics, automobiles, bio-chemicals, etc. As a consequence, however, Korean companies found themselves competing directly against Japanese companies in some important industries.

Thus, Korea faced a very difficult economic predicament. It had to compete against China and other NNIEs on the one hand, and against Japan on the other. That is, Korea was being squeezed both from above and from below. In short, Korea was situated like 'a nut in a nutcracker,' as stated first in the Boose Allen &

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14 There have been many authors who point out that financial liberalization is the best predictor of currency prices. Wyplosz (1998), and Radelet and Sachs (1998b) noted that Korea became vulnerable to external financial shocks in part because it attempted to reform its financial markets in a market-oriented manner. China and Vietnam were shielded from the crisis because ironically they had not undertaken significant financial sector reforms and accordingly they had much less short-term capital inflow than Korea.
Hamilton report on the Korean economy, which was published just before the financial crisis.\textsuperscript{15}

Korea, a nut in a nutcracker, faced even more pressure when in January 1994, China devalued the yuan by 50 percent, and as the Japanese yen progressively depreciated against the U.S. dollar: from Y/$ 85 in June 1995 to Y/$ 127 in April 1997. Semiconductor prices also collapsed by as much as 80 percent in 1996. This delivered a severe terms-of-trade shock to Korea, for this industry accounted for 20 percent of Korea’s total exports by value.

c. Commercial Conflicts with the United States

Since the late 1980s, Korea and the United States have had repetitive trade conflicts in various areas. Of course, Korea’s relatively heavy protectionism and state intervention in the market were the main reason. But these had not recently come into existence. A more compelling reason could be found in America’s new protectionism as evidenced with its Super 301. Another reason is that Korea’s strategic importance in the forefront of the free world has lessened dramatically since the late 1980s, as the former Soviet Union fell apart and its former satellite states have initiated the economic reforms of a free market. Even though the United States still stationed its troops in Korea, it became less tolerant with Korea’s industrial policy. Accordingly, between 1990 and 1996, out of the total trade conflicts Korea had with all other countries, 36 percent was recorded with the United States.

As a result, since 1991 Korea has had continuous deficits in trade with the United States, except for 1993 which had US$ 0.2 billion surplus. This was quite a remarkable sign of the weakening of the Korea’s competitiveness, because the United States was Korea’s largest export market and was the country with which Korea had used to enjoy the largest trade surplus.

5. POLICY MISTAKES

Just like a typical stroke, there were signs of the weakening of economic fundamentals and warning symptoms of impending crisis. For instance, export growth relative to import growth, measured in the US dollars, began to slow in the mid-1990s. For example, exports in the US dollar terms increased by just 12.8 percent per annum between 1990 and 1996, while imports increased by 14.1 percent per annum during the same period. [Figure 3] Accordingly, the current account, which had showed surplus since the mid-1980s, has recorded deficits annually since 1990, except for 1993, which had a minor surplus. Most markedly the current account deficit widened sharply to US$ 23 billion in 1996 from US$ 8.5 billion in 1995. The ratio of the current account deficit to GDP rose to 4.7 percent in 1996 from 1.7 percent in 1995. From 1990 to 1996, the cumulative current account deficit amounted to US$ 48.7 billion, and the current account deficit was financed mainly by inflow of foreign capital. [Figure 4] This, in turn, caused a sharp increase in foreign debts. The net external debts increased from US$ 3.0 billion in 1989 to US$ 52.9 billion in 1996. The entire external debts increased from US$ 29.3 billion in 1989 to US$ 157.5 billion in 1996.

The Korea Stock Price Index (KOSPI), which once reached over 1100 points in 1994, has dropped to 600-point level in early 1997. [Figure 5] But the Korean government underestimated the early signs and denied the possibility of a financial crisis, repeatedly citing its strong GDP growth rates, high savings rates, budget surplus and moderate inflation rates. Accordingly, even when warnings of the likelihood of a crisis were circulating among foreign investors, it did not react to the signs properly and decisively to prevent the actual crisis.

Among the policy mistakes made by the Korean government before the crisis, three major ones are discussed in the following. The prime mistake was in its exchange rate policy. Inappropriate financial market supervision also turned out to be a serious mistake. The Korean government also failed to take appropriate action in response to the repeated defaults of \textit{chaebols} and the speculative attacks in the early 1997.

<Figure 3>

Exports and Imports (2/88 - 12/97)

3-month moving average
Source: Bank of Korea

<Figure 4>


Source: Bank of Korea
a. Strong Won Policy

As explained above, since the late 1980s the international competitiveness of Korean industry has continued to falter as the economic fundamentals and international circumstances have deteriorated. Then the Korean won should have depreciated; otherwise the current account deficits would have followed.

However, the Korean government adopted a strong won policy. The strong won policy was maintained with the so-called market average foreign exchange rate system, which was adopted in 1990. The exchange rate was allowed to move within the daily fluctuation band, which was kept narrow. 16 [Figure 6] Radelet and Sachs (1998b) estimate that the Korea won appreciated in real terms about 12 percent between 1990 and 1997. 17

Why did the Korean government insist on a strong won policy? First, to achieve the target of one-digit inflation rate per annum, the Korean government insisted on the nominal exchange rate stability. That is, inflation control was the overriding priority of macroeconomic policy and the exchange rate was an ‘anchor’ for inflation control. 18 Second, the Korean government maintained the position that strong won would push

Korean firms to strive to increase their productivity and hence international competitiveness. Third, the government wanted to keep the exchange rate stable in order to help domestic corporations and financial

16 Even though the daily fluctuation band had been widened gradually with the progress of financial liberalization, it remained at only ±2.25 percent just before the crisis.

17 In fact, there have been some arguments that the Korean won was not overvalued before the crisis. For instance, Corsetti, Pesenti and Roubini (1998a,b), and Chinn (1998) among others claim that in Korea, the real exchange rate was roughly in equilibrium on the eve of the crisis. This may reflect the problems with regard to the methods in calculating the real exchange rate. Nonetheless, the fact that until 1997 Korea experienced the consecutive current account deficits and after the onset of the crisis won depreciated by a large amount, seems to prove that the Korean won was obviously overvalued.

18 In fact, the nominal W/US$ exchange rate seems to have affected the price level considerably in Korea. Lee and Cheong (1997), for example, show that the exchange rate has been a good predictor of the future movements in prices.
Institutions by lowering the domestic currency costs of servicing foreign debts denominated in the US dollars. Fourth, a political consideration also made the exchange rate policy less flexible. The then Kim Young-Sam government strongly wished to realise US$10,000 income per capita. Once the per capita income reached US$10,000 in 1995, the government did not want it to slide with the depreciation of the domestic currency.

b. Inappropriate Supervision of Financial Sector

As noted above, during the early 1990s, the financial market underwent a very rapid liberalisation and deregulation. This allowed domestic financial institutions to have easy access to foreign capital to finance domestic investment. The problem was that financial liberalisation was done without adequate process and provision of the safety net.

First, financial liberalisation was carried out mostly on short-term rather than long-term capital inflows. For instance, the net foreign portfolio investment, which was merely US$ 0.1 billion in 1990, increased drastically to US$ 3.1 billion in 1991, US$ 5.8 billion in 1992, US$ 10.0 billion in 1993. This upward trend continued until 1996. However, the net direct investment continuously revealed negative values, indicating that the foreigners’ direct investment in Korea was smaller than Korea’s direct investment overseas.

Secondly, appropriate supervision and prudential regulation did not accompany financial liberalisation. Especially, the secondary financial institutions such as merchant banks, which increased sharply from six until 1993 to thirty by 1996, were not under appropriate supervision. With the belief that the government would not allow financial institutions to fail, Korean banks borrowed unhedged short-run foreign capital at lower rates, denominated in the US dollar, and made long-term loans at higher rates, with expectation that they could continually renew short-term borrowing. This led to a serious mismatch in maturities between borrowing and lending. Short-term loans accounted for 63 percent of the total debts on the eve of the financial crisis. With this fragile structure of foreign debt, Korea became very vulnerable to the instabilities of the international financial markets.
c. Naive Policy Response to the Early Warning Signs

A series of policy mistakes were also made in response to the early symptoms or warning signs of the impending crisis, which started to appear early in 1997. First, the Korean government did not properly and swiftly cope with the corporate insolvencies, which had a devastating impact on Korea's financial system. The government repeatedly declared that troubled firms would be dealt with on the basis of the market mechanism. However, amid the critical situation in the first half of 1997, the government aggravated the financial turmoil by taking measures counter to market principles such as the Bankruptcy Prevention Accord and state subsidies for the hopelessly ailing chaebols. Especially, the Korean government's decision to convert Kia Motors, the insolvent eighth largest chaebol, into a public enterprise heightened the confusion and distrust among the foreign investors.

The second mistake made by the government was with the exchange rate policy. With the Thai currency collapse in July 1997, contagion spread to Indonesia, Malaysia, and even to Singapore and Hong Kong. When speculative attacks on the Korean won began in October and accelerated in November, the Korean government maintained a narrow daily fluctuation band and tried to defend the Korean won inexplicably, wasting valuable foreign exchange reserves. As a consequence, Korea's available foreign exchange reserves fell far below the outstanding short-term foreign debts. In retrospect, if the band had been widened earlier and the exchange rate had been allowed to float freely, the Korean won would have depreciated gradually and this would have helped limit the extent of the crisis. 19

Third, the Korean government waited until the country's usable foreign currency reserves plummeted to US$ 20

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19 On October 16, the daily band of exchange rate fluctuations was widened from ±2.25 percent to ±10 percent. But the trading band was still narrow so that the Korean won fell to its daily limit against the US dollar as soon as the market opened, and foreign exchange trading had to be suspended.
7.3 billion, and the country was on the verge of a debt moratorium, before turning to the IMF on November 21. As Korean banks faced difficulties in rolling over their short-term foreign liabilities, the Bank of Korea shifted foreign exchange reserves to the banks' offshore branches and announced a guarantee of foreign borrowing by Korean banks. However, this action merely helped many foreign creditors to escape from Korea, and Korea soon found itself on the brink of national insolvency as the country's usable reserves became almost depleted.

Thus, once the financial crisis began to spread from Thailand, the Korean government made a number of mistakes, and these mistakes accelerated the capital withdrawals and caused a serious crisis of its own.

Why then did the Korean government, once considered shrewd and efficient, make such policy mistakes? Most of all, the then Korean government was in total disarray in its decision-making during the 'lame duck' period of Kim Young-Sam's presidency. The presidential election was scheduled to take place in December 1997. For instance, when the crisis was escalating, there was an internal struggle between the Ministry of Finance and Economy (MoFE) and the central bank over their roles in the financial market.

6. EXOGENOUS SHOCKS: THE TRIGGER

Normally, a stroke finally occurs when there is a trigger. A great deal of stress or sudden cold weather to which the patient is exposed could be a trigger. The Korean financial crisis also erupted eventually with the exogenous shocks, which acted as a trigger. There were two different shocks in early 1997: one came as a stress from inside, and the other came as cold weather from outside. That is, the drastic increase in corporate insolvencies acted as a stress on the Korean economy and the financial crises of Southeast Asian countries acted as sudden cold weather to which the Korean economy was exposed.

As briefly noted above, along with economic cycle of downturn, a series of large corporate bankruptcies began with Hanbo Steel, the fourteenth largest chaebol in Korea, in January 1997. In fact, before Korea turned to the IMF for assistance in November, seven out of the top thirty chaebols including Kia Motors, the eighth largest, faced insolvencies. This resulted in a surge in non-performing loans of commercial banks. At the end of September 1997, non-performing loans of all financial institutions recorded W 32 trillion (7 percent of GDP), about double their level at the end of 1996. On the other hand, the financial crisis in Southeast Asia acted in two ways as another trigger of the Korean crisis. First, a drastic devaluation of the currencies of the crisis countries impeded Korea's already-shredded international competitiveness, and this acted as a great downward pressure on the Korean currency. Second, trouble in Southeast Asia acted as a wake-up call for foreign investors to re-evaluate the risk of Korea, and to find out that Korea was already experiencing difficulties in the financial market with the surge in non-performing loans. When Hang Seng Index of the Hong Kong stock market recorded a big downturn on October 23, 1997, the foreign investors suddenly started together in a panic to withdraw their investment and to cut back their short-term loans to Korea. The won depreciated by about 20 percent against the US dollar through November 30 and the stock market index fell by about 30 percent to a ten-year low. Usable foreign currency reserves declined sharply as the Bank of Korea financed the repayment of short-term debt of Korean commercial banks' offshore branches.

Finally, Korea turned to the IMF on November 21, 1997, as the rollover ratio of short-term external borrowings by domestic financial institutions kept decreasing and the country's usable foreign currency reserves plummeted to US$ 7.3 billion, down sharply from US$ 22.3 billion only a month ago.

Thus like a human stroke, the Korean crisis was triggered by the two different shocks: a surge in large corporate bankruptcies inside Korea and the Southeast Asian crisis outside Korea. It should be noted here that the self-reinforcing herding of capital outflows was not a 'cause,' but a 'symptom' of the financial crisis,

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20 At the end of September 1997, non-performing loans of commercial banks stood at W 21.9 trillion, which was 6.4 percent of total credit and was double the W 12.2 trillion at the end of 1996. At the same time, merchant banks recorded non-performing loans of W 3.9 trillion at the end of October 1997, nearly three times the W 1.3 trillion at the end of 1996.
erupting as a combination of the fundamental weaknesses, the unfriendly international surroundings, the policy mistakes, and the exogenous shocks.

7. CONCLUDING REMARKS

Drawing the analogy between the economy's financial system and the human circulatory system, this paper introduced a 'stroke' hypothesis of Korea's financial crisis. With the 'stroke' hypothesis, we were able to synthesise most of the appealing explanations and theories of the financial crisis and show how the numerous factors had been systematically intertwined in causing the financial crisis.

Even though, it appears to have erupted all of a sudden when the panicked foreign investors turned their backs on Korea, it erupted after several early symptoms. The four factors (fundamental weaknesses, policy mistakes, unfriendly international circumstances and exogenous shocks) played a role and intertwined with each other systematically, resulting in the financial crisis.

To conclude the paper, I briefly discuss three areas to which the stroke hypothesis can be applied. First of all, the stroke analogy of financial crisis suggests what needs to be done as counter-policy measures after the crisis. That is, an early and appropriate treatment is imperative to help prevent having another stroke and resulting in serious complications, and in the medium- and long-term, treatment for the fundamental causes of strokes such as high blood pressure and diabetes should follow. Similarly, the first and most immediate way to treat the financial crisis should be to (1) break the self-reinforcing capital outflows and to stabilise the domestic currency (i.e., minimise the likelihood of recurrence) and (2) prevent a collapse the real sector (i.e., prevent complications). In the medium- and long-term, structural reforms are needed to address the root causes of the crisis.  

Secondly, the 'stroke' hypothesis could be applied to the financial crises of other countries like Thailand, Indonesia, Brazil, etc. As in the case of Korea, this will allow us to analyse its causes and consequences more systematically and comprehensively. Nonetheless, unlike other approaches such as moral hazard or self-fulfilling models, the stroke framework can allow for significant country differences and explain unique features of each country.

Lastly, it may be possible to use the stroke framework in devising an early warning system for the financial crises. Credit rating agencies such as Standard & Poor's, Moody's Investors Service, and Fitch IBCA seem to have devices for calculating the creditworthiness of different countries. As proven by the case of the Asian crisis, however, these rating agencies were not able to forecast the financial crisis beforehand. Instead, they have been criticised for aggravating the crisis, by at a later stage downgrading the ratings of the crisis countries. In academia, there have been few attempts to devise an early warning system. If we use the stroke framework, we could systematically and comprehensively identify the factors of four different causes of the financial crisis, and the long-run and immediate warning signs of the financial crisis. In addition, by marking risk indexes of the causing factors and warning signs, and summing them up, we could measure each country's likelihood of having a financial crisis.

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143


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The brutal impacts of the financial crises in Asia have called into question what had earlier been regarded as an infallible engine of growth, the Asian Development Model. Both within and outside the region, commentators have heralded the demise of this alternative path to development, comparing it unfavourably with Western-style liberal democracy. Many of the features which earlier had drawn approval—close cooperation between governments and the private sector, monitoring of investment flows to encourage chosen growth industries, linking of economic and social plan targets, and even the preference of broader social stability over concern for individual rights—are now interpreted as major sources of weakness and contributors to the crises. President Kim Dae-jung of South Korea, for example, has stressed the need to replace the old, flawed system with a more effective ‘democratic market economy’.

While there is clearly some truth in many of these claims, there has been a serious over-reaction in many quarters. The triumphalism of fundamentalist disciples of the free market was to be expected, but what has been more surprising perhaps is the rapid loss of confidence within Asia itself after so many years of unprecedented growth. It seems hardly credible that those Asian strengths that were analysed at such length in all those books on the ‘miracle’ could have been transformed so quickly into fatal weaknesses. Hence, there is a need for careful analysis of the causes of the crises as well as critical evaluation of the new directions that are being proposed, otherwise there is a real danger of throwing out the baby with the bath water. In this analysis it must be stressed that there was not a single, uniform crisis which applied to all of the victims—just as there was no single Asian model. The causes were varied and complex, and we have as much to learn from those countries who were less affected.

In this paper I want to take a broad view of the crisis in Korea and its consequences, as well as a more comprehensive evaluation of the various reform measures that have been implemented or are being proposed. While the timing and severity of the crisis confounded many critics, for more than 10 years questions had been raised about the need for restructuring in a number of Asian economies, including Korea. These problems related to, in particular: economic structures, the organisation of production, the development of or access to new technology, and a range of labour issues. None was simply a question of economic efficiency, but reflected complex interactions between economic, political and social factors, and in many cases also involved consideration of regional or global forces of various kinds.

In particular, the focus here will be on three key questions. Firstly, while the developmentalist state had been very effective in generating unprecedented growth rates in countries such as Korea and Taiwan, it was clear after the mid-1980s that the system could not continue in its old form. To what extent can the onset of the crisis in Korea be traced to the management (or lack of it) of the processes of restructuring that were clearly needed after about 1986? To what extent does the better result which was achieved in Taiwan give us clues on how this reform might be best managed, and in particular how a policy of the effective sequencing of restructuring measures might be designed? Secondly, if some variant of the original Asian model seems to be the most effective way of generating growth in the early stages of development—and there seems to be strong evidence to support this hypothesis—what can other nations learn from recent experiences in East Asia? Can such a process be managed effectively, or are the risks of instability and crisis too great? Thirdly, how can Korea, in particular, be brought back on track? To what extent does the IMF programme there

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provide an appropriate blueprint for both immediate stabilisation and longer-term reform? If the inability to manage the needs for restructuring after 1986 was indeed a central element in the crisis, what can be said about future policy priorities based on this analysis?

Pressures for Restructuring After 1986

In the period after the early 1960s, growth rate in the East Asian tigers reached consistently high levels, in an economic and social transformation that was unprecedented. This period of the ‘Asian Miracle’ gave rise to a very large literature that need not be reviewed here (see, for example, Amsden, 1989; World Bank, 1993; Wade, 1990; Haggard, 1990). What has received far less attention is the period since the mid-1980s, after which it became increasingly clear that quite fundamental restructuring was needed to keep the miracle going. This experience of policy reform and frequent inaction or mismanagement by governments and companies has been the subject of a major research project undertaken by the author (in collaboration with Geoff Missen of the University of Melbourne). The final writing up of the results of a large survey in

Korea and Taiwan, involving interviews with more than 300 companies, was overtaken by the crisis of late 1997, and is now being updated with a number of re-interviews, but a good case can be made that this was a crucial period in both Korea and Taiwan. The onset and severity of the crisis in Korea, I want to argue, can partly be understood in terms of the strategies chosen, and the opportunities missed, since 1986. Similarly, the fact that Taiwan has been much less affected is also partly a result of the rather different restructuring path that was chosen. In the analysis which follows, the major emphasis will be on Korea, but a number of comparisons will be made with Taiwan, and to a lesser extent with Japan.

The year 1986 provides a logical starting point for this analysis for a number of complex and inter-related reasons. The generation of rapid growth rates and significant trade surplus in the 1980s produced upward pressures on the currencies of both Korea and Taiwan, with significant impacts on the competitiveness of imports. This was especially so in the aftermath of the Plaza Agreement, when both the Won and the NT$ appreciated in value very much in the same way as did the Yen. In 1986-87, the Taiwanese NT$ appreciated by more than 35% against the US$, while the Korean Won appreciated by 16% against the US$ in 1998 alone. At this time, both countries experienced significant periods of labour unrest, partly associated with the move towards greater democratisation, including freedoms of labour unions. In both countries, workers demanded a bigger share of their nation’s success, and labour shortages appeared in all sectors as demand for workers outstripped population increases in these rapidly growing economies. The result was a significant increase in wage levels in Korea, for the first time in more than three decades, wage increases outstripped productivity gains. In Korea, there were more than 3,600 strikes in the second half of 1987 alone, resulting in annual wage increases of 21.6% in the period 1998-99, compared with labour productivity increases of 51% per annum. In Taiwan, wage increases followed a similar pattern. The result of these forces has, of course, been mixed. Wage increases and currency evaluations made exports less competitive, but stronger currencies meant that imports were cheaper and foreign investment was more attractive, while higher wages increased the purchasing power of the domestic market. Those pressures, however, certainly forced a rapid restructuring of both economies.

From a longer-term point of view, both societies have been faced with the problem of making the difficult transition from a developing to a more mature economy. In part this is a question of technology, as currency evaluations and wage pressures forced the movement to a more sophisticated industrial base. In the competitive situation of the 1980s, access to new technology from overseas was often restricted, as advanced nations feared competition from newcomers. Where technology could be purchased, it was expensive. The generation of home-grown technology, while improving, has proved to be difficult. Even more fundamental is the question of social change and the movement towards democracy. In both countries, the population had made considerable sacrifices in the national interest, and by the 1980s there were express demands for increased political freedoms as well as improved living standards. In both countries, new social movements emerged to push particular views, such as consumer rights or environmental protection. This is just one aspect of the complex interplay between democratisation and issues of economic growth, and this broad debate has significant implications for processes of restructuring. The search for new strategies to meet these challenges became central to the economic and social policy debate in both countries in the late 1980s and
1990s and, it will be argued, the inability to deal satisfactorily with these issues of restructuring led inexorably to the crisis of 1997 in Korea.

Restructuring Issues After 1986

The Question of Firm Size and Industrial Structure

Both Korea and Taiwan had followed broadly similar development strategies in the period since the 1960s (export orientation with protected domestic production, high rates of labour use and rising real wages) and their governments have played similar roles (market governing and making industrial winners). But their organisation of industrial production has been quite different. Production has been dominated by the large conglomerates (chaebol) and a patriarchal state in Korea, but by small firms and family-type networks in Taiwan. In the past, these differences made little difference to common outcomes: high growth and success in export markets. But, as we noted above, as these economies have matured and global economic forces have shifted since the late 1980s, rising wage rates and currency appreciations have threatened their competitiveness in the international markets. Both economies have been forced to engage new means of restructuring.

Embedded in these questions of restructuring has been the crucial issue of firm size. Some opinions in Korea have argued that a retreat from the past dominance of the chaebol is needed, along with a larger role for smaller firms. In Taiwan, ironically, arguments have been made for moving in the opposite direction, away from small firms and business networks. The historical formation of the different firm-size structures has given the two countries different sets of economic advantages and disadvantages (McKay and Missen, 1995). Korean chaebol have suffered high start-up and changeover costs but achieved economies of scale, while the small-firm structure in Taiwan has provided low set-up costs, and considerable product and market flexibility, but low-scale economies. While both countries have been technological learners, in Korea the level of firm R & D has been higher than in Taiwan, where technological development has been beyond the resources of small firms and more dependent on transfer from transnational corporations and government science parks.

In Korea, the dominance of a small number of large firms was established from the very beginning of the transition to the modern economy, during the Japanese colonial period. Most importantly, the Japanese imported a model of industrial development based upon the interaction between the three key actors in the economy: the state, the large private corporations and the banks. The implementation of this model quickly resulted in a marked duality in the colonial economy. A small number of heavily capitalised factories in key sectors produced the vast majority of industrial products, predominantly for export to Japan. Most of the small factories were under-capitalised, used traditional technology, and produced goods for the domestic markets. The structure of the colonial estate, with its strong and interventionist bureaucracy, had a major influence on the kind of economy that emerged in independent South Korea, especially after the military coup of 1961 brought a strong, modernising and developmentalist state headed by President Park Chung Hee. The dynamics of this regime have, more than anything else, produced a distinctive structure of the modern Korean economy (Cheng, 1993).

It is ironic that a strongly nationalistic regime, which cultivated anti-Japanese sentiment as a major force for legitimisation and for national motivation, should adopt both Japanese symbolism for the national renewal and similar methods of economic transformation. Certain key heavy industrial sectors were chosen for development with little or no regard for notions of competitive advantage: indeed Amsden (1989) has characterised this policy as one of ‘deliberately getting the prices wrong’. The government used a highly selective set of industrial policies to support the growth of these target industries, and in particular gave preferential loans at extremely low rates of interest through its tight control of the banks (Woo, 1991). This intensive and rapid process of industrialisation used as its major vehicle the big-business sector, dominated by the diversified, vertically integrated, largely family-owned chaebol. The rates of growth for these conglomerates were truly remarkable, especially in the era of heavy and chemical industrialisation.
During these decades of economic expansion, the role of small and medium enterprises was markedly peripheral to that of the chaebol. Throughout the period since 1960, SMEs have constituted more than 96% of all companies, but by the mid 1970s, their contribution to employment in manufacturing was only 45% of the total. Their contribution to output and value-added manufacturing declined even more markedly after 1960. By 1970, SMEs contributed only 30% of output and 28% of value-added production.

All of these features are in sharp contrast to the structures found in Taiwanese industry. The predominant actors here have been the SMEs, which became the country's exporters of a large range of industrial products. The rise of the SME as a competitive and flexible exporter depended on three processes: small firm sensitivity to and early entry into niche markets before retreating or diversifying investment into other industries, or what has been called 'guerilla capitalism' or 'industrial nomadism'; a labour force involving complex subcontracting relations amongst small firms in which flexibility compensated for small scale; and labour-intensive products and technological upgrading (rather than technological leaping) that were within the scope of the small firm.

The interpretation of these structural differences has largely rested on three sets of theories, which have as their bases: differences in macroeconomic policies pursued in the two countries; varying cultural underpinning to the two societies; and contrasting regime dynamics, which are taken to mean the various strategies that are undertaken and the alliances that are formed to enhance the power and survival possibilities of ruling groups.

Theories based on contrasting macroeconomic policies emphasise that each country's industrial strategy was certainly implemented differently. Korea's discretionary control of industrial growth was more central and hierarchical, with a government that was generous with tax benefits, tariff rebates and preferential credit, insistent on the social spreading of the benefits of private production, and hesitant in attracting FDI, relying instead on international loans. Taiwan's field manipulations of the market meant a system that relied on a range off non-discretionary incentives such as tariffs, rather than discretionary controls.

The second group of theories argue that the different structures reflect more than policies -- they involve deeper cultural differences. The strength of the Korean state's control in the economy, for example, cannot be understood unless one appreciates how deeply Confucian values are embedded in Korean society. Similarly, small capitalism in Taiwan has taken root in a culture where Chinese family values and small business networks have always been important. It is easy, however, to exaggerate cultural values, and in particular culture is a weak explanator for structural shifts over time.

In my view, more satisfactory is a third group of theories which stresses that the differences between the industrial structures that developed in Korea and Taiwan had more to do with what Cheng (1993) calls 'regime dynamics'. These dynamics may be thought of as the relational manoeuvres of leading businesses and government that take place in changing economic and political contexts, and which are designed to increase political legitimacy and to reconsolidate political power. Social pressures for restructuring accompany growth, and the pressures are exacerbated and complicated by changes in the global economy. Capital and state adjust their authority patterns and legitimation strategies to these changing environments, but they do so in primarily established social contexts. The basic differences in policies and structures between Korea and Taiwan began with the quite different socio-political contacts that prevailed in the immediate post-war years, but were magnified by the marked differences of approach adopted by the KMT in Taiwan and, in particular, the administration of Park Chung Hee in Korea. Industrial capitalism is, in other words, neither culturally born nor implanted by a master state, but is made and remade in a series of periods. Change takes place principally through the transition from one period to another, and in each era new regime dynamics are established to develop or consolidate the power of particular elites. The pressures that emerged after 1986 described above generated a series of such transformations in both Korea and Taiwan, but along markedly different paths. The crisis of 1997 has initiated even more dramatic change, although in largely similar directions. It is these waves of restructuring and their relationship to the crisis of 1997 that this research is seeking to understand.
Patterns of Restructuring in Korea after 1986

The debate about restructuring in Korea between 1986 and 1997, and the implementation of a number of initiatives by both governments and the private sector, revolved around a number of distinct but related areas. At the economic level the concern was the development of a more sophisticated economy, more technologically advanced and capable of developing new, competitive products for the world market. At the social level, there was debate about the distribution of the still substantial benefits of economic growth, and about the emergence of new organisational forms which could complement or sometimes challenge the power of the government. At the political level, the new and often fragile forms and processes of democracy that emerged after 1987 were subjected to widespread scrutiny and debate.

Space does not permit me to explore this fascinating and fundamentally important period in any real detail—this is the subject of a book which is nearing completion—but some salient points can be drawn out, particularly those which in my view had a distinct link to the 1997 crisis.

In the economic sphere, a series of imperatives appeared that were followed through in a general way throughout the Korean economy, albeit in slightly different forms in different companies and sectors:

- The push for new technology became something of a national obsession. This drive took several forms. In the short term, attempts were made to buy new technology, sometimes from traditional sources in Europe, Japan and the United States. There were also attempts to develop new sources from countries as diverse as Russia and Australia. Within companies, large amounts were invested in R & D, and this was supplemented by important initiatives in government sponsored research institutes. With an eye to the longer term, investments in the education system, especially in fields such as science education, were intensified.

- Both government and individual companies gave special attention to improvements in the subcontracting system. Given that by 1986 the dominant mode of production in large, capital-intensive units was well established, the efficiency of the systems providing components and parts received great attention. The perceived superiority of the Japanese subcontracting system provided the model for many of these initiatives. The Korean SME sector was perceived, correctly, to be extremely weak, and a number of private and government programmes were aimed at increasing management skills, labour competency and access to finance. In part this was a question of efficiency and unit costs, but the need to improve the quality of components became a key element, as did the long-term desire to involve subcontractors in the process of technological upgrading. Again, Japan provided the vision here. The result was that each of the chaebol sought to develop a set of preferred suppliers, who were assisted in various ways. In most sectors, this resulted in a marked decrease in the number of suppliers used, along with a significant increase in their average size. The avowed aim was to grow a series of medium companies with the skills and resources to meet the long-term development needs of the chaebol. In some senses this began to improve the strength and capacity of the traditionally weak SME sector, but this was very selective, and many of the very small companies were simply discarded by an increasingly centralised and large-scale production system. Again, the contrasts with Taiwan are very instructive.

- The increased costs of labour in Korea during this period provided a strong impetus for a wave of overseas investment. This involved large companies to a massive degree, but also a surprising number of smaller enterprises. The majority of these kinds of investments were in other parts of Asia, especially in China, Indonesia and Vietnam.

- The emphasis on large-scale production was matched by an overwhelming desire to increase market share, often at the expense of corporate profitability, at least in the short-term. As a new competitor in many sectors, Korea's first imperative, it was argued, was to establish and then build its position in a range of key product markets, such as automobiles, electronics and machinery of various kinds. This strategy involved a range of foreign investments— but in a new way from the labour cost driven relocations described above. Here the emphasis was on building presence in world markets, and this often involved the acquisition of overseas companies or the creation of completely new facilities. Thus,
Korean companies built facilities in the traditional areas of Europe and North America, but also in new locations such as parts of Eastern Europe, Central Asian and Latin America.

- Corporate strategies continued to stress *diversification* of the conglomerates, and continued *vertical integration*. Thus, in spite of periodic attempts to force the *chaebol* to become smaller and more specialised, government regulations and urgings in this area were largely ignored.

- The *chaebol* continued to maintain family ownership patterns, and hence preferred to finance their growth and attempts to increase their market share by increasing their levels of debt rather than through some form of equity investment. In many cases, demand for new borrowing outstripped local resources, hence international laws were sought. In any case, throughout the 1990s interest rates on US$ denominated loans were considerably lower than those on loans provided by Korean banks, encouraging overseas borrowings, often on a very short time frame.

*Industrial Restructuring and the Korean Financial System*

A basic problem which faced the Korean economy as it attempted to restructure in the period after 1986 was the poor development of the Korean financial system.

This problem had several important dimensions:

- The whole structure of the financial system had been developed during the period of tight government control and significant intervention in industrial policy. Thus at one level the government increasingly accepted the need for financial deregulation, yet it was often unwilling to give up its power, especially in areas regarded as crucial to the future national interest.

- The management skills and the general quality of staff training in the financial sector were inadequate to the new situation faced by the sector, and often were unable to respond to the new tasks which the banks and other institutions were expected to perform.

- The whole question of financial regulation and governance had not been adequately addressed before the partial deregulation of the sector.

- The sector was not prepared at all for partial opening to the new structure, institutions and procedures of the emerging global financial systems. The rules were not there, the systems of governance and prudential assurance had not been developed, nor were the staff trained to cope with the new situation.

- In the processes of restructuring described above, the banks were left holding a large number of bad debts, and there had been little thought given to the ways of handling this. The banks had been forced by earlier governments to give preferential loans for a range of projects, many of doubtful financial viability, yet when the statistics on non-performing loans began to mount, this was seen largely as a problem for the banks. This question of bank refinancing has, of course, emerged as a major issue since the 1997 crisis.

*Industrial Restructuring and the Political System*

As we learn more about the causes and impacts of the 1997 crisis, it is becoming clear that many problems had some of the inadequacies of the Korean political system as the developmentalist state sought to redefine its role and methods of operations. The following are the major points that can be made:

- Given the adversarial and personality-centred basis of Korean politics, there was very little co-operation between parties in tackling the major restructuring problems that emerged after 1986.

- In particular, the political and decision-making processes had not been developed sufficiently to allow the government to take decisive action in the face of real economic and financial threats. The all-powerful government of the 1960s and 1970s was replaced by a political gridlock which paralysed
decision making and policy implementation in the period leading up to the crisis. This has led a number of commentators to question the very form of democracy, which was implemented after 1987, arguing that the political culture was not up to the task of governing and steering the nation through this crucial period of restructuring. In the immediate lead-up to the crisis, a series of important reform measures was bogged down in parliament, and several Korean commentators have asked the question of whether the crisis could have been averted if these bills had been passed.

The strong regional diversions in Korean politics and voting patterns were also involved in complex ways in the debate about restructuring. It could be argued that many crucial decisions also became bogged down in debates about the local or regional impact of proposed projects or policies.

The pattern of Korean growth and the whole question of industrial structure discussed above gave rise to one of the major political power struggles of the 1990s, that between the government and the chaebol. As was noted above, the chaebol were very much a creation of the regime dynamics operating in Korea at the time. By the 1990s, the chaebol had become so large and powerful, so crucial to the present and future prospect of the Korean economy, that they were able to resist many government demands. The separation of political and economic power, an important feature of Korea’s drive to industrialisation, was in real danger of collapsing. The current attempt by President Kim Dae-Jung to restructure or even break up the chaebol and impose new regulations on their operations is thus an extremely difficult and sensitive issue. A recent newspaper poll suggests that the majority of the Korean population do not believe that the government will succeed. This will give rise to a further series of political and legitimation questions, given that the chaebol are so unpopular with the vast majority of the Korean public.

Restructuring and the Question of ‘Sequencing’

The points that have been made above about economic reform, the financial sector and the workings of the political system point to the general problem of sequencing in the approaches to economic, industrial and social restructuring. A current area of research concerns the ordering and sequencing of various reform measures. This is an issue in the sectors – for example, what internal reforms need to be in place in the financial sector before the country is opened up to the impact of the global financial system? It is also a question that relates to the broader structuring of society. Again, what political reforms need to be in place to complement economic reforms of various kinds?

Lessons for the Next Tigers

The whole question of sequencing raised in the last section is particularly important also in relation to the countries which seek to follow the examples of Korea and Taiwan. In a series of reports issued before the 1997 crisis, the World Bank and other similar bodies argued that the models of the NICs provided real hope for the developing countries. Unprecedented levels of sustained growth had been achieved in Korea and Taiwan, and countries well away from the Asian region were encouraged to follow their example. Some of this enthusiasm has undoubtedly been tempered by the impact of the crisis, but the apparent quick rebound by Korea will intensify debate in this area. Certainly, China seems intent in the reform of its economy and the restructuring of its problem publically owned enterprises to create a local version of the chaebol. The Korean model does seem to offer the quickest way of achieving rapid, early-stage industrialisation, but this leaves the serious problem of transition to the next stage of development, something which Korea has found so problematic since 1986. This provides another level of interest in the current project as we seek to ask:

• Is the rapid growth achieved in this early phase more than offset by the problems and potential instabilities of the transition phase? In other words, is this model really a long term proposition?

• What can we learn from the questions of sequencing, as applied in both Korea and Taiwan, that can help us develop some guidelines to assist a range of nations navigate their own transition? This is of fundamental importance to much of Asia and some other parts of the world.
• Does the 'optimal' level of sequencing – if it is possible to define such a thing – lead us to a pure liberal market democracy in any case? Is it in the interests of countries such as Korea to aim for such an eventual outcome, or is there another way which is more feasible and would give greater benefits to the Korean people?

**Getting Korea Back on Track**

By way of a conclusion, let me ask some questions about the way in which Korea itself is heading. As has been hinted above, I am not necessarily convinced of the overwhelming benefits of the free market model currently being applied. I am certainly not in favour of a 'big bang' approach, favouring a more carefully thought out sequencing of reforms. Reforms are certainly necessary, but the continued need to restructure the Korean economy suggests to me that there remains a continued central role for government, in areas such as:

• Technology generation and implementation;

• The monitoring and amelioration of some of the tendencies towards polarization and inequality between various social groups and geographical regions;

• The navigation of the difficult reforms needed between Korea and the international economic and financial systems;

• The continued problems between North and South Korea, which have enormous economic as well as political implications.

These are only some of the most important issues that need to be resolved, and they cannot be hidden by mere slogans about free markets and democracy. Some serious analysis and policy formulation needs to be developed, and the aim of the current research is to make a modest contribution to this vital project.

**References**


REAL EXCHANGE RATE AND INWARD FDI IN THE CRISIS-RIDDEN KOREA

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1. Introduction

Since the mid-1997, a highly contagious financial crisis swept through the economies in East Asia, resulting in free-fall of value of currencies involved, subsequently bulging unemployment rate and general economic downturn in these economies. Thailand, Indonesia and Korea were among the hardest hit by the crisis. The currency crisis occurred a few times previously in other areas. However, the depth and consequences of the Asian crisis were alarming to many people who had touted a remarkable success of the Asian economies as the ‘Asian miracle’.1 The Asian crises were also flooded with vast literature explaining causes and effects of the crises in the region. By now, there are already a handful of models and attempts made so as to explain the causes of the Asian crisis although the origins of the crises might be complex. They range from the 'moral hazard of financial intermediaries thus causing over-borrowing syndrome (Krugman, 1998b, McKinnon and Pill, 1996); the financial fragility to the self-fulfilling panic such as bank run (Radelet and Sachs, 1998), the role of balance sheet and international transfer (Krugman, 1999), to political economic approach of US policy toward the Asian region to the cause of Asian crisis (Cho, 1999).2

While these models and attempts listed above shed light on the causes of the Asian crisis, the countries that have been afflicted by the crisis have undergone significant reforms and industrial restructuring and implemented various measures to rectify the situation, as a part of International Monetary Fund’s (IMF) rescue package. Likewise, Korea also undertook a series of reforms.3 They include industrial restructuring and rationalisation of the Korean economy fundamentally through 'big deals' among chaebols which are notorious for their a high debt to equity ratio and excessively diversified managements, labour market reforms, financial sector reforms including selling off some under-performing banks, and further liberalisation of the economy.

In the turmoil of the financial crisis, the Korean government considered inward foreign direct investment (FDI) as a way out for the crisis-ridden Korean economy.4 Subsequently, significant changes took place in FDI policies, especially toward foreign ownership. Accompanying accelerated liberalisation efforts by the Korean government, inward FDI flows in Korea have significantly increased, amounting to US $ 8.85 billion in 1998 alone. Such a great increase in inward FDI flows into Korea in the recent period is surprising while capitals, foreign and domestic, have been fleeing out of the country when the crisis struck it. What are the factors lying behind the increased inward FDI flows into Korea? Is it mere a reflection of policy changes? Or are some factors involved?

The increased FDI inflows also witnessed a significant increase in the number of merges and acquisitions (M&As) of Korean firms and companies by foreign multinationals. As a result, M&As became an increasingly important modality of FDI in Korea. However, the increased number of M&As of Korean business enterprises by the foreign multinationals generated public concerns and doubts over the increased foreign ownership in Korea. Some argued that Asian currency crisis opened up opportunities for multinationals, especially of the US, to acquire assets in a way to pursue their global long-term growth

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1 See World Bank (1993), for example. However, Paul Krugman was one of those who predicted such crisis in Asia. Refer to Krugman (1998a).
2 There are also a group of people who attribute the Asian crisis to the poor development of institutions in the region. For such an aspect, refer to Kasper (1998).
4 President Kim Dae Jung (1998) addressed during his visit to the US the role of foreign investment as a critical element for the improvement of the Korean economy.
strategy. However, the scepticism and public concerns at the same time focus on especially the issue of 'selling Korea'.

The principal aim of this paper is twofold. First, it is to survey the recent trends and development of inward FDI into the crisis-ridden Korea. A particular attention will be paid to policy changes in Korea toward foreign ownership. Second, this paper intends to deal with the role of exchange rate movements in the inward FDI. True that the previously mentioned models of the Asian crisis noted the potential acquisition of cheap domestic assets by foreign investors, i.e. 'fire-sale of Korean firms or assets. However, no systematic efforts have yet been made to examine the issue in the crisis ridden Asian context. In this regard, Korea provided a good benchmark for the study partly because of her accelerated liberalisation toward the inward FDI and partly because she outperformed the other economies in Asia.

This paper is structured as following. In the next section, we start with a brief historical review of the policy and highlight recent policy changes in a historical context by the Korean government toward FDI and foreign ownership. We also concisely present trends and patterns of inward FDI in Korea and examine if the recent development of inward FDI differs from that of pre-crisis period in its industrial distribution or in characteristics. In Section 3, we discuss some theoretical considerations for the role of exchange rate movements for the inward FDI. We shed light on the wealth effect and competitiveness effect of the exchange rate movements on the inward FDI. In Section 4, we develop a simple econometric model to entangle respective effects of exchange movements on the recent inward FDI flows to Korea. The results are subsequently discussed in this section. Section 5 concludes this paper with a brief summary of major findings and implications.

2: Evolution of Policy Measures and Trends of Inward FDI in Korea

Since the enactment of Foreign Capital Inducement Act in 1960, the Korean government took various efforts to promote the inward FDI. However, the nature of FDI policies during the early stages of industrialisation remained fundamentally restrictive because the Korean government considered inward FDI as an aid to carry out policies to achieve industrialisation goal. The Korean government maintained control over the direction, size, operational schemes of foreign capital (Kim, 1993). During this period FDI was encouraged primarily in export-oriented light manufacturing in an effort to ease the balance of payment problem and exploit export markets. Thus the amount of the inward FDI remained minuscule until the early 1980s with the total approved amount of US $ 1,179 million only in 375 cases during the period 1962-1983.

However, in the early 1980s structural imbalances appeared in the Korean economy, which followed excessive promotion plans for heavy and chemical industry in the 1970s. These structural imbalances were coupled with growing current account deficits and snowballing external debts. The Korean government needed to improve the structure of Korean economy toward more technology- and skill-intensive industries such as optical instruments, industrial robots, electronic switching systems, etc. Thus, Korean government took more active approaches in the 1980s toward inward FDI with an emphasis on the technology transfer effect of FDI. The adoption of the new approaches to the inward FDI was assisted also by changes in the world economy. A heavy reliance, as in the 1970s, on the foreign borrowing became extremely costly at the prevailing interest rate arising from the US strong dollar policy. At the same time, the new approaches were generally in line with the Korean government's industrialisation policy emphasising macroeconomic stability and equity.

In 1984, the Korean government adopted a negative list system of FDI approvals in which any industry not specified on the list was opened to foreign investment. Since then, the Korean government continued to reduce restrictions and regulations imposed on inward FDI such as performance requirement while

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5 This is a so-called 'fire-sale' of assets. The issue has been considered first by Mundell (1988) and also more recently by Graham and Krugman (1991) for inward FDI for the US. Krugman (1998b) constructed a model for fire sale of assets based on moral hazard and over-borrowing for Asia.

6 There was a boom in the 1970s as a result of Japanese FDI in Korea as result of the Korean government's promotional efforts and Japan's confidence in the potential Korean investment (Seo, 1997).

7 For the details of the Korean heavy and chemical industry drive and its impact on the economy in the 1970s, refer to Stern et al (1995).
improving market access for the inward FDI. By the time when the notification system of FDI was introduced in 1991, the liberalisation ratio of FDI reached 79.4 percent in total industry.\(^8\) Easier market access and improved business environment due to the liberalisation efforts and sound improved macroeconomic conditions in Korea in the mid-1980s augured well for the level of FDI inflows. The amount of FDI inflows rapidly increased to US $ 193 million in 1984 and subsequently reached a peak in 1988 of US $ 895 million dollars on arrival basis. Since then, the amount of the inward FDI declined due to serious labour dispute and subsequent wage hike in the late 1980s, soaring real estate prices, and the emergence of the Association of Southeast Asia Nations (ASEAN) as an alternative destination for labour-seeking FDI in East Asia.

At the conclusion of the Uruguay Round, world trading environment in the 1990s created serious challenges for developing countries, needless to say for Korea. Globalisation of the world economy was an irreversible trend while regional economic integration unprecedentedly deepened as manifested as in the ‘Fortress Europe’ or North America Free Trade Association (NAFTA), etc. At the same time, industrialised countries such as US and Japan became increasingly reluctant to transferring advanced technologies to developing countries through licensing. Under such a changed international economic climate, it was imperative for the Korean government to upgrade economic structure and enhance international competitiveness.\(^9\) Thus, the Korean government furthered its efforts for the FDI liberalisation. For example, a One-Stop Service system for FDI was established in 1995 and its services were improved in subsequent years.\(^10\) The Korean government also allowed friendly merges and acquisitions (M&As) in 1997.\(^11\) As a result of such liberalisation efforts and expansion of industries open for foreign investment, the amount of FDI increased rapidly to US $ 1.3 billion in 1994, US $3.2 billion in 1996, and further to US $ 6.9 billion in 1997.

While pursuing liberalisation effort FDI in accordance with the OECD principles of capital movement, the Asian crisis inflicted a lethal blow to the Korean economy in the late 1997. The Korean government actively sought for foreign investment by accelerating liberalisation effort as a way out from the crisis for the Korean economy. Although new FDI policies may be considered as an extension of previous liberalisation effort for FDI, there occurred subtle but more fundamental changes toward inward FDI. The nature of post-crisis FDI policies fundamentally changed from previous regulation and administration of FDI to supporting and promoting FDI. The Foreign Investment Promotion Act was enacted in November 1998 in an effort to create investor-oriented policy environment. This new legislation emphasised the streamlining FDI procedures and strengthening provision of incentives for FDI, especially in high technology areas. Tax reduction or exemption incentives were extended while restructuring institutional supports through the Korea Investment Service Centre at KOTRA. Under the new system, even full-fledged hostile M&As were allowed, together with foreign land ownership. Categories of business open to foreign investment were expanded such that the liberalisation of FDI in total industry reached 98.9 per cent in May 1999.\(^12\) As result of such rapid and fundamental changes in FDI policies, the inward FDI flows in 1998 amounted to US $8.85 billion, up by 27 per cent compared with 1997.\(^13\) Notable during this period is cross border M&As through acquisition of outstanding shares, ie. friendly M&As. Cross border M&As increased from around 10 per cent in 1997 to 14 per cent of the total FDI with US $1.24 billion in 232 cases. The increasing trend continued in 1999 such that M&As account for 14.5 per cent of the total FDI as of July 1999.\(^14\)

As of 1998, the total cumulative amount of inward FDI in Korea stands at almost US $ 33.5 billion in 11,686 cases since the first inward FDI in 1962. However, as seen in Table 1, about two-third of total inward FDI is

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\(^8\) Manufacturing industry was more rapidly opened to foreign investment with the liberalisation of 97.7 per cent in 1991 (Kim, 1997).

\(^9\) Ungson et al (1997) discuss the new challenges lying ahead of the Korean government and also of the Korean enterprises, especially for Korean chaebols (see chapter 1).

\(^10\) The One-Stop service system was reorganised into ‘Investing in Korea Service Centre’ in 1997.

\(^11\) However, there was a limit on ownership of 15 per cent if the firm under M&A consideration has assets more than 2 trillion won.

\(^12\) Thus, only 13 categories are completely restricted and 18 categories are partially open for foreign investment. Those restricted categories will be gradually open for foreign investment from 2000.

\(^13\) Such an increase may be also attributed to restoration of confidence of foreign investors in the Korean economy as the reform and restructuring efforts proceed.

\(^14\) If we include factory acquisitions or acquisition of ongoing projects in M&As, then M&As’ proportion further increased to 53.1 per cent of total FDI in 1998 (Ministry of Finance and Economy).
of a recent phenomenon, particularly since 1994, reflecting the evolution of FDI policies toward liberalisation and the changes in overall economic situation in Korea. In terms of industry distribution of the inward FDI, manufacturing sector has been traditionally strong until the early 1990s although its importance relatively declined in the more recent period. The manufacturing sector accounted for 66 per cent of the total amount for the 1962-1993 while services sector explaining approximately 34 per cent. Recently, the relative importance of the manufacturing sector fluctuated significantly from around 34 per cent in 1996 to 65 per cent in 1998, explaining on average about 51 percent of the total amount during the 1994-1998 period. Within the manufacturing sector, more inward FDI has been directed towards such capital- and technology-intensive industries as chemicals (14%), electric and electronics (12%), transport equipment (7%). Whereas, light manufacturing industries such as textile and clothing (2%) attracted only minuscule of the total inward FDI. Among the services sector, hotel, finance and insurance and trading accounted for around 15 per cent, 11 per cent and 4 per cent respectively.\(^{15}\)

### Table 1
FDI Inflows into Korea 1962-1998* (US $ million)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>2,321</td>
<td>2,829</td>
<td>2,244</td>
<td>402</td>
<td>883</td>
<td>1,930</td>
<td>2,348</td>
<td>5,735</td>
<td>18,693</td>
</tr>
<tr>
<td>Non-manufacturing</td>
<td>1,313</td>
<td>1,411</td>
<td>1,090</td>
<td>915</td>
<td>1,058</td>
<td>1,273</td>
<td>4,623</td>
<td>4,781</td>
<td>14,798</td>
</tr>
<tr>
<td>- Services</td>
<td>1,285</td>
<td>1,400</td>
<td>1,087</td>
<td>915</td>
<td>1,057</td>
<td>1,254</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3,634</td>
<td>4,240</td>
<td>3,335</td>
<td>1,317</td>
<td>1,941</td>
<td>3,203</td>
<td>6,971</td>
<td>8,852</td>
<td>33,491</td>
</tr>
</tbody>
</table>

*Approved

Sources: Ministry of Finance and Economy

3: Real Exchange Rate and Inward FDI

While being actively pursued by the Korean government as a way out from the crisis, rapid increases of inward FDI into Korea in the recent period have also created public concern over ‘selling Korea’. This concern was amplified by the increases in cross border M&As of Korean companies and firms and also by the substantial currency depreciation of Korean Won during and after the Asian crises. What is the source of this concern? Is the depreciation of Korean currency the source of concern?

Real exchange rate movements can effect inward FDI through various channels, and the importance of exchange rate movements was emphasised in variety of literature (Caves, 1982; Cushman, 1985, 1988; Froot and Stein, 1991; Barrell and Pain, 1996). First, it is the cost of production effect. In this argument, FDI is presumed capital seeking cheap labour (Goldsbrough, 1979; Klein and Rosengren, 1994). Depreciation of real exchange rate reduces the cost of production, in particular that of labour. The reduction of labour cost will subsequently lead to an increased demand for labour and thus employment. With a given production technology, the increased demand for labour raises the return to capital which may induce inward FDI. Therefore, we expect that real depreciation of Korean Won lead to increased FDI in Korea. This line of argument is pertinent especially to a developing country with abundant cheap labour. The developing country usually exports labour-intensive products either by using local resources or by assembling of imported materials, parts and intermediate products rather than high-value added niche products to the world market. Under this situation, changes in exchange rates might have a significant effect of the country’s international competitiveness. Maintaining competitive edge in the labour-intensive products shall attract inward FDI, which use labour intensively in their production process or in the assembly. Therefore, depreciation of the real exchange rate can boost the host country’s competitiveness. This has been

\(^{15}\) Industry shares are out of the cumulative total up to 1996.
traditionally for the Japanese FDI and also more recently for FDI from Asian Newly Industrialised Economies (NIEs) in East Asia (Seo and Suh, 1999).16

Another source of effects on FDI of exchange rate movements follows the idea that there is a link between wealth positions and investment. That is, exchange rate movements create the wealth effect when there are information asymmetry in capital market (Froot and Stein, 1991). In this model, a firm’s wealth determines the amount that it bids on foreign assets. Currency movements alter the firm’s relative wealth position and thus affect FDI. For example, the depreciation of domestic currency raises the wealth of foreign investors relative to domestic investors and this lowers the relative costs of capital; foreign investors outbid domestic investors. Thus, the depreciation of domestic currency thereby lead to an increase of inward FDI which may cause a ‘fire-sale’ FDI issue, and conversely for the real appreciation of domestic currency. The wealth effect of real exchange rate movements may be more relevant to M&A bids by foreign investors than the greenfield investments (Goldberg and Klein, 1998, p. 83; Froot and Stein, 1991). Note also that if wealth matters, a surge in the foreign currency value of foreign stock market should raise inward FDI, even if the exchange rate is fixed (Froot and Stein, 1991).

Exchange rate movements can also have impact on the inward FDI in anticipation of future movements by the domestic government to mitigate the effects arising from real exchange rate movements. However, in this case, the exchange rate movements can generate the opposite effect on the inward FDI to the above discussed wealth effect. Real appreciation of the domestic currency makes imports relatively cheaper, raising imports. The increased imports create, in turn, pressures for the government to opt for protectionist stance, and thus foreign investors take FDI in anticipation of potential tariff barriers. As a result, the real appreciation of the domestic currency can lead to the increased inward FDI.17 In the case of real depreciation, we may observe the reversed impact on the inward FDI.

4: An Econometric Model and the Discussion of the Results

In this section we develop an empirical econometric model to investigate the effect on the inward FDI of real exchange rate movements in the Korean economy. Of course, there are other factors involved as determinants in the inward FDI (Seo and Suh, 1999, for example). However, the aim of this paper is more narrowly focused on seeing the effect of real exchange rate movements in terms of wealth effect and production cost effect on the inward FDI into Korea.

Following Froot and Stein (1991) and Klein and Rosengren (1994), the model is specified:18

\[
(FDI)_t = a_0 + a_1(REXR)_t + a_2(RLC)_t + a_3(VSM)_t + \varepsilon_t
\]

where

- \(FDI\) indicates the inward FDI flows to Korea;
- \(REXR\) is real exchange rate index of Korean Won;
- \(RLC\) means real labour costs, and
- \(VSM\) presents the value of stock market.

Time span that we consider here is a more recent period, especially from the first quarter of 1994 to the first quarter of 1999. The selection of the base period was rendered on the following two grounds. First, as noted earlier, the inward FDI in Korea is a more recent phenomenon such that the 1994-1998 period accounted for almost two-third of the total cumulative flows in Korea. Second, although the policy stance for FDI by the Korean government changed its nature from regulation and administration to promotion and support of the inward FDI in 1998, it may be more appropriately interpreted as the continued liberalisation efforts started in 1994 following the OECD principles of capital movements.

16 Empirical support of this hypothesis for industrialised countries can be found in Cushman (1985, 1987) of the US outward FDI.
17 This may be more strictly classified as ‘tariff-jumping’ FDI.
18 We investigate the effect of level real exchange rather than volatility of real exchange rate. For this part refer to Cushman (1985) and Barrell and Pain (1996).
FDI flows data were obtained from the balance of payment account prepared by the Bank of Korea. Although total realised FDI in Korea may be more appropriate, FDI inflows in the balance of payment account were used because they might be more sensitive to real exchange rate movements. Inward FDI data were adjusted by using the US capital equipment price index (Sung et al., 1998). Real exchange rate (REXR) is bilateral nominal exchange rate of Korean Won per US dollars adjusted by the ratio of wholesale price of Korea and the US. Price adjusted monthly earnings index was used as a proxy for the real labour costs (RLC), and the value of stock market is captured by industrial share price index. A couple of further modifications were made in the subsequent estimation process. First, although the model is expressed in terms of variables in level, what matters more is the relative position of the variables, as discussed in the previous section. Therefore, exogenous variables in the model except real exchange rate were normalised as ratios by using the corresponding US variables. Second, lagged exogenous variables are used in the estimation so as to avoid potential simultaneous bias and the order of lag are determined by the model. All the variables in the model are measured in logarithmic value so that the estimates of coefficients will represent the elasticity of respective variables. The model was estimated by using ordinary least squares (OLS) method, and the results are presented in Table 2.

Table 2
Regression of Real Exchange Rate, Relative Labour Costs, Value of Stock Market on the Inward FDI flows in Korea, 1994Q1-1998Q1

<table>
<thead>
<tr>
<th>Dependent variable: LFDI</th>
<th>Coefficients</th>
</tr>
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<tbody>
<tr>
<td>LVSM(-1)</td>
<td>-2.44 (0.63)*</td>
</tr>
<tr>
<td>LVSM(-2)</td>
<td>1.42 (0.82)</td>
</tr>
<tr>
<td>LREXR(-1)</td>
<td>-1.87 (0.63)*</td>
</tr>
<tr>
<td>LREXR(-2)</td>
<td>2.74 (1.32)**</td>
</tr>
<tr>
<td>LRLC(-1)</td>
<td>0.71 (2.41)</td>
</tr>
<tr>
<td>Constant</td>
<td>-9.19 (7.46)</td>
</tr>
</tbody>
</table>

Adj R² 0.72
Standard error of regression 0.41
F 10.21
D.W. 2.70
RESET(1) 0.06
RESET(2) 0.11
LM(1) 3.39
LM(2) 2.27
ARCH(1) 0.87
ARCH(2) 0.14
HETEROSCEDASTICITY 0.58

Notes
1. Figures in the parentheses are standard errors
2. *, ** and *** represent 1%, 5% and 10% level of significance.
3. Dependent variable was the ratio of FDI inflows to total trade.

A few remarks on the results are in order. First of all, a large proportion of variations in the inward FDI flows into Korea are explained by the lagged values of real exchange rate, value of stock markets and relative real wage costs, as indicated by the adjusted R² value of 0.72. Secondly, real exchange rate movements are important for the inward FDI into Korea although its precise direction of the influence differs between the lag lengths. One per cent real depreciation of the currency occurred two periods ago encourages inward FDI by 2.7 per cent whereas it discourages in the immediate past the FDI inflows by 1.9 per cent. Nevertheless, in the long run positive effect dominates over the negative one, i.e. (2.74-1.87). Although an

19 The use of corresponding US variables was simply made for expediency purposes.
20 Alternative specification of dependent variable, FDI inflows in level form, produced almost the same result.
accurate behavioural interpretation of the impact of the real exchange rate movements on the inward FDI is not warranted, such a positive long run effect may indicate relatively an improved wealth effect of foreign investors arising from the real depreciation of domestic currency. This interpretation of positive wealth positions compared with domestic investors is further supported by the two more observations. The first is that inward FDI flows are not seriously influenced by the relative labour costs, i.e. competitive production costs. Although its sign is positive contrary to our expectation, it lacks statistical significance. However, this is no surprising at all considering that the FDI inflows into Korea during the period considered in this paper were directed towards more technology-intensive and heavy industries, as well as such services industries as banking and insurance. The relative labour costs are of importance for cheap labour seeking FDIs, especially when multinationals intend to use the host country as an export base. As discussed earlier, Korea is no longer a cheap labour country and also it lost comparative advantage in many labour-intensive industries to neighbouring ASEAN and China. The other is the influence of the movements of value of stock market, which we argued earlier is another source of wealth effect even if the exchange rate is fixed. One per cent slide of the Korean stock market value relative to the US leads to about 2.4 per cent increase of FDI inflows, which is persistent even in the long run, i.e. (-2.44+1.42).

5: A concluding remark

The continued liberalisation efforts by the Korean government toward the inward FDI, especially after the crisis was designed to facilitate FDI, particularly into technology-intensive and high-value added industries with a view to improving the structure of the Korean economy and enhancing international competitiveness. The crisis occurred in the late 1997 witnessed an unprecedented fall of Korean Won, which was immediately followed by subsequent fall in the value of the Korean stock market. The econometric results in the previous section demonstrated that based on improved institutional arrangements and support, multinationals took a full advantage of the relative wealth effect arising from the crisis. This fact alone as such cannot be the source of public concern. If the multinationals possess superior technology and/or management know-how compared with Korean companies and firms, selling of the troubled Korean firms through acquisitions and mergers by foreigners with the relatively improved wealth position may be desirable and even be welfare improving in the long run. However, if foreign investment was based merely on the relatively improved wealth position arising from the Asian crisis dispense of the true superiority in technology and/or management, increased FDI inflows carry more negative implication and may be welfare decreasing. For this aspect, more research is warranted.

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ANARCHISM AS A RESPONSE TO IMPERIALISM: THE CASE OF KOREA

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We understand the revolution as a widespread popular movement, during which, in every town and village within the region of the revolt, the masses will have to take upon themselves the task of rebuilding society—will have to take up themselves the work of construction upon communistic bases, without awaiting any orders and directions from above.

Peter Kropotkin, the great Russian anarchist and humanist, wrote these words in 1901 in a book titled *Modern Science and Anarchism*. Although the book’s language was Russian, it was published in London. An English translation appeared two years later. Such was the international character and appeal of philosophical anarchism at the turn of the century.

Beginning in the 1920s, anarchism was studied and embraced by a number of Koreans living in exile in China, many of whom were active in various anti-Japanese movements as well as in other political and revolutionary movements there. Some of these anarchists formed themselves into groups, such as the Federation of Korean Anarchists in China (Chae Chungguk Chosôn mujôngbujuija yŏnmaeng), founded in 1924, and the Federation of Korean Anarchist Communists in China (Chae Chungguk Chosôn mujôngbu kongsanjuija yŏnmaeng), founded in 1928. These groups did not all see eye-to-eye, even on some fundamental questions of ideology and strategy, but they did share an openness to anarchism as a source of ideas, a new lens through which to view contemporary problems. Anarchism also appealed to Koreans living in Japan, where it was more dangerous to espouse the ideology, and ultimately to Koreans in the peninsula as well.

Despite this appeal, anarchism in Korea and among Koreans abroad has received far less attention by scholars—both inside and outside Korea—than its importance and interest would seem to merit. Part of this may stem from what Arif Dirlik has described (referring to anarchism in China) as “historical amnesia” on the part of historians with regard to the appeal of anarchism to Koreans inside and outside the country.2 Another partial explanation, however, may lie in the reluctance on the part of some scholars to tarnish the reputations of revered nationalists by identifying them too closely with a radical ideology.

Anarchism in Korea is frequently explained (or perhaps explained away) by reference to nationalism, as if it were largely an extreme form of nationalism, or simply a tactic or tool used by nationalists to advance the cause of independence from Japan. This explanation ignores the particular appeal that anarchism held for Koreans, subsuming it under the “nationalism” rubric that has often become the analytical category of choice for understanding modern Korean history, and particularly the period of colonial rule by Japan (1910-1945). In this brief paper I will describe only some aspects of the appeal of anarchism to one Korean in the 1920s. He does not represent all expatriate Koreans, nor can he even be taken as representative of all Korean anarchists. But Sin Ch’aeho (pen name Tanjae; 1880-1936), is a good example of an intellectual and activist who found in anarchism an appealing analytical category to supplement his studies of Korean history and his activism against Japanese rule. In particular, because Sin Ch’aeho was apparently able to move to and from anarchism to some degree, using him as a point of departure for a discussion of anarchism helps illuminate what anarchism said to Koreans—what promise it held out, what questions it answered—in the 1920s.

Sin Ch’aeho is frequently hailed as one of the path-breaking founders of modern Korean historiography. He is also honoured for his unflinching opposition to Japanese rule in Korea. As often as not, he is accorded pride of place among a group of historians lumped together under the undifferentiated category of “nationalist historians” in the early twentieth century. (The term “nationalist historians” itself should not be

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1 A good starting place is Han’guk anak’ijitm undongsa [History of the Korean Anarchist Movement] (Seoul: Chosôn mujôngbujuija undongsa p’yŏnch’ân wiwŏnhoe, 1978).

162
taken uncritically, as it tends to encompass people whose thinking included a wide variety of assumptions, approaches, critical stances, and objectives.) The nationalist lens through which Sin has typically been viewed has often resulted in inadequate attention being paid to the anarchism of his later years. I will argue that Sin's anarchism—as well as the anarchism of his contemporaries—should be taken seriously, and not explained away by reference to his nationalism.

Born in 1880 in South Ch'ungchōng Province, Sin received a standard classical education, graduated from the academy known as the Songgyung'gwan, and went on to an early career in journalism. Many of his earliest essays sound little different from those of others of his generation who held out hope that an educated, enlightened populace would pull Korea out of the cultural and political doldrums in which the country seemed to be mired. At this point, Sin's thinking appears to have been based on the idea of "self-strengthening" (chagang). Through education and the refinement of character, Sin maintained that people could rise up and break through the darkness of ignorance. He was willing to learn about "new civilisations" (including the West), to acquire knowledge necessary for Korea to retain and enhance independence. He exhorted his countrymen to do the same, so that they would not have cause for shame before foreigners. Liberty and self-reliance, he said, were the keys to a glorious future. 3

Sin wrote his earliest historical essays before Japanese annexation in 1910, but at a time when Japanese domination over Korean affairs was more of a reality than a threat, and increasingly disturbing to people like Sin. In April of 1910, only a few months before the formal annexation of Korea to Japan was completed, Sin left Korea for China, where he spent most of the rest of his life. He was far from alone; such well-known activist intellectuals as An Ch'angho and Yi Kap left at around the same time. Sin became active in various Korean political groups in China, and also continued and intensified his historical studies.

Sin was a prolific writer, and the nature of his historical writing changed over time. His earliest writings (prior to annexation) are a combination of anti-Japanese rhetoric, castigation of Koreans whom he viewed as assisting directly or indirectly in the subjugation of their country, and the adulation of heroes from Korea's past. In fact, when he made reference to the heroes of countries other than Korea in these early works, it was usually to heroic figures in those countries that he referred.

Sin's early Carlylean view of history, however, did not suit him well after he left Korea. It was not just a matter of Korea coming under the direct rule of Japan. Sin also explored a variety of political and social theories while in China. His later works are therefore marked both by a recognition that Japan's hold on Korea was firm (at least for now), and by a much higher degree of theoretical complexity. The most important of these, Choson sanggosa [History of Ancient Korea], is an ambitious, complex, and fascinating examination of Korean history seen partly through the lens of contemporary concerns. 4

Sin began drafting his Choson sanggosa and his other major historical works in the early 1920s, at the same time that he was becoming involved with radical Korean groups in China. He had briefly been associated with the Shanghai Provisional Government, but rejected that organisation and its diplomatic approach to Korean independence. He had already rejected the program of the gradualists within Korea; in this case, he had voted with his feet in 1910 when he left the country. His rejection of these two approaches was spelled out explicitly in the "Declaration of Korean Revolution" he wrote in 1923 for the coiyoltan, an expatriate anarchist group that advocated, among other things, assassination and bombing in pursuit of the objective of ridding Korea of Japanese rule. At first, it might be easy to view this manifesto as simply a more vehement restatement of Sin's earlier diatribes against Japan and against Koreans who were not sufficiently vigilant against Japanese aggression; Sin was, after all, highly critical of these two groups in the declaration. But there is more to this document than simply a radicalised nationalism.

3 Sin Ch'aeho, "Kiho hanglekho mün hayuro kahyündun go" [Why Was the Kiho Society for the Advancement of Learning Started?], in Tanjae Sin Ch'aeho chonjip [The Complete Works of Sin Ch'aeho; hereafter referred to as SCH], revised edition (Seoul: Tanjae Sin Ch'aeho sonsaeng kinyom saophoe, 1977), 3:97-98. This essay was originally published in Issue 1 (August 1908) of the Kiho hanglekho woldo [Monthly Newsletter of the Kiho Society for the Advancement of Learning].

4 Choson sanggosa can be found in SCH 1:31-354.
It should be pointed out that during the 1920s Sin was something of a political itinerant. Korean expatriates in China represented a wide range of political persuasions, and Sin associated with a number of them. In 1921 he was reported to be an official of Yi Tonghwi's *Hanjok kongsandang* (Korean People's Communist Party), formed after Yi broke away from the Shanghai Provisional Government (of which he had been Premier) in January of that year. He does not appear to have been particularly active in Communist Party activities, however. By 1923, he had written the "Declaration" for the anarchist *oiyŏltan*. And finally, in 1927, he lent his support to the *Sin'ganhoe* ("New Trunk Society"), an organisation intended to provide a united-front umbrella for a wide range of nationalists. The group was moderate enough that the Japanese government in Korea approved it, which makes Sin's support a little surprising (even though the group did become more radicalised over time). But whatever his formal affiliations, aside from his historical works much of his most important writing from 1923 until his imprisonment in 1929 has the flavour of anarchism.

The most widely known of these is the *oiyŏltan*’s "Declaration of Korean Revolution."

Sin began this proclamation by labelling Japan a “bandit” (*kangdo Ilbon*, a term he used throughout), and declaring that Japanese colonial rule over Korea was “bandit politics” (*kangdo ch'ongch'i*). Japan was the enemy of the Korean people's existence; killing them through revolution was an appropriate way to deal with this intolerable situation. Sin then criticised the various methods adopted by factions of the Korean independence movement. He first attacked advocates of self-rule (*chach'i*) and the cultural movement (*munhwa undong*—an heir of the "patriotic enlightenment movement," emphasising the importance of such institution-building efforts as publications, education, and so forth). Their offence was that they represented a compromise with Japan. As Sin put it, people who advocated these sorts of endeavours were enemies of Korea no less than Japan was.

Sin next censured the “diplomatic method” (*wegyo ron*), an appeal to strong countries such as the United States and England for aid in achieving independence. Yi Sungman (Syngman Rhee), future president of the post-liberation Republic of Korea, was a leading advocate of this approach, but Sin was convinced that this strategy was doomed to failure. Beginning with the abortive coup of 1884, he argued, the "enlightenment" party as well as their conservative opponents both had to depend on foreign powers--and Korea still could not maintain its independence. With the confidence of a historian, Sin argued that history showed this method would not work.

Finally, Sin targeted advocates of the "preparation" method (*chunbi ron*). This was a reference to people like An Ch'angho, who pushed education and institutional strengthening as a way for Korea to become capable of independent rule. Sin's criticism of this method was that such preparation could only be carried out within the existing framework of Japanese rule. Therefore, Koreans could do nothing but what the Japanese allowed. Japan, Sin pointed out, exercised complete economic and political dominance over

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7 SCH 3:35-36. The entire "Declaration of Korean Revolution" can be found in SCH 3:35-46.


Korea, controlling all productive capabilities. Koreans, meanwhile, were kept in relative poverty. How could Koreans go about developing their own industry and expanding education? If Koreans built up their own military capability, it would have to be as powerful as Japan's, or it would be worthless. Koreans, Sin lamented, were unable to do anything under Japanese rule.10

Having named the enemy (Japan, and Korean collaborators), Sin then proposed the solution that constituted the ojijultan's “declaration of revolution.” To maintain the existence of Korea, “bandit Japan” must be repelled with a revolution. And from what source should such a revolution draw its strength? From the strength of the oppressed people (minjung ai him). This would be a “people's revolution” (minjung hyöngmyöng). Koreans must be awakened to the reality of their oppressed situation, and then act against that reality. The revolution would eliminate four things: 1) Japanese officials in Korea; 2) the emperor and his officials in Japan; 3) traitorous Koreans; 4) Japanese facilities in Korea.11

The declaration proclaimed that destruction must precede construction. Though Sin’s anarchism was heavily influenced by Kropotkin (as will be discussed below), at least in this case he sounds more like Bakunin: “Let us put our trust in the eternal spirit which destroys and annihilates only because it is the unsearchable and eternally creative source of all life. The urge to destroy is also a creative urge.”12 Destroying Japanese rule was a formidable task, but Sin’s manifesto contended that it was nevertheless possible. If Koreans destroyed Japanese officials and their Korean lackeys, ended the system of confiscation of Korean resources, did away with social inequality, and rooted out the slave mentality with which they were afflicted vis-à-vis Japan, they could then construct a unique, independent, “people’s” (minjung) economy, society, and culture.13 Violence, the declaration concluded, was the only way to accomplish this goal.

Although Sin’s “Declaration” is his best-known example of radical writing, it is neither representative of classical anarchism nor theoretical in any substantial way. The “Declaration” encouraged violence, but it must be remembered that anarchist thinking does not necessarily mean advocacy of violent revolution. Classical anarchism is generally traced back to the writings of William Godwin (1756-1836), Pierre Joseph Proudhon (1809-1865), and Peter Kropotkin (1842-1921). While anarchists advocate a range of strategic options, they have in common the view that the state is an instrument of repression, that government is unnecessary, and that the state’s coercive system (exercised through government) should be abolished and replaced by voluntary co-operation, which can achieve the same things without the demoralising and enslaving mechanisms of state control. The word itself comes from archon (ruler) and an (without). Despite popular images of lawlessness and terrorism, anarchism is not advocacy of the absence of order;

10Nigerian novelist Chinua Achebe made the point, with regard to colonised Africa, that it was ridiculous to think that any coloniser would consciously allow its subjects to learn anything that would result in the destruction of colonial rule. His specific point was that under the terms of colonial dictatorship, Africans were given no experience in democracy, and were therefore not prepared for it upon liberation. While the contexts are of course very different, Sin was making much the same point: Why should we think that Japan will let us “prepare” for independent rule under the terms of coercive colonial rule? They would be contradicting their own presence in Korea. The “preparation” argument therefore failed to recognise the facts of Korea’s situation. For Achebe’s observation, see Bill Moyers, A World of Ideas, ed. Betty Sue Flowers (New York: Doubleday, 1989), 340.

11SCH 3:43.


13Recent studies have shown that the image of wholesale Japanese confiscation and control of Korean capital resources is inaccurate—as, of course, is the view that all Koreans who benefited under Japanese rule were necessarily traitorous. In particular, Carter Eckert’s study of the beginnings of industrial capitalism and Edwin Gragert’s study of changes in landholding show that Koreans were not simply victims, but were more active participants in the economic reallocation and changing class structures than has often been thought. See Carter J. Eckert, Offspring of Empire: The Koch’ang Kims and the Colonial Origins of Korean Capitalism, 1876-1943 (Seattle: University of Washington Press, 1991); and Edwin H. Gragert, Landownership under Colonial Rule: Korea’s Japanese Experience, 1900-1935 (Honolulu: University of Hawaii Press, 1994).
rather, it embraces the idea of order founded on a basis other than coercive government. Anarchists, then, do not advocate the abolition of society, only of the kinds of society that are undesirable, which would include any kind of social organisation that is achieved through coercion. Because of the nature of anarchist objectives, however, it is possible that the outcome of the effort to achieve those ends may be temporary disorder, and perhaps even the kind of violence Sin referred to in his "Declaration."

The idea of freedom is essential in anarchism, as is the kind of optimistic faith in science that animated the Enlightenment. In the nineteenth century, these ideas combined with the belief that moral truth, inherent in the laws of nature, would eventually achieve universal agreement. To anarchists, freedom did not mean that individuals could do whatever they wished. Rather, it was the more positive idea that freedom requires, first, that the individual discovers his or her true self, and then follows that self free from coercive restraints. In other words, true freedom is strictly rational, and not simply a response to the desires of the moment. In this way, freedom is a reflection of natural, moral law, which should be the only restraint on the individual.

In common with other sets of ideas inspired by the Enlightenment, anarchism was to some extent utopian, believing in the ultimate perfectibility of human society through the progress of science and adherence to moral self-direction. Such morality, however, cannot come from governments, which are always coercive and therefore anathema to true freedom. Instead, moral improvement must be achieved by individuals themselves. Any externally-imposed morality would be artificial in any event, and therefore incapable of creating the kind of society the anarchist idealised.

In a sense, all anarchists are revolutionaries, since they advocate radical transformation of society. But overt advocacy of revolution (such as the ooyolatn called for) was not part of anarchism from the beginning. By the time of Bakunin and Kropotkin, however, leading anarchists believed that revolution had become a social necessity because of the tenacity with which the coercive state held onto its power and thus prevented progress toward a free, voluntary social organisation. As Germaine Hoston has pointed out:

> It was the conviction that the state was an inherent evil and not merely a secondary, superstructural product of the economic causes of human dehumanization as described by Marx and Engels, that made the followers of Bakunin and Kropotkin anarchists rather than simply socialists.

Sin proclaimed in his "Declaration" that the revolution he was calling for would be destructive, since destruction contained the seeds of positive social reconstruction. "Revolutions are not child's play," declared Bakunin, "nor are they academic debates in which only vanities are hurt in furious clashes, nor literary jousts wherein only ink is spilled profusely. Revolution means war, and that implies the destruction of men and things." Violence, then, while not an end in itself, could be useful in bringing about desirable consequences. Most importantly, it could release aspects of human nature repressed by coercive institutions, allowing individuals, through the operation of reason, to grasp their true nature and thereby achieve the freedom that comes from conforming with natural law and the morality of self-government and voluntary association.

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16 Mikhail Bakunin, *The Political Philosophy of Bakunin: Scientific Anarchism*, ed. G. P. Maximoff (New York: The Free Press, 1953), 372. One cannot help conjecturing that Mao Zedong may have been inspired by these words when in 1927 he famously described a revolution as "not a dinner party, or writing an essay, or painting a picture, or doing embroidery; it cannot be so refined, leisurely and gentle, so temperate, kind, courteous, restrained and magnanimous. A revolution is an insurrection, an act of violence . . . ." See Mao Tsetung [Mao Zedong], *Quotations from Chairman Mao Tsetung* (Peking: Foreign Languages Press, 1976), 11-12.
While he was examining a variety of political ideologies in China in the early 1920s, it is likely that Sin read Minsheng ("People's Voice"), a journal started in 1913 by a group of anarchists led by Liu Sifu (1881-1915), better known as Shifu. This journal was an important source of anarchist theory and activity, and was instrumental in spreading anarchist ideas throughout China. He may also have come across the writing of the leading Japanese anarchist of the era, Kōtoku Shūsui (1871-1911), as it appeared in Shifu's journal. As with many other ideas that entered China in the late nineteenth and early twentieth centuries, Japan was an important source for information on anarchist theory. Kōtoku, in fact, was responsible for the conversion to anarchism of numerous Chinese students in Japan. The common thread linking all of these anarchists to Sin Ch'aeho was their devotion to the writings of the great anarchist theorist Peter Kropotkin. Shifu was an avowed disciple of Kropotkin. Kōtoku was also deeply influenced by Kropotkin's writings.

It is clear that, in common with many Korean anarchists, Sin Ch'aeho also drank at the well of Kropotkin's anarchist socialism. In a lengthy article appearing in the Tonga ilbo on 2 January 1925, Sin openly promoted Kropotkin in evangelistic terms: "Let us receive the baptism of Kropotkin's 'Appeal to the Young'!" The essay to which Sin referred was one of Kropotkin's most influential. First published in 1880, this essay contained a section for each of the various professional groups (doctors, engineers, lawyers, teachers, and so forth), and then made an appeal to all of them:

Two courses are open to you. You can either tamper for ever with your conscience and finish one day by saying 'Humanity can go to the devil as long as I am enjoying every pleasure to the full and so long as the people are foolish enough to let me do so.' Or else you will join the


19 Arif Dirlik, Anarchism in the Chinese Revolution, 128-129.

20 F. G. Notehelfer, Kōtoku Shūsui, 112-116. Korean radicals of various persuasions were active in both China and Japan from the second decade of the twentieth century through the 1930s. In Japan, for example, Ministry of Justice estimates for 1932 (the year with the largest number) reported nearly 14,000 Korean communists in over one hundred separate groups, and over 1,000 Koreans involved in thirteen anarchist groups. See Scalapino and Lee, Communism in Korea, 183. Similar statistics are not available for China, but it is clear that Koreans in China covered the entire spectrum of political ideologies. A good account of one Korean who left Korea during the Japanese occupation and became increasingly radicalised as he saw the effects of Japanese policies is Nym Wales [Helen Foster Snow] and Kim San [Chang Chirak], Song of Ariran: A Korean Communist in the Chinese Revolution, rev. ed. (San Francisco: Ramparts Press, 1972). The year 1919 was particularly disillusioning. The pseudonymous "Kim San," like Sin Ch'aeho and so many other expatriate Korean activists, spent time in Shanghai, a city he described as the "mother of exiles." He also included brief comments on the oiyŏltan. This book was originally published in 1941.

21 SCH 3:30. The entire article, titled "Nanggaek úi simnyŏn manp'il" [A Profligate's New Year Notes], can be found in SCH 3:25-34.
ranks of the socialists and work with them for the complete transformation of society. Such is the necessary result of the analysis we have made. Such is the logical conclusion at which every intelligent being must arrive provided he judge impartially the things he sees around him, and disregard the sophisms suggested to him by his middle-class education and the interested views of his friends.22

Following Kropotkin's reasoning, Sin called in his article for a transformation of society based on a moral concern for all and a willingness to sacrifice momentary pleasure for a greater good. It was just such a sense of common humanity that would ultimately bring about social transformation, Kropotkin argued in his introduction to Mutual Aid:

It is not love to my neighbour—whom I often do not know at all—which induces me to seize a pail of water and to rush towards his house when I see it on fire; it is a far wider, even though more vague feeling or instinct of human solidarity and sociability which moves me.23

Love as a motivating force was unappealing to anarchists because it was emotional and therefore irrational. But "human solidarity," though "more vague," was nevertheless rational. To the extent that common sense was guided by reason, then, human solidarity would become the motivation for socially transformative good.

One of the fascinations in studying Sin Ch'ae-ho's writings of the 1920s is the contradictions and ambiguities that they reveal. Though Sin typically wrote with great confidence (bordering sometimes on bravado), I believe that part of the key to Sin's contradictions stems, paradoxically, from a certain amount of critical uncertainty. The difficulty in finding a critical perspective with which he could be completely comfortable may help to explain why Sin was attracted to anarchism—and particularly the writings of Kropotkin—during his time in China. Sin accepted the idea of social progress among nations in theory, but, as a Korean, still desired the elimination of Japanese rule. On the latter point, nothing could be more clear than his "Declaration of Korean Revolution." The hope that Kropotkin held out was the possibility of a radical transformation brought about by social revolution. This was Kropotkin's prophetic call. It is possible, however, that what attracted Sin to Kropotkin was not simply the idea of social revolution, but the Russian's alternative to the primacy of struggle as the determinant of the fate of nations. His influential book Mutual Aid was largely a refutation of the social Darwinist theory of inevitable struggle between humans and their nations. As Michael Confino pointed out, "starting from Darwin (whom he considered misinterpreted by his epigones), Kropotkin attacked the thesis of T. H. Huxley and others who held that 'the struggle for existence' between and within the species is the supreme law of life and evolution for both the human and the animal realm."24 Kropotkin had devoted a great deal of thought to the idea of "mutual aid," credit for which he gave to zoologist Karl Kessler. This idea was as much a law as was struggle and competition. Kropotkin wrote:

Kessler's idea was, that besides the law of Mutual Struggle there is in nature the law of Mutual Aid, which, for the success of the struggle for life, and especially for the progressive evolution of the species, is far more important than the law of mutual contest.25

Though Sin is usually viewed first and foremost as a nationalist, to say that anarchism for Sin was simply a variety of nationalism, as some apologists have done, gives an incomplete picture of his thinking, as does a claim that Sin was not a sincere anarchist, that anarchism was only a tactic. We should take Sin's anarchism seriously, in the light of the reality of Korea's situation, Sin's reading in political theory, his association


25Peter Kropotkin, Mutual Aid, x (emphasis in original).
with radical groups in China, and the failure of mainstream organisations to move Korea any closer to independence. He did not turn to anarchism simply because he was a nationalist. That is, his nationalism is not the sole explanation for his anarchism. This fact is easily obscured, however, because even given the deep appeal that anarchism held for Sin, in the conditions Korea faced the anarchist Sin was almost forced to continue to act as a nationalist.26 One need not see Sin as a non-anarchist in order to see him as a nationalist, nor as a non-nationalist in order to see him as an anarchist. Neither ideology necessarily has to be sacrificed on the altar of neat pigeon-holing. Sin's "Declaration of Korean Revolution" is full of attacks on Japanese imperialism, even while he shifted attention to the minjung as the carriers of revolution (discussed below). And even when he was calling his audience forth to receive their Kropotkinian rebirth, his tone smacked of anti-colonial hostility toward Japan:

Even in the case of the Japanese proletariat, they have behind them the Japanese empire; they are protected from danger and preserved against disaster. If they have a child, the child is educated and enjoys a better life even than that of the Korean bourgeoisie. . . . Is not welcoming the Japanese proletariat no different from welcoming the vanguard of colonialism?27

Anarchism did not mean that Sin was no longer a nationalist, though it does raise questions about the narrow terms in which he had earlier expressed his ideas. Nor does his attraction to anarchism as an ideology with contemporary relevance mean that he had repudiated his reliance on historical examples to prove his point. Still apparently possessing the goal of an independent and strong nation, Sin turned to the masses as the ones most able to bring about this goal. It is true that as an internationalist, universal doctrine, anarchism was opposed (in theory, at least) to all nationalism, but Sin was not alone in his ability to live with this contradiction. According to James Sheridan, many Chinese anarchists in the early twentieth century supported Sun Yatsen's nationalist Tong Men Hui, apparently believing that, up to a point, they shared common objectives.28 In fact, even Frederick Engels, the co-founder of another non-nationalist doctrine, also acknowledged that on occasion national concerns must be placed before higher objectives. "Now it is historically impossible," Engels wrote to Karl Kautsky in February 1882, "for a great people to discuss this or that internal question in any way seriously so long as national independence is lacking."29

In the early part of his career Sin had tried to awaken Koreans to a sense of their impending calamity. Now, as demonstrated most explicitly in his "Declaration of Korean Revolution," he did not hesitate to advocate violence and people's revolution. Bearing in mind that this call to revolution, like his earlier call to national consciousness, corresponded with a study of Korean history, we should examine what Sin's writing reveals about who are to be the agents of history.

As Sin envisioned it in the "Declaration of Korean Revolution," the new driving force in Korean history was not to be a handful of heroes (as in much of his early writing on ancient Korea), but the oppressed Korean masses (minjung). Sin was certainly among the first—if not the first—to use the term minjung in this way. The term itself had been used before, but not with the same ideological connotation. Kang Man'gil stated that Sin's "Declaration" was probably "the first treatise to employ the term 'minjung' to designate the leading group of the national movement."30 The only way to save the Korean nation was for these masses to take direct—and, in the case of the ooyoltan, sometimes violent—action. In broader terms as well, a call for

26 Dawa Norbu made a similar point about Communists and their "nationalist" behaviour in "Marxism, Nationalism, and Revolution: The Rise of Neo-Nationalism in Communist Countries" (Ph.D. diss., University of California, Berkeley, 1982).

27 SCH 3:29. This is from Sin's 1925 Tonga ilbo article.


"the people" to take charge of their destiny is potentially a recipe for revolution. And yet, the "Declaration" is not truly a call for a mass revolution, even though it speaks of the minjung, and even a minjung revolution. It is more a call for the minjung to take their place as the subjects of a history that had been confiscated from them.

Though the nation remained at the forefront, Sin’s identification of the minjung as the ones who would carry out the revolution that would both free Korea from Japanese rule and create a new society was not simply a strategy that Sin inserted into his inflammatory manifesto to arouse support. It was, in fact, a reflection of a broader change in Sin’s thinking during this period. The shift in attention toward the masses appears to have coincided with Sin’s interest in history as the record of struggles between nations. The most famous lines of his Chosón sanggosa, from the introduction written in 1924, contain an explicit formulation of this theory. It is worth quoting here at length.

What is history? It is the record of the state of mental activity in which the struggle between “I” and “non-I” in human society develops through time and expands through space. World history, then, is a record of such a state regarding mankind in the world, and Korean history is a record of this state of the Korean race [minjok].

What do we refer to as “I” and “non-I”? Simply put, we call that thing which is situated in the subjective position “I,” and all others we call “non-I.” For example, Koreans call Korea I and call England, America, France, Russia, and others non-I, but people of England, America, France, Russia, and other countries each call their country I and call Korea non-I. The proletariat refers to itself as I and to landlords, capitalists, and others as non-I, but the landlords, capitalists, and others each refer to their own group as I and to the proletariat as non-I. In addition, in learning, in technology, in occupations, and in the intellectual world—and in every other area—if there is an I there will be a non-I as its opposite; and just as there is an I and non-I within the I position, so there is an I and a non-I within the non-I position. Therefore, the more frequent the contact between I and non-I, the more heated will be the struggle of the I against the non-I, and so there is no respite in the activity of human society, and there will never be a day when the forward advance of history will be completed. It is for this reason that history is the record of the struggle between I and non-I.

This view of history as a “struggle” between “I” and “non-I” is a far cry from history as the biographies and actions of great men, the preference which marked much of the historical writing of Sin’s earlier years. It is difficult to know exactly when and where Sin got the ideas contained in such statements as the one included above and implied in his discussion of the “masses.” There is clearly some degree of Marxian influence in Sin’s writing at this point. The theory of “I” and “non-I” might be seen as contradictions in a dialectical theory of opposites. I and non-I, self and other, the subjective and the objective, are opposed to one another, but they are also dependent on one another. Each partakes of the other’s essence, since even at the two poles of I and non-I, self and other, there is no pure I or non-I. Hegel believed that through a process of one idea encountering its opposite, a third, more encompassing, and also truer idea emerges, resulting in progress toward ultimate truth:

The German word for this is ‘aufheben,’ which has the dual sense of ‘to annul or abolish’ (negative) and ‘to supersede or transcend’ (positive). Both Hegel and Marx used this word in a technical sense because of its combination of two meanings. For both Hegel and Marx, progress arises from contradictions.
In Sin Ch’aeho’s formulation, however, the complete theory is not there, though it may be there in part. There is no indication that the process is moving progressively toward an ultimate stage of development, or that each succeeding stage builds on the previous one, reconciling what was negated. Sin’s idea is, rather, a logical construct built upon the subjective individual viewing everything outside itself as its opposite, or “not-itself.” It is also a way of accounting for the fact that there are winners and losers in history.

It was possible for Sin Ch’aeho to believe that anarchism and the political mobilisation of the masses could advance the cause of Korean independence, the cause that had the greatest consistent hold on him throughout his life. And this, I think, is one key to understanding Sin’s changes in terminology and focus. On one level the changes can be seen as changes in the definition of “nation,” which remained the unit of analysis, rather than a change in focus from nation to class or some other unit. This continues through the changes from hero-worshipping biographies to mass-oriented activism, and it helps explain why, whatever else may be said about the influence of Marxist ideas on Sin’s writings, Sin’s persistent unit of analysis never changed from nation to class. It also may help explain why the minjung in Sin’s analysis is so inclusive. Rather than the kind of class analysis that informs Marxist historical analysis, the minjung in Sin’s usage was neutral in class terms. The characteristic which distinguished the Korean minjung from other groups was race, not class.

This is not to argue that Sin was not genuine in his commitment to anarchism, or that he gave Marxism or other ideologies only a cynical reading, consciously and selectively using them in ways that would put a veneer of theoretical sophistication on an essentially unchanged nationalism. There is no question that Sin’s views changed between the time of his pre-annexation writing and works such as Choson sanggosa and the “Declaration of Korean Revolution.” Still, it must be said that at least in his case (though this was not necessarily the case for all Korean anarchists), his zeal for Korea did act as a filter to some extent as he acquainted himself with social and political theory.

It has already been mentioned that the anarchist Kropotkin offered an alternative to struggle as the overarching explanation of human history, and that this may have been part of what attracted Sin to the Russian thinker. How can we understand Sin’s attraction to both Spencer and Kropotkin, despite the two Europeans’ divergent social theories and the fact that it was precisely anarchism’s criticism of Spencer and social Darwinism that attracted many Korean anarchists? Perhaps by the time of Sin Ch’aeho’s turn to anarchism he had given up the idea of political constructs altogether and was looking for anyone to help Korea. He had certainly become disillusioned with the possibility of achieving his objectives through organised political parties or governments. His brief association with the Shanghai Provisional Government had been a disappointing experience. The members of that group were politicians; Sin was an idealist. He never did become a thorough anarchist in the Kropotkin mould, however. His emphasis on struggle—and on the nation—remained strong. John Crump has argued that what distinguishes Korean anarchism from its Chinese and Japanese counterparts is the fact that from the beginning it has had a heavy overlay of nationalism. Not only did Korean anarchism not resist nationalism, Crump maintained, it positively embraced national liberation, which was the cause that gave it its primary impetus in the first place. Though it perhaps overstates the anarchism-nationalism connection, this view may nevertheless help us understand Sin Ch’aeho’s anarchism. But again, it is not anarchism as nationalism that is instructive—or even completely accurate. It is the combination of the two, the symbiotic commingling of a desire for national liberation and a desire for social reorganisation, together with historical explanations that redefine both the meaning of Korean history and the actors in its drama, that provide the fascination in studying Sin Ch’aeho.

34 Maurice Meisner made a similar argument with regard to the Chinese Marxist Li Dazhao. He maintained that Li’s Marxism was always filtered through his perception of China’s national plight, and cannot be understood separate from national concerns. See Li Ta-chao and the Origins of Chinese Marxism (Cambridge, Mass.: Harvard University Press, 1967).

35 It is worth noting that Kropotkin himself also displayed this aversion to formal political participation, and is known more as a theoretician than as an activist. See Martin A. Miller, Kropotkin (Chicago: University of Chicago Press, 1976), 253-254.

In part because of his emphasis on the nation and on struggle, as has been argued, Sin ultimately developed neither a class analysis nor a theoretical critique of imperialism. Yet at the same time, it is clear that Sin did not view Japan’s rule of Korea in neutral terms. He strongly opposed it, but his strongest reaction to it was moral. In other words, an analysis of global history might explain the domination of weaker states by stronger states, but from the perspective of a Korean, Japanese rule was still intolerable.

There was a moral component to Sin’s thinking from the very beginning. Even prior to 1910, he wrote essays exhorting his “Confucian brethren” to wake up to the reality of Korea’s situation and accept the responsibility of leadership to help rescue the nation. His castigation of Kim Pusik and the sadae mentality was partly moral: it was simply wrong for Kim to relegate indigenous Korean beliefs to a position inferior to ideas and practices imported from China. He villanised Japan as a “bandit,” and Koreans who co-operated with Japanese rule as “slaves.” But by the 1920s, he reserved most of his direct anti-Japanese attacks for his non-historical writings. And it was these writings which were increasingly characterised by anarchism.

This did not save Sin from contradictions, particularly to the extent that his anarchism became the outlet for his anti-Japanese nationalism. Anarchism is opposed to any kind of state structure because these are seen as inevitably coercive. Theoretical anarchists held an ideal view of voluntary communities and associations. Anarchism, in other words, is an anti-state ideology. For Sin, however, anarchism seems to have been interesting primarily (at least initially) because it gave him a stance from which to criticise Japanese imperialism in Korea. While he was attacking what the Japanese state was doing, he did it largely in the name of the preservation or resurrection of Korea, which would presumably include some kind of Korean state. It was clear what Korea was to be liberated from, but not what it was to be liberated to. Furthermore, there are plenty of characters—including heroic ones—in Korean history who would hardly fit the anarchist ideal of championing non-statist social organisation. All of this leads to the question: When you become an anarchist, what do you do about the specifics of Korean history? In Sin’s case the answer seems to have been that you deal with them separately from your anarchist convictions.

Sin Ch’aeho did not leave enough anarchist writings to allow us to call him a pure anarchist in the classical mode. But he did leave enough to let us know that his anarchism is not just a mutant nationalism. The existence of Japan in Korea gave a focus to his early nationalism and his later anarchism. By adopting a view of history as struggle, and in his anarchist writings redefining the oppressed minjung as the actors in history, Sin attempted to centre Korean history within a theory that satisfied his longing for both independence and social transformation.

37For an example of an analysis of twentieth-century South Korea that is heavily indebted to anarchism, and that promotes the virtue of voluntary, ecologically-sensitive communities while decrying the modern state as coercive and destructive of traditional communal culture, see Seung-Joon Ahn, From State to Community: Rethinking South Korean Modernization, ed. Hasok Chang and Eric Jacobson (Littleton, Colo.: Aigis Publications, 1994).
This seminar will discuss struggles over work, family and nation within the labour movement in Korea in the 1920s and 1930s, as seen through the eyes of contemporary Korean socialist historians of the 1980s and 90s. The history of a colonial and capitalist society is examined through women’s biographies of their working life, and their engagement with socialist ideas.

Introduction

The colonial period has been an important subject for labour historians because there one could find not only ‘socialism’ before it became associated with the spectre of North Korea, but also nationalist movements before the division of Korea and civil war. In my thesis I argue that the legacies of the colonial labour movement and the circumstances of its termination impinge upon the creation of the contemporary independent union movement (Minju nocho) of the 1970s and 80s in South Korea. Part of the mobilisation campaign of the Minju nocho movement since the 1970s has been the mobilisation of history and a radical past that reached beyond Syngman Rhee and Park Chung Hee’s anti-communist world to illuminate an earlier alternative record of resistance to capitalist industrialisation from the 1920s and 30s. But for the Minju nocho movement and later the KCTU, claiming the union movement of the 1920s and 1930s as part of its past means wrestling with one of the outcomes of that union movement – the creation of the ‘workers state’ in North Korea. Ultimately, it has meant rescuing the early union movement from being retrospectively collapsed into a history of “the failure of ‘true’ socialism”, and historicising the new movement of independent unions being formed in the 1970s and 80s in terms of what would become an alternative, divided future.

1 The Road to Work

This seminar will discuss struggles over work, family and nation within the labour movement in Korea in the 1920s and 1930s, as seen through the eyes of contemporary Korean socialist historians of the 1980s and 90s. The history of a colonial and capitalist society is examined through women’s biographies of their working life, and their engagement with socialist ideas.

I should preface my talk by saying that it is set in the period of Korea’s occupation by the Japanese government. Korea was annexed in 1910 and remained a colony of Japan until liberation by the Soviet and American armies in 1945. In the first part of the seminar I want to discuss work in colonial Korea, the journeys people took to become workers, and their experience of work. In the second part of the talk I will focus on how people came to resist the deprivations of work, how they made unions, and encountered socialist ideas, and how they became part of a labour movement.

I should also say that this seminar by no means covers the whole story of women’s work. In the colonial period women were employed as domestic workers, farm workers, and many worked long, tedious hours on the border between relative and servant in their in-law’s house. In this seminar I concentrate on waged workers and I’ll start with a quote from the Choson Central Daily, as a journalist records a visit to a cotton spinning factory in Pusan in summer, 1936:

Female workers, usually between the ages of 15 or 16 and 20, and most of them recruited from their villages in the provinces, work in this dark, dingy factory under the threatening surveillance of an overseer. The young women drink in warm air while the temperature sits near 100 degrees, their bodies aching, working until they collapse. They earn a maximum of 15 to 16 chon\(^2\) a day and for 6

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\(^1\) The Korean Confederation of Trade Unions or Minju No’chong is the official union umbrella organisation of the independent unions, federated in 1995.

\(^2\) One chon is one-hundredth of a won.
or 7 years work in this environment, enduring arduous training so that they can eventually be qualified to receive 40 to 50 chon a day. They live in what passes for a ‘dormitory’, 10 girls crammed into a room. The guard constantly switches them to make sure he can spy on them properly, and their freedom is extremely restricted. The workday is long, the food is indescribable, and these women’s nutrition situation and health is extremely poor. Their pallor is like a patient at the end of a severe illness, their bodies are emaciated and cases of fainting are frequent in the factory. [The factory] itself has rules and offending against these rules, even inadvertently, brings down immediate punishment by caning. That is the state of things.3

The period of colonial occupation saw the most extensive development of capitalist industrialisation in Korea until the 1960s.4 In 1911 there were approximately 250 factories in Korea. By 1920 there were over 2000.5 The prime industries of the period were agriculture, mining, metalwork, spinning and weaving, the chemical industry, the printing and publishing industry, and people also worked in gas and electricity, and as machinists. But despite the large scale of many of the industries, in 1925 the average number of employees in a factory was 18. A 1927 inquiry into the working conditions of factories in western Seoul includes the following description:

They may be called factories but with the exception of one or two really large establishments most of what passes for a factory is really a shack. None of them have been known to possess a lavatory.6

The circumstance of so many people seeking out factory work was a direct consequence of the great poverty of the agricultural economy. From the late Choson dynasty period most peasant farmers worked on land they leased from others, and sold their labour to bigger farms for wages. Those who came to seek work in the cities were leaving the insecurity of farm labour in the provinces, where job queues were long and the wages fluctuated seasonally.7

But working life in the city was no less uncertain - although the subjects of this study are described as ‘factory workers’ they worked by temporary contracts, and were always threatened by the uncertainty of their situation, engrossed in keeping unemployment and poverty at bay. In colonial Korean society employment was inherently unstable and ‘class’ as a term was used to distinguish poverty more frequently and accurately than it distinguished work. In a meeting of the Choson Youth Party’s organising committee in 1923, it is poverty and unemployment rather than work that is assumed to be shared by its members. I quote:

Do not call a thousand miles far, with only a penny-farthing I came to Seoul, destitute. Now I am returning to my village with no earnings, a bankrupt, my heart raging for every passerby to see.8

If it was a struggle to find and keep jobs characterised by tedium and exploitation, it was no less a struggle to survive such working conditions. Yi Hyo-chae, in her article on the situation of women workers in the colonial period, argues that the circumstances in which women entered the workforce are particularly evocative of the changes taking place in colonial society and in the formation of a nascent working class.9

Women who were bound by duty to work for their families had in these changing times no option but to go out into society, thus bringing into relief the changes taking place in society, as well as the effect on the formation of the working-class itself by this increase in women workers.10

6 Kim Kyong-il, 1992. p. 59
7 Lee, Hoon K, 1936. p. 230. Wages paid for farm work were also far below factory wages, even so work was so scarce that Lee reports there being ‘always crowds of laborers waiting for jobs’. p. 229.
9 Yi Hyo-chae makes the same point in relation to the women’s movement: ‘The women’s labour movement took on the character of the contemporaneous anti-Japanese and class struggles, but because it was a women’s movement it had a far more convoluted character as it took on the [added] battle of fighting inequality, in the face of men’s scorn and disregard. In other words, the [women’s] movement took on a truly fierce appearance in those times.’
In 1931, 35 percent of waged workers were women. Where in rural families women had always shared with men responsibility for work on farms, waged work in factories ushered in different working practices. How did women come to work in factories and how did they experience their work? In many factory workers' families the income of just one person was not enough to stave off poverty, and women as well as adolescents would commonly take on jobs also. For women factory workers this meant that over and above their duty to the family — raising children and managing the household, was a new duty to the factory or what Yi Hyo-chae terms a 'duty to production'. This was heralded by the recruitment advertisements as a new opportunity for women to earn their own wage. But in reality women were converging on towns and industrial areas, not to seek their own economic independence or their own liberation, but on behalf of destitute families. It is only by appreciating the force of these obligations that we can explain how women were propelled to seek work, and their endurance of awful conditions.

2 Working Lives

In 1929 Dong-A newspaper published the following article under the heading 'One Female Worker's Indictment'. The author gave her name as Yi Song-ryong.

I was three and my brother was seven when we lost our father and our mother went to work in a mill. I graduated from Normal School at 15 and my brother who had also graduated from Normal School and was working as a factory hand at a tailors was 20 when he fell ill and died, leaving me to follow the same route and become a worker in a tobacco company. That was the spring I turned 17. My wages were 10 chon a day and for the three months of apprenticeship I earned 6 chon a day as well as more than 30 chon a month. But if you wanted to flirt with the supervisor or the foreman you could earn double that a day, while if you rubbed someone up the wrong way you'd be swallowing abuse the whole time and suffering all manner of indignities. Those girls only earned 20 chon.

To me going to work was as hateful as entering the lion's cave, or being a cow going off to the slaughterhouse. There was never a day when the male workers ceased waylaying us in their heavy hunger for sex. But that wasn't the only thing. Every day when we clocked off the police frisked us one by one like we were criminals.

Readers do not be shocked. I was a seventeen year old girl and that brutish supervisor would run his hands over my breasts until he reached the lower part of my body. How mortified I was. A seventeen year old girl forced to submit her body to this brutish handling...For 30 chon in wages I passed three long years of endless seasons.

At the beginning of the autumn I turned 19 someone told me "If you go to X textile factory in Pusan the apprenticeship period is only 3 months and discounting the food expenses you get 15 won, and after three months you can earn an average of 50 won," and for some reason I became awfully happy...Readers, do not be surprised. Once I arrived in Pusan I couldn't see for tears. The food they said was for eating was foreign rice and tofu stew and the workday was twelve hours long. The work was two shifts, day and night. And even in the heat of summer with the temperature hitting 90 degrees the doors to the factory had to be kept shut. The reason they gave for this was that the air coming in would snap the threads. It was normal for the supervisor to be some kind of a bastard. If you couldn't show a comely face then, like in the tobacco factory, you got a terrible time. The thirty chon they promised to give for our apprenticeship we never saw...Readers, whether we received 30 chon or one won, would this pittance make much difference to one family? It would be nothing...Readers, take this one female workers' complaint to your hearts, and believing that through your efforts we may one day listen to a happier tale, I lay down my pen.11

There are many possible readings of Yi Song-ryong’s “Indictment”. What is particularly interesting for this work is its account of the way that women like Yi Song-ryong became the lone support for their families, in a system of wages where wages paid to women are intended only as a ‘supplement’, and are not enough to support a family on. It is also an account of the way that people start working underage, often through circumstances beyond their control such as bereavement. It shows what must have been shared by many female workers - fear and hatred of sexual harassment and exploitation at work. And it highlights how women’s experience in the 1920s has become an enduring experience of capitalist society in Korea - women workers adrift from their families, employed in distant factories, working long hours. Kim Seung-kyong’s description of women workers in Masan in the late 1980s may just as well be describing circumstances 60 years earlier when she says: ‘women received neither the protected status promised to them by patriarchal families, nor the freedom promised to women by their participation in the labour market.’

The experience and the depiction of arduous and degrading working conditions has often been weighed against the peculiar circumstances of a rapidly industrialising nation. In the graphic accounts of these working conditions the ironies of a colony enthralled in a barbaric ‘modernisation’ process are acutely revealed. For those wanting to divide the colonial experience of exploitation from the capitalist one, there is the irony that the geographical area where the proportion of both young women workers and child workers was highest is also the city where the proportion of Korean industries was highest, Pyongyang. And the industry that has been lastingly associated with the emancipated ‘modern working girl’, the spinning and weaving factories, was the era’s archetypal business in requiring its female workers to endure wretched working conditions in a ‘submissive manner’.

But Yi Song-ryong did not stop at merely accusing whom she did – the factory overseers, the guards, and male co-workers. The purpose of her story is to incite us, to engage us in her struggle, a call for solidarity and support. And on that note it is time to turn to tales of resistance and the unfolding of a movement.

3 Resistance

The influence of socialist organisations is an essential feature in the development of the labour movement from the 1920s onward. Korean diaspora communities created the first socialist organisations right after the revolution in Russia – in 1918 in Irkutsk and Khabarovsk and the following year in Vladivostok. Inside Korea socialist groups formed and merged throughout the 1920s, some of the more significant being the Puksong-hoe (North Star Assoc) organised by Korean leftist students in Japan, and the Tuesday Association. In 1924 Tonguhoe, the socialist women’s group, was established.

Throughout the 1920s as waged work in factories, mines and all the new industries continued to proliferate, there was an explosion in the number and variety of workers organisations – labour unions, labour clubs, workers friendship societies, and the like began to appear in provincial cities. In cities like Seoul and Pyongyang radical intellectuals, young students and unemployed people flocked to co-operate. The development of a genuine labour movement is dated from this period.

In Korea socialist groups had always been interested in every kind of worker. They agitated for a six-hour day and free school for child workers, they were committed to organising farm labourers and the unemployed into unions. They actively supported strikes by women workers, indeed many socialists were women, and they fought for equal pay, for creches, for maternity leave, and the abolition of night shifts. In addition, the socialists of the Red International Labour Unions were dedicated to organising unions amongst Japanese workers in Korea as well as Chinese workers. Throughout the 1920s their organisations weaved in and out of legal activities – union meetings, evening schools, trade union circles, concerts and benefits for striking workers in other parts of the country. To get a taste of a socialist meeting here is a quote from Choson Chikwang (Light of Korea), a socialist magazine that was extremely popular during its very brief run until it was closed down by the authorities in 1923 or 24. The title is ‘Diary of a young socialist’.

12 Kim Kyong-il. 1992, p.49.
The day after tomorrow is the evening lecture. I’m the speaker, and I still haven’t given a single thought to what I’m going to talk about, what’ll I do? And the subject is awfully grand ‘The Liberation Movement and the Economic Status of Women’. I have to talk on that and I haven’t a clue, what will I do? What can I say to the audience? They come expecting a lot of learning from these lectures. But I don’t know the first thing. I’m as good as a proletariat [musancha], as uneducated as though I never went to school. What’ll I do? All those people – should I draw them a wistful picture? Ah! Ignorance is misery.15

These evening meetings drew workers and intellectuals, unemployed people, school students, tramps, and all sorts of people together to discuss a shared interest in a socialist future. And they were significant not only for what workers and intellectuals discussed, but for how much they attempted to foreshadow the ‘new classless society’ these pioneer socialists sought to create. And I would like to illustrate this with a quote from a different context, Jacques Ranciere writing about radical manual workers and socialist intellectuals in nineteenth century France and their experimentation with the notion of a ‘classless society’ in meetings:

[Workers seek] to appropriate for themselves the night of those who can stay awake, the language of those who do not have to beg, and the image of those who do not need to be flattered....We must examine the mixed scene in which some workers, with the complicity of intellectuals who have gone out to meet them and perhaps wish to expropriate their role, replay and shift the old myth about who has the right to speak for others by trying their hand at words and theories from on high.16

However the meetings were soon to become more and more difficult to organise. As the 1930s progressed and Korea prepared for war, open gatherings became more difficult to hold, while socialist organisations shifted underground and the labour movement contracted.

For socialist groups the shift underground changed their status. From being a ‘tendency’ in the movement operating at the outskirts of labour disputes, and union meetings, the shift underground gave socialist groups the opportunity to lead the labour movement in circumstances they were best equipped to profit from. The socialists had always operated through front organisations, dodging the law. Their membership was alert to the need for discipline, secrecy and commitment. But although they survived the difficult years of the late 1930s and mid 1940s to lead the union movement in South Korea after liberation, there own organisation was warped by the circumstances. The socialist union movement required all the discipline of a hierarchical and authoritarian movement culture to survive the years of repression in the late 1930s and early 1940s.

So Jung-sok defends them thus:

In the case of the socialists, great stress was laid on the mutual relationship between ideology and practice. Indeed for socialists in any country ideology must prescribe practice, ... [But] under the repressive reign of the Japanese empire it was difficult for socialists to be active amongst the masses of the people. With long periods in prison, and long stints of living underground, it was difficult to go deeply into theory or principles, one could only devote oneself entirely [to the cause].17

When liberation came to South Korea in 1945 in the form of a temporary American occupation government, an organisation of socialist unions, Chonpyong, came into being that was half a million strong at its peak in 1945-46. Chonpyong could boast a magnificent leadership as the prisons were opened for those interned for political crimes under colonial rule. But it was not a democratic organisation. In the underground collectives of the later colonial period giving up the authoritarian practices of movement culture had been tantamount to giving up the political struggle. (The hierarchy becomes invisible, one’s commitment

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becomes a commitment to secrecy and discipline, and the opportunities to debate and argue over ideas becomes constrained by security circumstances in which one is able to meet in safety.) And the experienced cadres who were now in a position to lead the union movement could only operate in the old bureaucratic ways. When Chonpyong’s leadership was arrested after the Taegu uprising in 1946 the bureaucracy was too shallowly rooted in the rank and file of workers for the union to effectively defend itself and it was very quickly destroyed.

Conclusion

The history of labour unions in South Korea is a field in which political contexts have acutely impinged upon historical scholarship. Nowhere is this more evident than when accounts of working-class activity coincide with the history of socialist ideas. For some in the contemporary labour movement, claiming a socialist history for the KCTU has meant connecting the present day unions to a redemptive past. For others, the legacy is more problematic:

Chosen’s socialism experienced an extremely unfortunate birth because it was imported from the colonizing country, Japan. Therefore we can say that there was the possibility from the beginning that Chosen’s socialists, tacitly disregarding their own cultural, historical resources, could lean towards a hasty ‘universalism’. The overwhelming majority of early socialists were those who could receive a new-style education because they were from the landlord or moneyed class...For this reason, as in the case of liberalism, we can view socialism as, more than anything else, part of a new way of thinking for intellectuals.18

The aftermath of the colonial labour movement resurfaces in the history of the division of Korea, the creation of a ‘workers’ state’ in North Korea, the civil war over 1950 – 53, and the predominant place political conservatism came to occupy in South Korean society. And the history of the labour movement in the 1920s and 30s points us to where its strengths were to be in the 1970s and 80s – in the struggles of women workers; in the forging of new relationships between workers and so-called intellectuals; in the resurgence of socialist ideas; and in people’s eloquent accounts of their own experience of work and the labour movement, that illuminate history for us.

By 1970 the only remaining union federation was the reactionary Federation of Korean Trade Unions (Hanguk Nochong), and every company union was either affiliated to it or banned. How then do we account for unions resurfacing in the 1970s?

Is it not also a new way of thinking for workers, and are they not also ‘intellectuals’?

The history of a socialist labour movement, is it not also a history against itself? Workers who seek to escape the existance of the proletariat (musan cha-im) are in socialism asked to embody it.19

Socialism
‘this strange effort to reconstruct the world around a center that its inhabitants dream only of fleeing...’ (Ranciere xi) Irony of socialism

While in North Korea the labour movement became the ‘worker’s state’, and the history of trade unions was harnessed to a creation myth of autonomous state socialism, in South Korea it became part of a redemptive past, forever accomplice to the spectre of socialism in the north.

The movement and its adversary the State
The struggle over legality and the question of illegitimacy within the movement

19 This paradox was posed by Jacques Ranciere in his The Nights of Labour, 1989. P. x,xi. ‘How is it that our deserters, yearning to break free from the constraints of proletarian life, circuitously and paradoxically forged the image and discourse of worker identity?’
Conclusions
It was following the labour movement's shift underground that socialist ideas and ways of organising were exerted more forcefully. If we can extrapolate from the experience of underground socialist groups in South Korea today, we can say that when a movement or a tendency goes underground a number of things result. The hierarchy becomes invisible, one's commitment becomes a commitment to secrecy and discipline, and the opportunities to debate and argue over ideas becomes constrained by security circumstances in which one is able to meet in safety.

Share ideas rather than experience –

There is a great deal of mixed opinion about the introduction and history of socialist ideas in Korea, and its adequacy as an ideology in representing the working class. Here is one sample, from Kim Dong-chun:

Chosen's socialism experienced an extremely unfortunate birth because it was imported from the colonizing country, Japan. Therefore we can say that there was the possibility from the beginning that Chosen's socialists, tacitly disregarding their own cultural, historical resources, could lean towards a hasty 'universalism'. The overwhelming majority of early socialists were those who could receive a new-style education because they were from the landlord or moneyed class... For this reason, as in the case of liberalism, we can view socialism as, more than anything else, part of a new way of thinking for intellectuals. 20

I hope that I have shown that socialist ideas were taken up by all sorts of people, not just intellectuals.

20 Kim Dong-chun. 1996.
Introduction

In recent years debate about the nature and operation of civil society in the Republic of Korea (ROK) has highlighted such issues as the utility of the concept of civil society in a Korean setting, its constituent elements, and its historical roots. The conceptual and descriptive elements are, of course, both barriers and keys to the issue of historical roots, for without a general, serviceable definition of the concept of 'civil society' as a benchmark, the search for historical roots becomes a somewhat sterile exercise. Currently it seems unlikely that such a definition will emerge, and that scholarly definition of civil society will continue to reflect the specific types of questions being posed by individual scholars. This means that the same historical record may continue to yield widely divergent outcomes.

Nevertheless, there is considerable overlap among the major definitions of civil society. In one way or another, though they may not use the same language, they focus on the 'space' that exists between the operations of state and society, and the organisational activities of social groups and movements who seek to assert their group interests against the state interest. Few scholars doubt that significant activities took place within this sphere during the Choson period (1392-1910), but equally few see the antecedents of a modern civil society in these activities. The purpose of this article is therefore to pose a familiar question in the light of the civil society debate: what does the nature of religious, political, economic, social and cultural change during the Choson period tell us about the 'space' that existed between the operations of state and society?

Choson: The Historiographic Tradition

Like many colleagues, I find it difficult to embark upon an examination of the Choson Period without acknowledging the intellectual context fashioned in most minds by a complex historiographic tradition. When Koreans first began to critically examine the Choson Dynasty in the early 1920s, they did so in the specific and difficult circumstance of loss of sovereignty to the Japanese. They evinced an often vengeful attitude toward Choson and its ruling class as the parties chiefly responsible for Korea's modern predicament. The Japanese were all too willing to further their own agenda by stressing congruent images of sterility and stagnation, and these two historiographic traditions commingled in strange and often ironic ways. The type of answers one gets from history depends in no small measure to the type of questions one asks, and in this case both Japanese and Korean nationalists asked the same type of questions - namely, where did the Choson Dynasty go wrong?. In the process, both parties tended to undervalue the dynamism, of change, and the inner complexity and variety of this dynasty.

This outlook has dominated post-war Korean perceptions of Choson, and major trends since the 1960s such as the Minjung culture movement, with its stress on the role of non-elite groups in traditional Korean society, and the 'buds of capitalism' debate, which sought antecedents for modern Korean capitalism in late Choson economic life, have added further layers to it. This is because neither of these approaches has seriously challenged the views of the senior historians, although in different ways they have sought to change the focus. The major effect was that it has become possible for mainstream historiography to accept long-established images of an increasingly sterile and stagnant elite-driven polity, augmented with images of a vigorous, non-elite social and economic life. However, through all this, the workings of the Choson dynasty still seemed rather external to the workings of modern Korea, and so accounts of Choson society often read like accounts of the impact of modern Korean historiography on that society.

Change during the Choson Period

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The perception of a sterile and stagnant dynasty is not borne out by an examination of the record of Choson's achievements. If we begin with intellectual life, we find that momentous change took place in religion and philosophy during Choson. During the fifteenth century the great Shamano-Buddhist tradition of the previous millennium was displaced at the centre of elite religious life by Neo-Confucianism, some of whose rituals retained shamanistic overtones, and in time Choson society as a whole became deeply imbued with Neo-Confucian values. Early Choson Neo-Confucianist philosophers were strongly inspired by Sung Chinese philosophers, but their activities soon ceased to be derivative of intellectual trends in China, and acquired richness and depth at the hands of people such as Yi T'oebye (1501-70), Yi Yulgok (1536-84), and Chong Tasan (1762-1836).

We often tend to lose sight of the fact that this Neo-Confucian ascendancy was the outcome of an extended period of coexistence with Choson Buddhism. Early Choson rulers enacted restrictive measures against Buddhism, such as the consolidation of the Five Doctrinal and Two Son orders into one Doctrinal and one Son order which occurred under Sejong. Given the personal piety of these rulers, we must allow that these were measures of political control and purposeful reform, rather than measures of outright persecution. Although King Songjong (1469-1495) and the Yonsan'gun (1494-1506) enacted more stringent measures, one hundred and fifty years into the Choson dynasty, Buddhism continued to display intellectual vitality. Under King Myongjong (1545-1567) it rose to its full intellectual zenith with the emergence of the Venerable Sosan (1520-1604), to whose teachings most prominent Choson monks subsequently traced their spiritual lineage (Keel 1993). Choson Buddhism produced no further major thinkers, but it survived as an intellectual tradition vital enough to emerge once more in the modern era as a significant influence in modern Korean life.

The strong Buddhist heritage and the extended coexistence with Buddhism as Neo-Confucianism rose to new intellectual heights within Korea contributed an awareness of meditation practices, an emphasis on the serious nature of spiritual preparation for study and also a rigorous approach to metaphysical, cosmological and ontological issues. This perspective of extended coexistence is significant, for it indicates a broader, more vital intellectual tradition than is often allowed by the common assumption that Choson Neo-Confucianists were little more than dogmatic, zealous persecutors of Buddhism. As with all major religions and philosophical traditions, the main Neo-Confucian doctrines were unshakable, and the vast majority of its adherents were indifferent or hostile to innovation, but at the same time it provided a framework for the free interplay of diverse intellects. In the Neo-Confucianist house there were many mansions, and the central debate of how to apply its universal vision to the concrete conditions of Choson society sustained a continuing, open-ended debate throughout the dynasty.

Changes in Choson religious and intellectual life reflected a changing, restless political tradition in which substantial change took place in relations between the central government and the local elite groups. While the concept of a regional elite culture vested in the gentry class and the emergence of village academies (sowon) as powerful institutions in the training of future central government officials dated back to early Koryo times, in Choson this concept became much more formalised and standardised. As literacy in written Chinese - which was the formal prerequisite for participation in state affairs - spread, the centrally-appointed magistrate dealt with an increasingly formidable and sophisticated structure in local government, headed by the local gentry associations, or hyangan, who were primarily responsible for maintaining local traditions and continuity in such vital areas of local government as elite education, law and order, and justice (Kawashima 1979, 1980, 1984). As members of the gentry, many hyangan members had detailed knowledge of the processes of government, and exercised pervasive influence within their districts. Increasingly, the role of the magistrate was to administer in harmony with the advice of the hyangan, and increasingly this body played an important role which was sanctioned by the state, but which lay outside the formal realm of state affairs. The characterisation of the Choson dynasty governmental structure as a centralised bureaucracy rarely takes sufficient notice of the distinction between the de jure and de facto systems of local political authority.

In another significant change in the conduct of politics, Choson scholar-officials began to organise into competing factions. Again, this had begun in a minor way during the eleventh and twelfth centuries, but in Choson such political factionalism become more hereditary in nature, more formalised, and far more passionate, as students and clan members inherited political affiliations and philosophical orientations from
The political and social spheres are, of course, not easily separated in the setting of a traditional society, and so Neo-Confucianist precepts in government brought about significant changes in family structure and societal relations. These included

- a greatly simplified and standardised family structure, ordered around patrilineal descent groups who traced their lineage to a common ancestor and a common locality,
- the development of elaborate and intricate ceremonies of ancestor veneration,
- the widespread practice of keeping meticulous geneological records (chokpo), a practice all but unknown before 1600,
- the progressive disinheritance of daughters and younger sons and the vesting of the family's material fortunes entirely in the oldest son,
- the designation of the elder son as the head priest of the family cult of ancestor veneration,
- the practice of male adoption from within the clan by families who had no male issue,
- and a marked decline in the formal social status of women.

In their sum, these changes, which came about principally during the sixteenth and seventeenth centuries, represented radical departures from Koryo and early Choson societal norms. The modern day perspective often tends to highlight the growth of patriarchy and the decline in the status of women as socially regressive phenomena, but from a broader perspective, change on this scale could pursue conservative, patriarchal objectives, but could not issue from conservative, stagnating attitudes.

Other elements in the elite culture changed too. The shifting of the capital from Kaegyong (now Kaesong) to Seoul increased the influence of southern elite clans from Kyonggi and Ch’ungch’ong provinces. At the same time, however, elite clans established branches in the northernmost provinces, and in the process transformed them socially from a marginal, desolate place of exile, almost devoid of gentry culture, to places where yangban culture took hold, and from where northern gentry lineages provided an ever-increasing number of successful civil service examination candidates (Wagner 1977). Within the yangban tradition, an interest in science, martial arts and contests of physical strength had been an integral part of elite culture of early Choson, but this culture became far more sedentary and bookish as the dynasty progressed (Haboush 1988). This was in no small part due to the separation of the yangban class from professional and technical functions, and the emergence of the chungin, a new social status grouping who performed these functions. which could range from languages and translation, medicine, mathematics, astronomy and the law, to painting and court music (Songmu Lee 1991).

Relations between the social classes changed as the dynasty progressed. The dynasty began with a drive by the political elite toward a far more rigid separation between commoner and yangban status groups emerged, marked by the effective exclusion of the former from the civil service examination system and from appointment to government office. An emphasis on Neo-Confucian doctrines which mandated the political domination of a social elite by reason of their superior morality backed up this drive for separation, but this domination began to recede after the Imjin War (1592-98), and reformist thought increasingly attacked such doctrinaire rigidity. While such attacks did not threaten the social and political power of leading clans, they encouraged an atmosphere in which significant numbers of commoners could edge toward marginal membership of the gentry class through marriage alliances. Within the gentry itself, interest in commoner life and culture, and nuances of reciprocity and rough acceptance of each other's rights and prerogatives appear. This atmosphere provided an important stimulus both for literary activities and also for the practical concerns of the Sirhak school of Neo-Confucian writing. It may well have contributed to the abolition of slavery in 1801, which in Silla and Koryo times may have bound an estimated 30% of the population to slave owners (Palais 1995:416).

3 The contention that such factional activity constituted a forerunner of modern Korean political party activity (see, for example, Cho Hein 1997:32) is a separate issue. One does not have to accept - or reject - this view to see that in itself political factionalism was a significant phenomenon.
The Choson economy developed in various significant ways. The system of land tenure itself evolved during the Choson Period, for land and population pressures led to the evolution of tenancy. By the end of the dynasty an estimated 70% of farmers were in some form of tenancy agreement with a landlord. At the same time, a revolution in agriculture took place with the spread of irrigation and double cropping in the milder climate of the far south. Tobacco plants made their way to Korea from the newly-discovered Americas and became widely cultivated. A revolution in diet also occurred, as many new crops, including chillis, capsicums, potatoes, and sweet potatoes entered Korea, beginning in the seventeenth century. We think of kimch'i as quintessentially Korean, but while pickled food had long been a part of the Korean diet, the characteristic seasoning of kimch'i using materials such as red chilli pepper, spring onion, garlic, ginger, and salted fish did not emerge until the late seventeenth century (Chu Young-ha 1995:29). Modern day Koreans would recognize the basic components of a Choson meal from before 1600, but would be surprised at the absence of many items they now take for granted.

Elsewhere in the economic sphere, the development of handicraft industries and rural commercial activity in general became more apparent from the early eighteenth century onward. The small population and isolationist polity did not provide a setting for the development on commercial life on the scale of China or Japan, but in a Korean context such changes as the appearance of autonomous trading alongside the officially sanctioned and licensed trading monopolies, a minor increase in production for the market, a small increase in the use of metal coinage, an increase in wage labour and the creation of modest surpluses in agricultural production, were notable and noticeable. The resultant change in wealth distribution meant that well-off peasants and poor gentry increasingly began to rub shoulders in the villages of Korea, and marriages to combine the wealth of the former with the social status of the latter contributed to the blurring of social status boundaries.

The evolution of the city of Seoul reflected broader developments in the Choson economy. The city was dominated by the five royal palaces, the city walls and their eight gates, the Royal Shrine (Chongmyo) and the steady proliferation of shrines to people such as favoured concubines and deceased crown princes, whose tablets could not be placed in the Shrine. However, a significant commercial purpose was steadily added to this dominant political and ritual architecture. The population grew steadily and the city burst out of the confines of the city walls. By the late eighteenth century, nearly 40% of Seoul's 200,000 or so residents lived outside the city walls, and the confining characteristics of the topography meant that development spread out along defined main axes from the eastern, southern and western gates and created satellite market and residential centres such as Yongsan and Wangshimni at some distance from the centre of town (Dong Uk Kim, 1994).

The growth of Seoul reflected a capacity to support increasingly specialised types of economic, professional, and civic activities and enterprises. In addition to the services required by court and government, workshops and market vendors proliferated inside and outside the city walls, and major thoroughfares such as Chongno grew progressively narrower from the proliferation of roadside stalls. Early Western visitors mostly recorded impressions of poverty, over-crowding and lack of hygiene in Seoul, but while such features were undoubtedly present, they should not distract us from an appreciation of the broader picture of vitality and change over the preceding two hundred years and more.

Cultural developments in Choson were strongly influenced by attitudes to education and foreign intercourse. We know little of the process of elite education in Silla and Koryo, but such education was far removed from the Choson emphasis on an all-embracing system of moral and social discipline based on transcendental values. During Choson, once children reached the age of seven, their entire social environment became the means by which Neo-Confucianist values were inculcated and transmitted, both by direct, formal instruction and by social practice. The process of learning became well organised and acquired an intensity and a sense of moral ardour which exists to this day.

In foreign relations Choson followed the isolationist policy of the Ming Dynasty (1369-1644). The two countries agreed to seal their common border, and abjured the maritime tradition of earlier dynasties. Sea visitors were turned away, and shipwrecked sailors were usually speedily repatriated. Although Choson consolidated and accentuated such policies in the seventeenth and eighteenth centuries due to ambivalence
toward the Manchu Qing Dynasty (1644-1911), distrust of Japan, and hostility toward heretic ideologies such as Christianity, they were not as unequivocal as the "Hermit Kingdom" tag suggests. Qing culture reached its apogee in the eighteenth century, and although the Koreans did not as a matter of course consider the Manchus worthy rulers of China, they continued to seek out Qing texts, and in the process absorbed significant Qing cultural and intellectual trends. The interest in non-aristocratic life displayed by Qing literati became an important inspiration for the new interest manifested by the Choson gentry in the life of the lower classes, while selected elements of Western learning entered Choson from Qing. There were also important Qing stimuli involved in the Korean interest in Practical Learning, or Sirhak.

Literature and language also evolved in important ways during Choson. While the native Korean script would have been in existence in 1450, its very name - Correct Sounds for Instructing the People (Hunmin chongum) - indicated a confining, didactic purpose. Four hundred years later, although it still accounted for only a tiny proportion of literary activity, it had achieved far more of its potential. The language itself evolved, most notably through a sustained process of heavy borrowing from Chinese metaphysical and intellectual vocabulary. At the beginning of the Choson dynasty the Korean language itself was so unfixed and variable that early Hunmin chongum texts display considerable variation, but as Chinese learning spread, the language acquired and absorbed the intellectual vocabulary of China, which today comprises approximately half the total Korean lexicon. This underpins the lucid and precise instrument that constitutes the modern Korean language today. The Korean script also enabled a rich literature to come into existence. In a manner which had not been possible before, novels, and poetic forms such as the elegant, short-form sijo and the longer, rhythmic kasa became flexible and often moving vehicles for the personal feelings of Choson men and women.

This dynamism extended to the arts as a whole. In the performing arts a new style of dramatic recitation called p'ansori, which was tailored to attract and hold a boisterous market day crowd arose, while new forms of dance and song also appeared. Some of the newer styles of painting, including intense self-portraits, pictures of domestic animals at play, the vital, cartoon-like depictions of village life by Kim Hongdo, and laboriously accurate still-lifes would have been unthought-of in past centuries. Until the loss of large numbers of potters during the Imjin War, ceramic styles evolved beyond mere continuity with Koryo traditions, most notably with the development of fine white porcelain with blue underglaze designs.

In sum, the Choson Dynasty may have been a single political entity, but the scope of these changes was such that nineteenth century Koreans - whether male or female, elite or non-elite - thought, spoke and acted in ways that were significantly different from their fifteenth century ancestors. Religious and ritual life, intellectual and social horizons, gender relations, family relations, inheritance, agricultural practices, diet, language, literacy and artistic traditions all evolved substantially. Most of the changes outlined above would of course be familiar to any student of Choson history, but drawing these points together highlights a strong record of dynamic change and evolution in Choson. That the changes we have been outlining took place within an isolationist, traditional agricultural society with a small population of course makes them all the more notable.

These changes did not come about by government fiat. Rather, while the state initially set up certain parameters, it lacked the means of enforcing its policies in the countryside. Actual social change was generated from outside the governmental sphere through a number of factors which favoured social and cultural dynamism, especially during the seventeenth and eighteenth centuries. Agents included a significantly weakened political centre in the aftermath of the Imjin War, significant technological innovation in agriculture and a rapid increase in population during 1600-1750, from eight million to fourteen million. The apparent inability of the central government to regain its pre-Imjin War level of control, especially over revenue collection, led to the expanding delegation of official duties, especially in procurement. This gave local interests greater control over economic resources, and made them more of a force for the state to reckon with. Meanwhile, technological innovation in agriculture meant that not only were these resources themselves expanding but also that farming practices were growing more sophisticated and complex. Many of the changes to the family structure mentioned above, especially inheritance practices,
may well represent attempts to carefully tend patrimony in a situation where new farming practices could no longer support repeated subdivision among all offspring.4

Other longer term trends also forced the pace of social and political change. The cumulative effect of the expansion of literati numbers brought about by the civil service examination made it increasingly difficult for such people to have access to the state bureaucracy on a stable or continuing basis. As an alternative, a “career” at the local level became an increasingly viable alternative for people of potential yangban status but with no prospect of, or no desire to, serve in the central bureaucracy. Since such people, known as hyangban,2 had the requisite clan lineage for participation, the central government acquiesced in this measure of devolution. A new, intensely parochial form of governance came into being.

The inner contradictions of Choson society also generated change in various ways. Choson society was never a unitarian entity, but contained within itself an essential conflict of social traditions, comprising the impersonal, meritocratic, egalitarian ideals of the Neo-Confucian bureaucratic centre and the ascriptive, hierarchical personalism of the clan-dominated periphery. This constituted a source of inner tension between the Neo-Confucianist ideology promoted by the state and local customs, and even though the gentry class at both centre and periphery were committed to common political and social goals, an insider-outsider residue remained to stimulate the pursuit of protective localism, and hence the assertion of local interests against central control.

How does this relate to the current interest in seeking historical antecedents for the development of civil society in modern Korea? We begin by noting that much of the recent literature on the origin and development of the term ‘civil society’ and its applicability to non-Western societies such as China and Korea stresses the origin of the term in Western political theory, and is sceptical of applying the concept to non-Western societies, especially since such societies did not themselves use such a term in their political discourse (Rowe 1993:142).

Less methodologically suspect, though necessarily more elusive, is the application of the broader concept of a ‘public sphere’ to non-Western societies. The term, as developed by Habermas (1989), refers to an aspect of civil society, namely, the existence of a sphere more or less outside direct government supervision where people may circulate and interact to develop and influence a climate of public opinion on matters of significance to them. Thus while the realm of civil society is bound by such characteristics as concern for the public interest, operation of the rule of law, guarantees of individual, group and community rights, broad political participation by individuals and groups, the protection of private property, and constitutionally-guaranteed limits on state power, the realm of the public sphere is not dependent on such bureaucratic-legal sanctions of strong Western resonance.

Instead, this public sphere is characterised by such activities as the voluntary and autonomous activities of local elites in local government involving, for example, building and maintaining public works, maintaining public security, and the securing of education, welfare and community betterment through fund-raising and public levyng. Less organised, but crucial to the operation of such a public sphere were the literary activities of scholars, especially advocates of reform, which took place within the commodious confines of the vast Neo-Confucian canon; popular forms of artistic expression such as the literary genres noted above, dramatic recitative p’ansori and the masked dance t’alch’um which mirrored social issues and problems;6 and the existence of public places, venues and occasions, including hyangban functions, village poetry competitions, market days, and family, clan and communal festival days where people, conversation, and thus ideas, concepts and opinions circulated beyond the realm of the state and formed a species of ‘public opinion’. Where circumstances permitted, this ‘public opinion’ could assume an evanescent political

4 For discussion of this issue see Peterson (1996:201-207).
5 See, for example, Peterson (1979:12): “In any area outside Seoul there were a local elite, hyangban, who may have had occasionally sent a representative to serve in the central government, but whose primary sphere of influence, and whose area in which they were recognized as elite, was limited to their own immediate region”. Also see Somerville (1976-77) for a detailed study of the hyangban, focusing on the hyangban lineages in Ulsan County, South Kyongsang Province.
6 The plight of the hereditary kisaeng class in Ch’unhyang-jon, and the chungin in Hong Kiltong-jon come readily to mind.
significance, usually in the form of remonstration, petitioning to authority or, as a last resort, riot and insurrection.

Some have interpreted such public sphere characteristics as indicating an incipient civil society (Cho Hein 1997), while others suggest that such traits add up to little more than a catalogue of non-state activity (Steinberg 1997:146). In fact, the relationship of this public sphere to the state is highly problematic and ambiguous, since the political and social orders had a common focus on the cosmic order, or Way of Heaven. Like many of their modern counterparts, the Choson elite was schooled for political participation. They sought and retained dependency on the state for the practice of their craft, and so remained - as in many ways they still remain - a largely captive intellectual class. Reformers and dissenters among them attacked government, but at the same time sought participation in it, professing as their motivation for reform not the adoption of a new form of government, nor delimitation of government as their Western counterparts frequently did, but the enhancement and extension of 'good' state power and the elimination of 'evils'.

Thus, the extra-bureaucratic activities at the local level, such as those of the hyangsan aimed at the enhancement of state power, in line with the general identification of the state not as a necessary evil but as the very embodiment of the cosmological order, and hence supremely virtuous. This outlook meant that there would always exist a state interest that was higher than the sum of private interests, and this remains distinctive in modern Korean political culture. Moreover, since the state ideally was an expression of supreme virtue, the definition of the respective spheres of politics and society through constitutional checks and balances was an alien concept. Of course, checks and balances existed, but for the restricted purpose of balancing power between monarch and bureaucracy and guaranteeing 'good government', not as a means of formally guaranteeing the rights of the population - other than the very substantial and notable right not to be governed by royal or bureaucratic despotism.

This is not to overlook the function of law. The frequent assertion that Choson was governed by the broad ethical principles and social etiquette (ye) rather than laws and regulations tends to overlook the fact that the two were interdependent. Because ye was posited as a direct expression of the suprahuman Way of Heaven, whereas law was a human creation, the language of justice, administration and politics - in short, the language of authority - was strongly couched in terms of the former. This has tended to mask the fact that government officials possessed an intimate knowledge of the law, and they routinely applied this knowledge as an instrument of governance (Shaw 1973, 1981).

Thus while rebellion and the 'law of the popular riot' were intermittently present in Choson, we do not find a consistent demarcation between politics and society, let alone the adversarial or antagonistic relationship which underlies the operation of civil society under Western definitions. Where the elite routinely sought engagement in the public sphere, and where social values stressed mutual obligation and interdependence, private and public activities became deeply intertwined. This is where the either/or propositions of the civil society debate are of limited value, for where private and public motivations commingled, the public sphere added up to rather more than just non-state activities, but at the same time comprised rather less than the operation of an incipient civil society. To strain out the civil component - civil as in engaged in the pursuit of the common weal - cannot capture the essential character of Choson society.

A further limitation on the operation of the Choson public sphere was its highly parochial nature. Linked tightly as they were to the authority of prominent local clan lineages, local extra-bureaucratic government operated with particular effectiveness, and arguably had greater impact on the way most people lived than did public officialdom, but this did not constitute a model or blueprint for broader, less personalistic

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7 This article does not aim to discuss the relative merits of these two positions, but rather to suggest that too many ambiguities are present to support either. In passing, however, we may reflect on such ambiguities by citing Steinberg's (1997:148) definition of civil society as "...those autonomous, voluntary and private groupings of individuals who share a common concern and act in concert over some continuous period to achieve their ends, which may be group solidarity, improvement, or social or public policy change, but do not involve regime replacement." and remarking that this in fact provides a precise and serviceable definition of the aims and objectives of the hyangsan already referred to. On the matter of the contrasting aims and objectives of the hyangsan and the central government see in particular Kawashima (1984:4-7).
mobilisation. What people accepted and found effective at the local level was not necessarily accepted at the regional, much less the state level, for as authority relations left the sphere of local, autonomous activity they retained their personalistic and parochial characteristics, but also became strongly oriented toward exercising power, not for the defence of the local realm but for the enhancement of the state.

Conclusion

Our major conclusions concern the roots of modern Korean civil society. Here we note first of all that teasing out historical roots for contemporary social phenomena is a notoriously difficult and contentious undertaking. Superficial resemblances between one historical period and another are usually rather easy to find, but identification of a pattern of institutional or social behaviour in a given historical period which somehow has modern resonance may not in itself not imply transmission. The frequently impressionistic citing of parallels between the ‘Kim Dynasty’ of North Korea and the ‘Yi Dynasty’ of Choson provides a notorious case study of how the notion of historical roots should be used with caution. The many gaps in our understanding of Choson society invite speculation on the roots of modern Korean civil society, but they frequently offer little more than dubious parallels and misleading analogies which are of little explanatory value.

Our major conclusion is that a significant public sphere existed in Choson. It is probably not helpful to evaluate this public sphere in the basis of whether it constitutes either a civil society or the roots of a civil society. Not only is the concept of civil society subject to multiple definitions, but it also carries distinct Western overtones and nuances which can hinder more than help us to a clearer understanding of Korea’s past. The often implicit demand that these activities should display a modern, pluralistic, and often adversarial, nature to qualify as valid antecedents tends to limit debate on the overall scope of political, economic, societal and cultural development during Choson.

What were the characteristics of this public sphere? First, this sphere was sustained by in-principle access to it for the vast majority of people, and free expression across a broad range of topics. Second, there was a pronounced interpenetration of public and private activity in the daily lives of the local elites. This provides a valuable perspective on the nature of modern economic development in the ROK, namely, the extent to which the course of this development cannot be understood merely as an economic phenomenon but as part of a much broader socio-political process. Third, a collective commitment to good government (as they understood it) and to living in accordance with the Way of Heaven existed. Political debate was passionate and often acrimonious, but at the highest level of debate did not involve competing visions of the state, simply because sustained, loyal and consistent opposition to the Way of Heaven was a nonsense.

Therefore one cannot claim significant autonomy for the public sphere in Choson, as we have defined it, in Choson. Yet the dynamism outlined above is certainly inconceivable without the rich circulation of ideas, independent of state ideological control. Searching for the roots of a modern civil society in Choson Korea can distract us from the more significant search for evidence of civil involvement in the Choson public sphere, for in the latter we find strong hints of the so-called ‘strong state-contentious society’ paradox in modern ROK society.

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8 Of course, when challenged by heresy such as Catholicism, the Choson state reacted repressively, but this was exceptional. However revealing such a conflict might be of the deeper wellsprings of the Korean Neo-Confucianism, we cannot find a reliable guide to normal religious and ethical practice in the challenge of heresy.


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THE EMERGENCE OF THE SOVIET FACTION IN THE DPRK, 1945-1955

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A very important role in the formation of the North Korean state and its early development was played by numerous Soviet Koreans -- Soviet citizens of Korean extraction. They were sent to North Korea by the Soviet authorities and occupied various leading positions during the period 1945-60. This paper will consider the circumstances of their arrival in North Korea, their activities in 1945-50, and the emergence of the so-called Soviet faction in the North Korean leadership. The present study is based on some materials which the author discovered in the Soviet archives (above all, the former Central Committee archive), as well interviews with several key Soviet Koreans themselves.

The Soviet Koreans were one of the forces which helped Kim II Song take power in the 1940s. They also made a major contribution toward the crystallization of the Stalinist regime in North Korea. During the first decade after the official establishment of the DPRK in 1948, Soviet Koreans had played an important role in the country's administration and had formed a so called Soviet faction - one of the four main political groupings in the North Korean leadership.

Russia is a multinational state which has had a Korean community for almost 130 years. The immigration of the Koreans to the Russian Far East began in the late 1860s, and by the 1890s it had become a significant phenomena. By the Communist Revolution of 1917, there were about 100 thousands ethnic Koreans residing in the Russian Far East.

After the Second World War, when the Soviet authorities launched a policy of the "communisation" of the Soviet-occupied countries of Eastern Europe, many people of suitable ethnic background were sent to the lands of their (or their ancestors') origin to facilitate the establishment of Communist regimes and ensure better Soviet control over them. However, in no other "communised" country did the Soviet nationals play such a critical role as in Korea.

The specifics of this role was determined first of all by the unique political situation in North Korea after its occupation by the Soviet Army. In Eastern Europe, the occupying Soviet authorities could rely on local Communists whose influence was sometimes quite considerable. In North Korea, the Communist movement had been weak, and thus the Soviet authorities had to create a foundation for the regime they wanted to see in North Korea. Hence, the special role of the Soviet faction, as well as other Koreans who came from abroad.

Depending on time and the circumstances of their arrival in Korea, the Soviet Koreans can be generally divided into four 'waves'. The first wave consisted of those who had been sent to Korea by the Soviet intelligence agencies and/or the Comintern before Liberation, in the 1920s, 30s and early 40s. The second 'wave' included those who came to Korea after Liberation, in 1945-1946, as Soviet Army personnel. The third wave was consisted of those who were sent to Korea in 1946-1948 as teachers and civilian advisers. The second and the third waves were by far the most numerous and important. Irrespective of the circumstances of their arrival and their initial plans, these Soviet Koreans soon found themselves working in North Korean institutions. The final fourth 'wave' was politically the least important: it consisted of the Soviet citizens of Korean origin who came to North Korea mainly for personal reasons during and after the Korean war { *1}.

The first group - Soviet Koreans who had come to the country before Liberation - was not numerous. Since the mid-1920s, the Soviet intelligence services and Comintern agencies began
to dispatch Soviet Koreans to instigate underground operations in Korea. It was not difficult to find suitable operatives. The vast majority of Russian Koreans supported the 1917 Communist revolution, and during the Civil War many ethnic Koreans had joined the Red Army and Communist guerrilla units. Among Koreans living in the Far East, in the 1920s there were many party and Communist youth (komsomol) activists who dreamed of the 'romance' of underground activity in the land of their ancestors.

Since the mid-1920s, sending Soviet Koreans to do underground work in Korea and Manchuria became a common practice of the Comintern. Their tasks were to propagate Communist ideas and to establish connections with the local Communist underground. Although the details of their activities will be known only after the archives of the Comintern, as well as that of the intelligence and security services are opened, it is clear that during more than two decades quite a considerable number of people were sent to Korea by Moscow. Most of these died or were killed with only a handful surviving until 1945.

Among these survivors, one must mention Pak Ch’o:ng-ae and Kim Yong-bo:m, the best known members of this 'first wave'. The couple played an important role in the post-war developments in the DPRK. Pak Ch’o:ng-ae (Vera Tsoi) graduated from a teachers' 'tehnikum' (a sort of junior college in the USSR) in Voroshilov (now Ussurisk) in the Soviet Far East and went to Moscow to continue her education {*2}. There she was admitted into one of the Comintern's schools and after some training was sent to Korea together with Kim Yong-bo:m (probably, in 1931) {*3}. It is also probable, Pak Ch'ang-ok, the future leader of the Soviet faction, had also been sent to Korea just before Liberation {*4}.

In 1937, all Soviet Koreans were forcibly deported from the lands in the Far East where they had lived since the 1870s and moved to Central Asia. The official explanation for this action was that Koreans were unreliable, being ethnic siblings of the Japanese subjects in Korean Peninsula and, hence, were not to be allowed to live near the border with Japanese-controlled Manchuria. On their new place of residence, they were subjected to various restrictions, including, for example, on their freedom of movement. It was the first case in Soviet history when an entire ethnic group was subjected to punishment for alleged (or potential) collaboration with the enemy, and when ethnicity was seen as a sufficient reason for persecution. At the same time, the Soviet Korean intellectual and political elite was subjected to purges -- quite severe even by the brutal Soviet standards of 1937. Around the same time, Comintern agents ceased being sent to Korea. Instead, the training of Soviet Koreans for the purposes of underground work became the prerogative of Soviet intelligence services and the tasks of the agents also had obviously shifted from igniting local Communist movement to more 'conventional' spying.

In 1940, a military intelligence school near Moscow established a special year-long course exclusively for training officers from among Soviet Koreans. In 1942, the graduates of this course numbered six (there is no data as to how many graduated in 1941). These graduates were sent on secret missions to Korea and Manchuria. The most famous of these graduates, Yu So:ng-ch’o:l, later served as the head of operations of the North Korean General Staff {*5}.

When in August 1945 Soviet troops entered the territory of North Korea, they found there only a few former Soviet Koreans, among whom ambitious and energetic Pak Ch’o:ng-ae was most notable. Later, some other Soviet Koreans, who had earlier worked illegally in the South, also moved to the North, but even then the number of former Soviet agents and Comintern cadres in the DPRK elite remained very small.

The second, and most numerous, wave of the Soviet Koreans in the DPRK consisted of those who came to North Korea during the first year after Liberation as servicemen in the Soviet Army.

After their deportation to Central Asia Soviet Koreans were not normally allowed to serve in the
army and were enlisted only in exceptional circumstances. However, these restrictions did not apply to Koreans who in 1937 had lived in regions other than the Soviet Far East, and therefore had avoided deportation.

A few officers of Korean origin served in the Far East in the so-called "7th sections" of the political departments. The 7th sections (or departments) were responsible for propaganda among the soldiers and civilians of the enemy, as well as in Soviet-occupied foreign territory.

The command of the 25th army, which defeated the Japanese forces in North Korea in August 1945, had been preparing to fight in Korea but not to rule the occupied country. Paradoxically, even Soviet officers of Korean origin who were fluent in Korean participated in the war as "ordinary" servicemen, commanding military units, like Chung Sang-jin, a marine captain. In interviews, all participants in the August battles pointed out that there were no interpreters, which at the beginning seriously hampered communication with the local population, particularly with ordinary Koreans who had not mastered Japanese. The only way to fix this problem was to get Korean speakers from the Soviet Union.

In late August, a first group of Soviet Koreans, around 12 people, was sent to Pyongyang and put at the disposal of the 25th army's political administration. By August 1945, all members of this first group had already served in the Soviet Army, at the Far Eastern Front headquarters. The group was led by major Mikhail Kang and captain O Ki-ch'An. Their main goals were to facilitate the communication between the Soviet military and the locals, to undertake all kinds of translating and interpreting, and, first and foremost, to conduct propaganda activities. Kang and his group launched a Korean language newspaper, the Choson sinmun published by the Soviet military. Among its editors and authors were several Korean men of letters, including Cho Ki-ch'o:n and Cho:n Tong-hyo:k.

'Kang's group', often called "The Soviet Army press company", consisted of personnel from the 7th (special propaganda = psychological warfare) department, and in theory was responsible only for translating and publishing propaganda materials. However, in a situation when the majority of Soviet officers and generals did not know much about Korea, ethnic Korean servicemen seldom limited themselves to psychological operations and propaganda. They also acted as consultants who exercised a significant influence over decision making. Not surprisingly, the first years of the DPRK's existence were later called by Ho: Un-bae the "rule of the Soviet interpreters".

Soon, in September and October, the first group was joined by other Soviet Koreans, who also had served in the army as officers: Ch'ong Hak-jun, Ch'oe Chong-hak, Ch'oe Hwang-guk, Ch'ong Sang-jin, and Valentin Ch'o:e (Tsoi). In September 1945, it became clear that the needs of the Soviet military required many more Korean-speaking interpreters and consultants than were at the time available in the entire Soviet armed forces. Thus the military undertook a rational step: it was decided to tap into a natural reservoir of linguistic and other Korea-related expertise which was to be found in the large Korean community in Soviet Central Asia. In autumn, 1945 the military started to enlist into the army some of these Koreans from Central Asia.

In September-October 1945, groups were selected in Central Asia by officers from Moscow and the representatives of the 25th army. Particular attention was paid to those ethnic Koreans who had a good education and were considered "politically and morally reliable" - teachers and other professionals, as well as party and state cadres of middle and low rank who had managed somehow to survive 1937. Most of those enlisted were rank-and-file, while few, A.I. Hegai and Kang Sang-ho among them, had been reserve officers and got appropriate ranks once drafted.

A contemporary document (a memo sent by a Soviet officer from Korea to the Central Committee in 1946) states that the Soviet Koreans who arrived in North Korea in September-
November, 1945, numbered 128 {*11}. It is not clear, however, if the Koreans who had arrived earlier, together with Major Kang, are included into this number -- probably not, since the memo refer to "a group of Soviet Koreans who had been sent to North Korea from Central Asia in September-November 1945", and all those whom it mentions by name had been drafted into the Army after August. Thus we can estimate that in North Korea by early 1946 there probably were already some 140-150 Soviet Koreans.

In the spring of 1946 the DPRK power structure was gradually emerging. However, the lack of qualified cadres was quite palpable. The Soviet authorities badly needed people who had organisational skills and a good education, who could explain to Koreans the Soviet political idiom and implement the Soviet models, while being at the same time "politically reliable" and loyal to the USSR. This need was felt by the North Korean Communists themselves: in April 1946 Kim Il Song himself began to petition the Soviet authorities to send more Soviet Koreans to North Korea {*12}. Starting in 1946, Soviet Koreans were transferred from the Soviet Army to local administrative organs. Thus, the Soviet authorities began to "import" into North Korea cadres to service the emerging regime. These Soviet Koreans retained Soviet citizenship and until 1948 were also technically considered servicemen of the Soviet Army {*13}.

Thus, from the spring and the summer of 1946, the enlistment of Soviet Koreans was increasingly dictated not by the needs of the Soviet Army but that of the emerging North Korean institutions. In addition, an important shift in recruiting happened around summer, 1946. Prior to this date, the Soviet Koreans wer sent to the North as military personnel, after being drafted to the army. Since then Soviet civilian bodies (as usual, supervised by the party) became increasingly involved in the recruitment which had previously been before conducted exclusively by the military. From late 1946 onwards the decisions to send more Soviet Koreans to Pyongyang were made by the Party Central Committee, although the requests of the military authorities were taken into consideration (it is also possible that for a while the military kept recruiting Soviet Koreans independently, alongside with civilian bodies). In late 1946, the civilian 'third wave' of Soviet Koreans began to arrive in the North. These latest arrivals were mostly teachers and other civilian specialists, who had been recruited by party institutions, rather than through enlistment in the army. In reality the difference between those who arrived as servicemen and their civilian colleagues was not too great, since both performed basically the same tasks.

Initially the Soviet government considered that the primary mission of the new groups would be to teach Russian to the Koreans. On 11 December 1946, the Soviet Politburo made a decision to organise, from 1 January 1947, the 6-month courses at the pedagogical institutes in Alma-Ata and Tashkent for 100 students (50 in each institute). The purpose was to train teachers of Russian for the schools and colleges of North Korea. Students were supposed to be college-educated Koreans living in the Kazakh and Uzbek Soviet Republics {*14}.

This decision had important consequences. Future teachers were selected from Central Asia in late 1946 and sent to the 'special teachers' courses' and, after their training, to North Korea. According to Pak Pyo:ng-yul, who had been a student of one of these courses, the instruction was conducted under the dual control of party and military bodies. Thus we can surmise that the military still was much involved in the process {*15}. On 10 October 1946, the Soviet Politburo sent 37 Soviet Koreans to Korea (it was the so called 'group of 37'). On 27 October 1947, the Soviet Politburo passed a decision to send to the DPRK 34 teachers of Russian (together with their with families -- 107 persons). On 2 March 1948, a similar decision was made by the Politburo, and 22 people (63, including family members) went to North Korea. {*16}. There is reason to believe that the Politburo did not make any other decisions on this matter, so we can roughly estimate that the number of civilians dispatched to North Korea to be about 190, excluding family members.

In the first months after their arrival, these people indeed worked in North Korean schools and,
more often, colleges. However, the acute shortage of qualified personnel and educated people in
general was so desperate that a majority of them were soon transferred to North Korean party
and state agencies. Thus, Nam Il, formerly the dean of Samarkand pedagogical institute in
Uzbekistan, who came to Korea with the "group of 37", became the deputy head of the
Education Bureau of the Provisional People's Committee of North Korea (that is, in fact, the
department minister for education). During the Korean war he was the chief of the General Staff and
eventually replaced disgraced Pak Hon-yong as the DPRK's Foreign Minister. Pak Pyo:ng-yul,
who also came to Korea in 1947 as a teacher, soon found himself as the head of the Kangdong
political school, the main training centre for South Korean guerrillas and underground activists
(*17). Likewise their military predecessors, the civilians of the 'third wave' had technically
remained Soviet citizens until the mid-1950s.

In late December 1948, the last Soviet troops were withdrawn from North Korea. The Korean
government compiled a list of those Soviet Koreans from the Soviet military who had been
offered the opportunity to remain in the state, party, or military structures of North Korea.
Shortly before the Soviet troops left the country, colonel A.M. Ignatiev, who was one of the key
figures in implementing Soviet policy in North Korea, had assembled ethnic Korean military
personnel and offered those whose names were included on this list the choice of whether to
remain in North Korea or return to the USSR. Although some returned with the Soviet Army,
the majority preferred to stay (*18). It is not known if the civilians had been ever offered this
same choice.

Only after the relevant archival documents become available will it be possible to establish just
how many Soviet Koreans were sent to work in the DPRK. Ho: Un-bae (writing under the
pseudonym Lim Un) reports in January 1949 there were 428 Soviet Koreans in Pyongyang.
He does not disclose his sources which is understandable since the book was written in the
Soviet Union in the 1970s, when such a research often amounted to a virtual covert act (*19).
Obviously, Lim Un's figure can be checked only when new documents become available, but, in
the interim, it looks very plausible. If we combine the four basic available figures, three of
which have been mentioned above: 140 Soviet servicemen of Korean origin, 100 civilian
teachers and advisers, 110 family members of the latter and an unknown number of the
servicemen's families -- presumably around 100-150, and also take into consideration that some
Koreans left with the Soviet troops in 1948 or were recalled by Moscow, we arrive at roughly
same figure -- 400-450. However, less than half of this number were active politicians and
specialists, while a majority consisted of their children and/or spouses.

After 1948, the Soviet government did not send Soviet Koreans to North Korea or, at least, this
practice was no longer common.

It is also necessary to mention that the 'cadre traffic' between the USSR and North Korea was
not one-directional. Some Soviet Koreans were recalled to the USSR. In most cases, the recall
was the punishment for 'indecent behaviour' which back at the time could include anything from
corruption to critical remarks about Stalin to illicit love affairs. For example, on 16 May, 1951
the Soviet Politburo made a special decision to recall to the USSR nine Soviet Koreans, seven
of whom had 'misbehaved in Korea' (a further investigation was deemed necessary), and two of
whom were simply 'of no use' -- while not particularly complimentary, nevertheless a less
menacing wording (*20). Similar incidents had occurred earlier as well (for example, V.V.
Kovyzhenko casually mentioned this fact in his 1948 memorandum) (*21). These recalls were
not always necessarily a result of some misconduct. In some cases the Soviet Koreans
themselves petitioned for permission to leave. After 1956, the number of people who opted to
leave was to increase greatly under mounting pressure, but even earlier, in 1953-1955 some
people already asked for a permission to leave and were granted it. Personally, the author is
aware of two such cases (Ch'oe Pyo-do:k and Kim Ch'an, who both left after the death of
A.I.Hegai), but there undoubtedly may have been more examples.
The last or 'fourth wave' of Soviet Koreans did not leave any significant impact on the country's history. This 'wave' included few people who arrived during or after the Korean War. Among the Soviet technical specialists who participated in the post-war reconstruction of the North Korean economy in the mid-1950s, there were some ethnic Koreans, but most of them remained there only a few years and left when their contracts expired. These specialists by-and-large did not take any part in the political life of the country. Even if they wished to stay permanently in Korea, they were not welcomed any more: after the Korean War the Soviet Koreans were increasingly a nuisance to Kim II Song. A few female Soviet Koreans married North Korean students who had studied in the USSR. They accompanied their husbands to the DPRK. However, these women did not take an active part in Korean public life. In the late 1950s, almost all of them were forced out of North Korea as the Soviet-North Korean relations worsened.

Prior to their arrival to the DPRK, most Soviet Koreans had worked as school teachers or education officials. Besides teachers, the Soviet faction also included some party and state cadres, mostly from the Soviet region, all lucky survivors of the 1937 purge -- such as Ho: Ka-i (A.I. Hegai), Kang Sang-ho, and Kim Ch'an. There were also former military officers, spies and Comintern agents, such as Ch'oe Pyo-dok, O Ki-ch'an, Yu Song-ch'ol, Pak Ch'o:ng-ae, and Pak Ch'ang-ok. On the whole, teachers prevailed, particularly at the low and middle levels. It is noteworthy that among the Soviet Koreans in the DPRK there were almost no engineers and scientists. Among those who came from Central Asia, there were also former workers from collective farms, mainly tractor drivers (the best educated of peasantry) and low-ranking farm managers. Thus, An Tong-su, a tank officer whose unit was first to enter Seoul during the Korean war, had earlier been a tractor driver in the Chirchik district near Tashkent.

Many, if not most, members of the Soviet faction had known each other well before their arrival in North Korea: some of them had worked together in the Soviet, party, or komsomol (Communist youth) structures in the Far East before 1937, some occasionally met at various conferences of teachers often conducted in the USSR. However, on the whole, the Soviet faction was not as cohesive as the Yanan or Guerrilla factions since the Soviet Koreans did not have the common experience of working or fighting together for many years as a team.

The most influential leader of the Soviet grouping was Ho: Ka-i (A.I. Hegai, 1908-1953), who prior to 1937 had been one of the most notable party cadres of Korean origin in the Far East. His house was a meeting place for more prominent Soviet Koreans {*22}. After his removal and death, the role of the leader of the Soviet Koreans was assumed, or rather claimed, by Pak Ch'ang-ok, a former middle-level Soviet party cadre. In Korea, Pak Ch'ang-ok consolidated a substantial career as well: in 1946-56, he had been a member of the Standing Committee (the Politburo) of the Korean Workers' Party, and was even appointed a deputy prime minister for a short time after 1954. However, his authority among the Soviet Koreans as well as his general political influence was much weaker than that of Ho: Ka-i. Pak obviously considered Ho: a rival, and their relations were quite hostile. {*23}. In 1953, virtually on the following day after Ho:'s alleged suicide (or murder?), Pak Ch'ang-ok in a conversation with a Soviet diplomat referred to the recently deceased leader of the Soviet Koreans very negatively {*24}.

Those Soviet Koreans who had experience in administrative work were, soon after their arrival in North Korea, sent to work in the party and state institutions. Often Soviet Koreans were heads of the organisational departments of the party committees or secretaries of the provincial committees. The organisational departments were responsible for promotions and appointments, hence the control over these vital agencies meant a control over the entire Party bureaucratic machine. In August 1946, when the North Korean Workers' Party was officially established, three out of five provincial party organisations were led by Soviet Koreans: South Pyongan province (by Kim Chae-uk), Kangwon province - (by Han II), and South Hamgyong province (by Kim Yo:l) {*25}. In the first NKWP Central Committee (1946), Soviet Koreans headed three out of 8 departments: the organisational, labour, and youth departments {*26}.

195
In 1948, when the Soviet faction's influence was at its height, its members accounted for one-fourth of the NKWP Central Committee members and one-third of Standing Committee (the Politburo) members. The Standing Committee at that time included Ho: Ka-i, the head of the tremendously important Central Committee organisational department, Pak Ch'ang-ok, the head of the propaganda department, Kim Chae-uk, the chairman of the South Pyongan provincial committee of the NKWP {*27}, and Ki So:k-pok, the editor of the official party newspaper, Nodong sinmun. The political prevalence of the Soviet faction was emphasised by the fact that soon after the unification of the Workers parties of the South and the North, A.I. Hegai, the leader of the Soviet Koreans, became the first secretary of the united KWP while Kim Il Song himself was Party's chairman.

By contrast, the role of the Soviet Koreans in the establishment of the North Korean armed forces was modest at best. The main reason was the lack of high-ranking military officers of Korean origin in the Soviet Army: most of such officers had perished in the purge of 1937-38. Hence those Soviet Koreans who survived to serve in the North Korean army were usually engaged in political indoctrination or some technical or administrative work. One of the few exceptions was Ch'oe Pyo-do:k, a Soviet colonel and former commander of the Saratov armour officers school, who first came to North Korea as a Soviet military adviser, but soon, under the influence of his friend and son-in-law Ho: Ka-i (A.I.Hegai), transferred into the Korean army {*28}. Many former staff members of the Soviet military intelligence, including Yu Song-ch'o:l, Pak Kil-nam, and Kim Pong-yul, also joined the North Korean military. On the other hand, Soviet Koreans were numerous among political officers (commissars). At different times, the political administration of the North Korean army was headed by Kim Chae-uk and Ch'oe Chong-hak, while many others worked as political officers at the division, corps, and army levels. With the beginning of the war, the situation changed and many Soviet Koreans were enlisted in the army. However, even during the war, a majority of the Soviet Koreans was still engaged in political indoctrination and technical work.

By contrast to the military, the Soviet Korean contribution towards the establishment of the North Korean police and security institutions was quite substantial. From the beginning, the North Korean political police was run by Pang Hak-se who arrived in North Korea in 1947. {*29} Under the guidance of Soviet advisers, Pang created North Korean repressive and security machine virtually from scratch. Many Soviet Koreans occupied positions as officials in the Ministry of the Interior, which combined the tasks of criminal police, intelligence agency and a counter-intelligence service.

A rough, but interesting and reliable picture of the Soviet Koreans' "distribution" between various branches of state and party organisation can be deduced from a contemporary document, compiled for the Soviet Politburo in 1951. In summer 1951 the North Korean authorities decided to decorate a large number of civilian officials and army officers who had made significant contributions toward the country's military efforts. From the available documents it is not really clear whether the orders were to bestowed only on former Soviet Koreans, or it was part of an even broader decoration campaign. Nevertheless, 128 Soviet Koreans were chosen to receive awards. Since they all were still Soviet citizens, a bureaucratic procedure of the period required a special clearance from Moscow, so a list of all candidates was compiled and duly delivered to the Kremlin. On the event, the permission was forthcoming (generally this was a largely formal exercise). The 128 names on the list is likely to form a majority of the Soviet Koreans who were then active in the DPRK, and, most likely, the most prominent majority. Hence, this list may be useful in forming a general picture of the 'employment' of the Soviet Koreans in 1951. {*30}

As one would suspect, most of them were in the military -- forty eight out of 128. After all, it was a time of war. It is remarkable, however, that only one Soviet Korean was actually commanding a battle unit (Ch'ong Ch'o:l-u, Alexei Ten, commander of the 17 mechanical
Some 19, or about one third of the total number, were 'political officers', commissars, while others were either headquarter or technical and administrative personnel. A sort of uncertain case was Han Il-mu, commander-in-chief of the (almost non-existent) North Korean Navy, Ch'oe P'yo-do:k, commander of the armour troops, and Nam Il, the chief of General staff. The second most important field was education, press and culture (or, rather, cultural management) where thirty out of the 128 Soviet Koreans were employed. Their positions varied from vice-ministers to humble professors at second-rate universities to newspaper editors. Twenty four Soviet Koreans were engaged in industrial management. This number included nine deputy ministers and one minister. The number of Soviet Koreans in the security service, police and judiciary also was predictably high: sixteen out 128 candidates, including Pang Hak-se, the much-feared Minister of Public Security, his deputy and a deputy minister of Interior. Five Soviet Koreans mentioned in the list were professional party functionaries, and five were state officials (including two diplomats).

Usually, the Soviet Koreans were not appointed as the leading persons in their respective institutions: such a situation would have provoked a gossip of a "Soviet domination". Most often they were second in command. Thus, in 1951, according to the list (which, we must remember, might be incomplete) the Cabinet included only two Soviet Korean ministers, but 14 deputy ministers. Out of the 18 ministries, 12 contained deputies from among the Soviet Koreans, while the remaining ministries were mostly of secondary importance.

Obviously, the activities of the Soviet Koreans in the DPRK must not be depicted only in rosy or only in black. Quite often the Soviet Koreans looked down on the local population and local officials with obvious arrogance as they felt themselves superior in terms of education and experience. It is also worth remembering that for most of them the move to Korea had meant a promotion of such magnitude that they hardly would dare to dream of under ordinary circumstances. Former school teachers became professors, village Party secretaries instantly found themselves Central Committee members, petty officials received vice-ministerial positions. It meant not only power, but also a great deal of material benefits. Nevertheless, on the whole, the integrity of most Soviet Koreans, as well as their sincere intention to contribute to Korea's economic and social development, is beyond doubt.

Soviet Koreans who arrived in Pyongyang first, in 1945 and 1946, initially lived in Korea alone, separated from their families, but in the autumn of 1946, their families, about a hundred persons, arrived from Tashkent. Subsequently, the families were included in the groups of Soviet Koreans sent to work in the North. During the Korean war, the families moved to Manchuria, to Harbin, from where they returned only after the armistice agreement had been signed in the summer of 1953. Though data is lacking, one can surmise that most Soviet Koreans were already married when they moved to the North: the Soviet authorities normally avoided sending abroad anybody who was single, and there were no reasons to believe that Korea was an exception to this general rule. However, there were also at least a few cases of 'inter-marriage' with local North Korean women.

The children of Soviet Koreans seldom shared their parents' enthusiasm for Korea. The younger generation, brought up in the Russian traditions and much less connected to Korean culture, were often not fluent in Korean (at least, initially) and perceived the life around them as poor, backward, alien or, at best, exotic. Most of them were unable and/or unwilling to assimilate, although some did try hard to become "true Koreans". In many families children spoke at home largely or exclusively in Russian. Finally, most of them left Korea to study in Moscow and Leningrad, and with very few exceptions, never returned.

In Pyongyang, most children of Soviet Koreans studied in the so-called "6th high school" (Kor. Yuk ko jung), established chiefly for the children of Soviet diplomats and specialists. Its graduates were groomed for further education in the Soviet Union. The school was technically considered a Korean institution, but the language of tuition was chiefly Russian and the school's
curriculum followed the curriculum of Soviet schools with only minor adjustments to the local conditions (e.g. some brief courses in Korean and KWP history, as well as intensive military training). In 1957, the school was closed down and this act was rightly perceived as sign of the widening gap between Moscow and Pyongyang. {*33}.

Like other representatives of the North Korean elite, the Soviet Koreans enjoyed a very agreeable life. They came to North Korea from the Soviet Union at the end of Stalinist period, when a system of privilege for the nomenklatura was fully developed and the egalitarian experiments of the early Communist years had become an almost forgotten history. This system of privilege was copied in North Korea. As part of the ruling elite, Soviet Koreans lived in houses formerly belonging to Japanese officials and officers, received good rations, enjoyed the comfort of chauffeured cars and many other things which were seen as luxuries in impoverished post-colonial North Korea.

One of the most important aspects related to the activities of the Soviet Koreans in North Korea was their relationship with the Soviet embassy. There are few doubts that Moscow meant to use them as the instruments of Soviet control, though it would be an oversimplification to believe that this was the principal goal of their dispatch to Pyongyang (lack of reliable and experienced officials was at least equally important). However, these plans were fulfilled only partially. On the course of time, many Soviet Koreans lost their contacts with the Soviet embassy. According to materials from the Soviet Foreign Ministry Archives, some Soviet Koreans, such as Pak Ch'ang-ok (first deputy Prime Minister, then Party Secretary), Pak U:1-wan (deputy Prime Minister), and Pak Kil-yong (deputy Foreign Minister), continued to maintain close contacts with the Soviet embassy until the late 1950s, but they were exceptions rather than rule. It also looks as if most Soviet diplomats were not, to put it mildly, very aggressive in seeking information, and did not try too hard to use the opportunities Soviet Koreans might have been able to provide.

In the mid-1950s, when Kim Il Song started to distance himself from the Soviets, the Soviet embassy continued to act cautiously, and avoided the use of Soviet Koreans as an instrument for soliciting information, not to mention applying pressure. At least, no participants in the events revealed to the author any such attempts, although some additional information could be contained in the still-closed archives. The Soviet Koreans did occasionally try to exploit their links with the Embassy, but obviously, did not gain much from it, since all their warnings fell on deaf ears.

The history of the Soviet faction was very short -- it lasted only about 15 years. In late 1955, Kim Il Song undertook his first attack, though still quite restricted, on Soviet Koreans. August 1956 was a major turning point. Pak Ch'ang-ok, then leader of the Soviet faction, took part in an ill-fated conspiracy against Kim Il Song. Although on the whole the participation of the Soviet Koreans in this event was modest, they became the target of the purges in the late 1950s and soon faced a hard choice: whether to leave Korea or risk arrest and, perhaps, even eventual execution or death in prison.

In 1958-61, most Soviet Koreans left the DPRK, and did so quite involuntarily. Many of those who remained in the country were purged and the Soviet faction ceased to exist. In the mid-1960s, few Soviet Koreans still occupied high positions and by the late 1960s even those few who did had also disappeared. Only Pang Hak-se, a "Korean Beria", the most notorious figure in the whole Soviet faction, managed to survive both physically and politically. About half a dozen less significant Soviet Koreans also avoided persecution and kept some positions well into the 1970s and even 1980s, but their political importance was negligible.

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More than half a century has passed since the emergence of the Soviet faction in North Korea.
The events of the first years of the DPRK had long become history, so now we can try to assess objectively the activities of Soviet Koreans in North Korea in 1945-60.

The personal honesty of these people is beyond doubt. They went to Korea in order to help the country of their ancestors, with a belief that Stalinist socialism which they strove to build was the best social order in the world. The Soviet faction played an important role in the establishment of the North Korean state. Without its efforts the economic success of the 1950s would not have been possible. The mass exodus of Soviet Koreans in the late 1950s and the early 1960s became one of the factors leading to the sharp decline of the speed of the country's economic development.

On the other hand, the activities of Soviet Koreans helped to establish the dictatorship of Kim Il Song in the northern part of the Korean peninsula. They did much to help the development of the police and the army of North Korea. The history of the Soviet faction is inseparable from the history of the policy of "Communisation" of the Korean peninsula, conducted by the Soviet authorities in the 1940s. The Soviet faction was one of the most powerful instruments of this policy and as such shares the responsibility for its consequences.

Footnotes

1. This picture of four 'waves' might look a bit too general, since every 'wave' encompasses many separate arrivals of small groups and individuals. This is especially true in regard to the 'first wave' which by definition consisted of individual arrivals (one can hardly imagine spies arriving in big and well organised groups). So far, in the literature there have been two attempts to sort out the information on individual and small group arrivals (in both cases the data was obtained through personal interviews conducted in the USSR in the 1970s and early 1990s). The first was undertaken by Ho: Un-bae (nickname Lim Un: Lim Un. The Founding of a Dynasty in North Korea. Tokyo: Jiyu-sa, 1982) and another by a group of the South Korean journalists who conducted their research in the USSR in the early 1990s (Mirok Choson minjuju: i inmin konghwaguk. Seoul: Chungan ilbo sa, 1992). However, there are numerous contradictions between the data of these two books, as well as between these and data collected by this author. These discrepancies are mostly of minor, even trivial, nature, but they are quite numerous, thus sorting them out or even listing them in this chapter would require more space than is available. Hence I have decided to limit myself to a more general picture and not to dwell unduly on details. These things will be sorted out in due time, when all relevant sources are available.

2. The fact that Pak Cho:ng-ae studied at the Voroshilov teachers' tehnikum is confirmed by a 1946 document (Memo: Biographical data and personal characteristics of leaders of parties and social groups in North Korea. Sent by T.F. Shtykov to Suslov, CPSU Central Committee. RTsHIDNI, fond 17, opis' 128, delo 61). In the same document it is said that Kim Yong-bo:m was sent to Korea in 1931. Pak Cho:ng-ae’s authentic surname was Ch’oe, traditionally transcribed in Russian as Tsoi, but only her Russian given name Vera is known (she must have also had a Korean given name, as it was a norm among the Koreans at the time).


4. According to Lim Un, in August 1945, Pak Ch'ang-ok was already in Korea where he was running a covert mission: Lim Un. The Founding of a Dynasty in North Korea... p. 143. The same information was given to the author by Yu So:ng-ch’o:l, a former staff member of the Soviet military intelligence: Interview with Yu So:ng-ch’o:l, 29 January 1991, Tashkent.


9. Interview with N.G. Lebedev, 13 November 1989, Moscow. Lebedev was a Soviet general, in 1945 a member of the Military Council (political commissar) of the 25th army, later the head of the Soviet Civil Administration in North Korea.


9. Lim Un. *The Founding of a Dynasty in North Korea...


11. Memorandum to Suslov, CPSU Central Committee. RTsHIDNI, fond 17, opis 128, delo 55, list 5.

12. One such letter, sent to the Soviet Foreign Ministry and eventually forwarded to the CPSU Central Committee, see: A copy of letter by Kim Il Song to General Romanenko. RTsHIDNI, fond 17, opis 128, delo 205, page 5.


15. The author was told about these courses in detail by Pak Pyo:ng-yul, a former students of the program. Interview with Pak Pyo:ng-yul, 25 January 1990.


20. A copy of the Politburo decision in author's personal archive.


23. Little is known about the life of Pak Ch'ang-ok prior to 1945. Apparently, he was sent to North Korea as an intelligence agent before Liberation. In 1956, he mentioned that in the USSR he had occupied a "small post" (A conversation of S.N. Filatov, the councilor of the Soviet embassy in the DPRK, with Pak Ch'ang-ok, the deputy prime minister of the DPRK and a member of the KWP Central Committee, 12 March 1956. Russian Federation Foreign Policy Archive (hence AVPRF), fond 0102, opis 12, delo 6, papka 68.

200
24. The diary of S.P. Suzdalev, Soviet charge d'affaires in the DPRK, 2 July 1953. AVPRF, fond 0102, opis 9, delo 9, papka 44.


26. Ibid. P.29

27. The North Korean capital Pyongyang is located in the province of South P'yongan. The ranks are given as valid in 1948.

28. Interview with Liudmila Tsoi, Moscow, 26 January 1990. Liudmila Tsoi (Russian transcription of Ch'oe) is a daughter of Ch'oe Pyo-dock.

29. Not much is known about Pang Hak-se's pre-Korean past. Kang Sang-ho once mentioned that Pang had been working in the local attorney administration somewhere in Central Asia, possibly in Kzyl-orda. The date of his arrival in the North is uncertain, since the pre-1950 Soviet official papers tend to use Russian (not Korean) names of the Soviet Koreans, while post-1950 documents normally mention only their Korean names. Identification of two sets of such names is always a difficult task. If our tentative identification of Pang Hak-se as Nikolai Ignatieevich Pan is correct, he was sent to Korea by a Politburo decision of 10 September 1946 (his actual arrival could have occurred later).

30. List of Soviet citizens of Korean origin, currently on Korean service, to be awarded with Korean decorations. RTsHIDNI, fond 17, opis 3, delo 1090.


32. My teacher, professor Anantolii G. Vasiliev, who was studying in the DPRK in the mid-1950s, once recalled that at the time one could often see in downtown Pyongyang groups of well-dressed Korean youngsters who spoke only Russian between themselves. They were second-generation Soviet Koreans.

33. The author was told about the life of Soviet Koreans' children by Kim Mil-ya, a daughter of Kim Chae-uk. Interview with Kim Mil-ya, 27 January 1991.
HISTORIOGRAPHICAL DEBATES AMONG THE NATIONALIST LEFT IN KOREA:
1920S -1930S

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Introduction:
Exploring the development of nationalist historiography in colonial Korea in the 1920's and 1930's, one is usually surprised by the great variety of conflicting academic approaches and the intense character of scholarly debates which were erupting between anti-colonial historians in Korea. In this period, socialist ideas were brought to Korea via Japan and China, and brought about a fundamental ideological division in the local nationalist movement. As this division consolidated throughout the 1930's and 1940's, it finally led to the political division of the country after the defeat of Japan in August 1945. The post-war establishment of official historiography in North Korea was also derived from the developments which took place in colonial Korea, when the Marxist theory of historical materialism was first applied to Korean history.

This paper will analyse historiographical debates within the Korean nationalist Left in connection with the state of the world Communist movement in the 1920's and 1930's. A panoramic view on the situation in Korean nationalist historiography will also be given to facilitate understanding of the place and role of the Marxist school of history research at this period. The examination of approaches employed by Korean leftist historians will help to draw a parallel between the ideological implication of their research and the objectives of the world Communist movement. Therefore, special attention will be paid to the examination of connections between Korean leftist scholars of national history and the politics of the Communist International (Comintern).

Any valid analysis of the nationalist movement in colonial Korea inevitably bumps into the problem of evaluation of its participants' beliefs against the wider scale of political or ideological categories. One can easily get entangled in the complexity of terms and nuances which distinguish one movement from another. These interlacing political, religious, and cultural currents did exert a certain combination effect on the Korean intelligentsia throughout the colonial period (1910-1945). Thus, there are plenty of examples of the same public figure being described as a Nationalist, a Communist, and a Christian Socialist at the same time or at consecutive stages of his or her life. For example, amongst the Korean leftist historians who openly advocated a Marxian theory of class struggle some were baptised and actively participated in the movement for national 'self-reconstruction'. Another example comes from the history of the formation of Socio-economic school of history. Initially, this school emerged as a trend in the Japanese 'colonial' historiography of Korea and was based on methods of economic analysis of social life. It looked very similar to Marxian materialist research of history - hence the term which was inherited by Korean Marxist historians.

In talking about the various camps of nationalist historiography in the pre-war period, it is also important to note that the political labels 'Communist' and 'Nationalist' cannot always adequately describe the ideological stance of the person or the whole group. For this, the terms 'materialists' and 'idealists' should be also employed in their philosophical meaning. Although the overwhelming majority of leftist scholars shared materialistic views on the world evolution, the strong nationalistic impulse of their research means that their ideas could easily be associated with the idealistic views of the 'uncompromising' nationalists. Closer examination of historiographical issues in the 1920's and 1930's will show that ideological formulas proclaimed by Korean leftist intellectuals were often in complete dissonance with their ultra-nationalistic proclivities. The proposed system of definition, therefore, underscores the fact that the striking differences in

1 Division of Pacific and Asian History, Research School of Pacific and Asian Studies, The Australian National University
3 Cho Don-gu, Han 'guk Minjokjusii-ui Paljon-gwa Tongnip Undongsa Yon'gu [Research on the Development of Nationalism in Korea and the History of Independence Movement], Seoul: Chisik Sanapsa, 1993, pp.369-370
research by Korean leftist historians was not coming simply from conflicting political goals but was also deeply hidden in their conflicting methodologies.

In the situation of entrenched Japanese colonisation, the Korean intelligentsia felt keenly its responsibility for the loss of national sovereignty and, to rectify this historical injustice, assumed the mission of anti-Japanese resistance. Ironically, it was from amongst Korean intelligentsia that the first collaborators came, forced or lured to the side of the occupant...
Understandably, such an outlook on the Korean past could not but have raised strong resentment within the Korean intelligentsia. Alternative views on national history were immediately offered by Korean nationalists in China. However, the complexity of the situation in the Korean nationalist movement at this early stage was rooted in the conflict between the Confucian tradition of Sadaejufii [Serving the Great China] and the new anti-colonial aspirations which were inseparably connected with ideas of modernization. Such conflict, which immersed Korean nationalist forces into a constant internal struggle, ended in the dramatic division of the whole national-liberation movement into Nationalist and Socialist camps. Later, when Marxist-Leninist ideas reached Korea, the Socialist camp also split between the anarchists, the syndicalist, and the communists. However, as all of these groups unanimously expressed their support towards the national-liberation movement, they can all be described as nationalist.

The first modern nationalist history of Korea was written in 1908 by Sin Ch’ae-ho (1880-1936) in his Toksa Sillon [New Approach to History]. Amongst the Korean nationalist scholars, Shin was the first who assumed that the main role in the historical process was always played by the nation and not by a ruling dynasty. He called upon other Korean historians to “trace the emergence of national consciousness, to find out new factual materials on ancient history, and to define the place of the [Korean] nation in the multi-thousand year history of the East.” Sin also believed that the moving force of history was the antagonism between ‘us’ [Koreans, poor, oppressed, etc.] and ‘not us’ [foreigners, rich, colonisers, etc.]. Shin Ch’ae-ho adopted this approach under the influence of Darwin and Herbert Spenser whose works had been translated and re-interpreted by Liang Qi-chao (1873-1929) and were available in China. The development of Korean nationalist historiography would be impossible without Pak Un-sik (1859-1926) who, like Sin Ch’ae-ho, migrated to China after 1910 and published the majority of his works in exile.

Thus, Korean nationalist historiography appeared in the first two decades of the 20th century as a reaction to colonial occupation of the country. Soon, the Taisho democratisation movement in Japan and the New Culture Movement in China forced the Japanese colonial authorities to contemplate changes in ruling methods from ‘military’ to ‘cultural’. The decision to ease the colonial pressure was hastened by the events of March First Movement of 1919. Such liberalisation brought an unprecedented growth of Korean intellectual forces. Thousands of Korean students were sponsored by the Government-General to study in Japan where they could get the best training in science and humanities. Popular socialist ideas were also brought to Korea from Japan in the early 1920's. Since then, the Korean nationalist movement began to lose its homogeneity, turning into a wide anti-Japanese front comprised of conflicting movements. The same happened in the research on national history. Three distinct mainstreams emerged in nationalist historiography: the fervently anti-Japanese ‘uncompromising’ Nationalistic historiography [Minjokjuui Sahak], the moderate Positivist historiography [Silchũng Sahak], and the materialist Socio-economic historiography.

Methodological differences within the groups identified as these three mainstreams complicated the list even further. For example, the Nationalistic historiography group, which was deeply rooted in the late 19th century movement for enlightenment, was represented by two major historical factions. One was an Idealistic school of historiography [Yusimnon Sahak] of Sin Ch’ae-ho, Pak Űn-sik, Chŏng In-bo, and Kim Kyo-hŏn. Another faction within Korean Nationalistic historiography was the so-called Cultural school [Munhwa Sahak] which was not uniform and could be subdivided into the Early Cultural school of Chang Do-bin, Hwang Ŭi-don, Kwŏn Dŏk-kyu, and An Hwak, and the Later Cultural school of An Chae-hong, Ch’ŏe Ik-han, Mun Il-p’yŏng. An attempt to level ideological differences and methodological...
disagreement was undertaken in the 1940's by Son Chin-t'ae. Combining the achievements of all three mainstreams of nationalist historiography he became the creator of a new trend called ‘new nationalism’.\textsuperscript{11}

The Positivist school of nationalist historiography stood in opposition towards the other two mainstreams from the very beginning. Among the most prominent scholars of this group in 1930’s were Yi Byong-do, Han Hung-su, To Yu-ho, Song Sok-ha, Yi Sang-baek, Kim Sang-gi, Ko Yu-sopp, Yi Son-gun, Yi Kang-sik, and Yi Yin-yong. But in the 1940’s, new forces of domestically-trained young scholars joined the Positivist school - Chon Sok-tam, Pak Kuk-ch'ae, Kim Sok-hyang, Pak Si-hyang, Hong Yi-sopp, and Min Yong-gyu. It is noteworthy that, after 1945, many of them played pivotal roles in the formation of North Korean official historiography.\textsuperscript{12} In the pre-war years, their research was focused on the analysis of primitive society and Old Choson (2333 BC-108 BC) in Korean history, and the North and South Kingdoms (220-589) in Chinese history. Continuing the tradition of the Silhak [School of Real Learning] scholars of the 18th century, historians of the Positivist school worked on scrupulous examination and verification of ancient historical documents. The German Positivist school developed by Ludwig Reiss and continued by his famous disciple Ranke exerted a strong influence on the formation of Positivist school in Korea. This method was successfully adopted in Japan and boosted the growth of ‘colonialist’ conceptions of Korean history by Shiratory Kurakichi. Since then, the Positivist school in Korea has been stigmatised as ‘pro-Japanese’. Nevertheless, its strong materialist stance placed it closer to the Marxist school of Socio-economic historiography.\textsuperscript{13}

The idealistic Socio-economic school of history emerged in Japan in the early 20th century. The very method of economic analysis of society at different stages of its development was borrowed by the Japanese economist Fukuda TokuZo and the historian Shikata Hiroshi from the school of Kathedersozialismus proposed by German economic historians (Karl Bücher, Lujo Brentano, etc.). They promptly utilised the method to substantiate Korean economic and social backwardness, and became the founders of the ‘colonial’ historiography of Korea.\textsuperscript{14} But in the early 1920’s, Korean nationalist historiography accepted the method of that school albeit unconditionally denying any colonial implications which might have been derived from it. Among them were Yi Sun-t'ak, Yi Kuk-no, Yi Hung-gu, Mun Chong-ch'ang, Yun Haeng-jung, Bae Sông-ryong, Ch'oe Ho-jin, and Ko Sông-je.

The materialist incarnation of the Socio-economic school was established in Korea in the early 1930’s. The main role in the establishment of this school was played by a group of Korean economists who got acquainted with the works of Marx, Lenin, Kropotkin and Bakunin during their student years in Japan. When they returned home and occupied teaching positions in prestigious Korean colleges, they continued the academic inquiry of national history using the dialectical method and universalistic approach. This group was led by Paek Nam-un, Yi Puk-man, Yi Ch'ong-won, Kim Kwang-jin, In Chong-sik, Pak Mun-gyu, Mun Sok-jun and Kim Tae-jun. Class struggle occupied the primary place in their research, and most of them retained close connections with Japanese radical groups and their academic facilities.

With the establishment of Kyongjong Imperial University in 1926, higher education of the local intelligentsia became possible in Korea proper. Within a decade, its Department of History brought up a constellation of Korean nationalist historians of the new generation. A sound professional level and scrupulous verification of historical data enabled them to oppose the most offensive notions of ‘colonial’ historiography. Thus, the early 1930’s was a period of vigorous building of academic groups and societies within Korean nationalist historiography. On 9 June 1933, the Choson Kyongje Hakhoe [Korean Society for Economic Research] was set up by a group of leftist historians. Paek Nam-un, Kim Kwang-jin, Kim U-p'yong, Yi Yǒ-sǒng, Só Ch'ún, Yi Kǒng-jǒng and others constituted its core. However, among the other 21 members of the Society were lecturers, journalists, and economic critics. Paek, who occupied a leading

\textsuperscript{11}See Son Chin-t'ae, Choson Minjokea Kaeron [Outline of History of Korean Nation], Seoul: 1948; Son Chin-t'ae, Kuksa Taeyo [Summary of National History], Seoul: 1949

\textsuperscript{12} Among them, especially bright career in DPRK was expecting Chon Sok-tam, Pak Si-hyang, and Kim Sok-hyang.

\textsuperscript{13} Chon Sok-tam and Pak Kuk-ch'ae can be named Positivists because their methodology was firmly based on the analysis of judicial and economic documents, but their ideological inclinations and materialist approach were undoubtedly Marxist. See, Chon Sok-tam, Pak Kuk-ch'ae, Choson Kyongjesa T'angyu [Examination of Korean Economic History], Seoul: Pomusa, 1990

\textsuperscript{14} Cho Don-gol, Han guk Minjojeuti-ui Pajjon-gwa Tongnip Undongsa Yon'gu [Research on the Development of Nationalism in Korea and the History of Independence Movement], Seoul: Chisik Sanopsa, 1993, p.404
position in the Society, was appointed a senior lecturer and in the following year the number of its members reached 47.15 The Society did not have enough funds to launch a regular publication but still provided a stage for the propaganda of a Marxist outlook on the Korean past - 'Chosŏn Insik'.

The same year, a group of scholars identified with the idealistic wing of nationalist historiography, An Chae-hong, Chŏng In-bo, and some others, unfolded the Chosŏnhaek Undong [Korean Studies Movement]. Its leaders stressed the necessity to activate investigation of Korean 'cultural peculiarities' and to rapidly and autonomously overcome the 'specific features of Korean backwardness' and tried to engage Korea with 'the world community'.16 They concentrated on the search for Korean cultural uniqueness and spent much effort glorifying Ta-san (Chŏng Yak-yong) and other prominent public figures of the past. Although many leftist scholars occasionally participated in the joint projects organised by this 'culturalist' movement17, Chosŏnhaek Undong, from the outset, placed itself in strong opposition towards the Socio-economic and Positivist schools of historical research.

Members of the Positivist school also established their own research group. In May 1934, a Chindan Hakhoe [Chindan Research Society] was convened for the first time. Its organisers, Yi Byŏng-do and other famed Korean scholars who also belonged to the Culturalist school of historical research, managed to find sufficient funds for establishing its printed organ, Chindan Hakpo. The purpose of their activity was also claimed as “research on meaningful Korean culture”.18 Apparently, the creation of such a Society was in response to the existing Seikyū Gakkai [Korea Society], an academic organisation of Japanese scholars of Korean history, the followers of Ranke and his tradition of historical data verification.19 Despite close cooperation between its members, Chindan Hakhoe was often criticised by the Socio-economic school for 'idealism', 'bourgeois essence' and 'pure academism'.20

The general situation in the region changed dramatically with the beginning of war in China (1937). Such a sensitive area of human activity as historical research was placed under particularly tough scrutiny by colonial censorship. In the period before 1945, Korean scholars of nationalist history, irrespective of their academic affiliation, were persecuted for various 'ideological crimes'. Many of them were imprisoned for participation in the Korean Society for Economic Research, Korean Language Society, or other nationalist organisations. Korean leftist historians were charged and tried for real or alleged connections with the Communist Party. Those who agreed to cooperate with the colonial authorities did not die in prison, but became involved in pro-Japanese activities. Many leftist scholars took an aversion to such metamorphoses and preferred to leave academia.21

As we have seen, all of the above mentioned scholarly groups had set themselves the goal to defend Korea's cultural past from the attacks of Japanese 'colonial' historiography. For their strong anti-colonial stance and
stubborn desire to explain the reasons why Korea faced such a deplorable situation and national humiliation in the late 19th and early 20th centuries, all three academic streams can be characterised as nationalist. However, the difference in methodology and ideological implications of their research made these scholarly groups rivals. The appearance of Marxist historiography in Korea indicated the dramatic ideological division within nationalist forces which formed the background for the aggravating political and economic situation of the 1930’s.

2) The Comintern and Korean Marxist historians

The history of relationships between Korean leftist forces and the Communist International (Comintern) was closely connected with the state of relationships between this Moscow-controlled organisation and the Communist Parties of Japan and China. For Korean Communists the Japanese Communist Party (JCP) was always the next authority after the Comintern and they treated the JCP leaders as their ideological teachers. When the Korean Communist party went temporarily defunct or was split between factions, the Comintern’s principle of “one country - one party” would make the JCP the only legitimate authority in Korea. Therefore, every development which would occur inside the Japanese leftist camp immediately echoed in the groups of Korean leftists.

Even before the first Korean Communist Party (KCP) was created the influence of people like Yamakawa Hitoshi, the early leading spokesmen for the JCP, on Korean radical intellectuals had been enormous.22 Yamakawa’s famous article “To the Masses!” (1923) where he elucidated the Leninist interpretation of mass-based organisational power, was well known in Korea. Even the fierce factional struggle, which from the outset beset the KCP, was also inspired by a theoretical trend inside the JCP. Namely, it was the impulse for disintegration which was proposed by Fukumoto Kazuo, another prominent figure in the JCP. In line with his aspirations, members of the so-called January Society and the Seoul faction called for an uncompromising fight to achieve ideological purity and established the Marxist-Leninist League (M-L Group). Korean radicals were disciples of Fukumoto and unanimously supported his appeal for ‘unity through division’. Soon, the M-L Group seized control over the KCP and enjoyed the formal recognition of the Comintern.

Created in 1919 by Lenin, the Comintern was the highest authority in international Communist affairs. It was free to support or strangle certain self-proclaimed Communist groups and factions. The usual pretext for excommunication from the movement and, therefore, from the monetary funds was based on formal accusations by those who rigidly perpetuated the split, or intended to over-compromise. Although the combustible situation in the JCP and then the KCP had long attracted the concern of the Kremlin, it was the disastrous end of the Chinese Revolution (1925-1927) that compelled the Comintern to make a number of rigid decisions. After Lenin’s death in 1924, the conflict between Stalin and Trotsky was close to its culminating point and it was necessary for Stalin to shift the responsibility for disaster from the Stalin-controlled Comintern onto local figures. A sharp turn in Comintern politics emerged from that point.

The lengthy debates in Moscow ended on 15 July 1927 with a vigorous attack on both Yamakawism and Fukumotoism. Both trends were accused either of leftist extremism (the latter) or rightist opportunism (the former).23 The culprits of subversion were carefully chosen: Chen Du-xu in China and Yamakawa in Japan. The major crime of compromising the Party’s independence and integrity in creating the United Front with the Kuomintang in China and with Social-Democrats in Japan was laid upon them. Fukumotoism was blamed for the misinterpretation and abuse of Leninism, the separation of the Party from the masses, and the excessive stress on the role of Marxist intellectuals.24 The previous strategy of the Comintern to create a broad Left-Right cooperation within a wide United Front was substituted for the policy of Communist hegemony in the United Front. Such steps led to the inevitable collapse of Sin’ganhoe, the only United Front organisation in Korean history, which had been established some six months prior to the 1927 Theses. In this, the aspirations of Communists and Japanese colonial authorities remarkably coincided.25

Needless to say, such change in Comintern policies could not but have brought major confusion into Korean leftist forces. A significant proportion of leftist activists and the overwhelming majority of M-L Group themselves were ‘petty-bourgeois’ intellectuals. Most of them were disciples of Fukumoto. With such an abrupt change of lights on the road of international Communism, a large number of radical elements felt frustrated and were ready to turn their militant zeal against their former comrades. What was particularly important for the development of Korean Marxist historiography was that both Yamakawa and Fukumoto soon elected to oppose the Comintern decisions and pursued their original lines. Both leaders desperately needed Marxism-educated intellectuals to back up their revolutionary theories. It was the Yamakawa followers who provoked a protracted discussion on the state and nature of Japanese capitalism. From 1927 onward, a group of Japanese leftist historians affiliated with Rōnō-ha [Labour-Farmer Faction] begun an active search for historical evidence that Japan was on the verge of a Socialist revolution. The official opinion of the Comintern on that issue was completely different. Therefore, from 1931, the JCP established a special research group, the Kōza-ha [Lecture Faction] which was to find evidence for a missing bourgeois-democratic revolution and substantiate the creation of a people’s republic in Japan.26

In the early 1930’s, the research of Japanese leftist historians was enthusiastically carried on by their Korean students and colleagues who were quick to place the focus of this politically motivated research onto the issues of national history. Although the increasingly suppressive colonial regime disallowed any open call for social revolution and national emancipation, some publications, especially those presented in the form of historical research, were surprisingly bold and often looked like Communist Party propaganda materials. However, after the Manchurian incident (1931), Korean leftist scholars could publish their treatises only in Japan where censorship requirements were more relaxed than in Korea.27

In 1927, a revolutionary breakdown in China provided Korean Marxist scholars of history with plenty of reasons to suspect that the historical process in East Asian countries was substantially different from that of Europe. From that time onward, the Marxist hypothesis of the Asiatic Mode of Production (AMP), attracted the attention of Soviet scholars and seriously influenced the agenda of historiographical debates in Asian countries. As the notion of AMP was compromising the 'unilinear model' of world historical development, a special scholarly conference was mouted in Leningrad in 1931 to close the heretical question in the USSR for ever. Waves of the Leningrad conference reached Japan almost immediately. Sergei I. Kovalev, in his article, translated into Japanese and published in Rekishi Kagaku [Historical Science] magazine, put special emphasis on the inevitability of the slave-owning stage of societal development.28 After 1934, it was agreed that neither peculiarities of Asian societies were at variance with the USSR officially adopted 'five-stage periodisation theory' of Stalin-Struve. Therefore, Asian societies, where the essence of socio-economic organisation was hard to identify, were to be treated as either slave-owning or feudal.

Soon, this hypothesis was supported by Japanese academic circles in a book, Nihon Rekishi Kyōsei [The Revision of Japanese History], collectively written by Watanabe Yoshimichi, Hayakawa Jirō, Itsu Kamio, and other leftist scholars.29 In this book, Asian feudalism was presented as a consecutive social form after Asian slave-owning society. On this theoretical basis, a wide campaign for historical re-examination of stagnant Asiatic (Japanese, Korean, Chinese, etc.) societies unfolded. This campaign was grounded entirely on the law of historical universality and dealt with the analysis of Asiatic peculiarities and slave-ownership

26 In 1932, the Central Committee of JCP launched a series of publication titled under the general title Nihon Shihonshugi Hattatsu-shi Kōza [Lectures on the Development of Capitalism in Japan] where the leading research role was played by prominent Japanese Marxist historians Hattori Shisō, Hani Goro, Hirano Yoshitarō, etc.
27Yamakavism helped establishing a strong leftist alliance within the Japanese Diet and ultimately was conducive to general liberalisation of political freedoms in Japan during the mid-1930’s. Strong leftist forces in Japanese parliament at many occasions lobbied for enhancement of civil freedoms in Japan and even secured peaceful existence with the USSR during the WWII.
in the East. In the course of the debate various opinions were presented, but the main requirement for all leftist groups was to comply with the version proposed by Moscow.

The Asiatic idea was used by Köza scholars to make Korean history fit with both the concept of ancient Japanese history and the theory of Asiatic peculiarities. Their assumption of Korean Asiatic peculiarities was derived from the undeveloped character of property relations and the lingering elements of a communal system. Japanese Marxist scholars thought that this peculiarity formed the obstacle which diverted Korea from the universal pattern of development and predetermined her protracted stagnation. Although such a view on Korean history radiated from the circles of Japanese Marxist scholars and was inspired by Comintern politics, it strikingly resembled the so-called 'colonial' view of Korean history and, consequently, was in conflict with the nationalist feelings of Korean leftist historians. The discussion on Korean peculiarities quickly attracted the concern of all leftist scholars of history and caused a certain split in their ranks.

3) The appearance of Marxist historiography

Marxist-Leninist literature became available for the Korean intelligentsia even before the creation of the Korean Communist Party in 1925. Imperfect Japanese translations of Marxist literature kept penetrating Korea in the form of brochures and journals which were usually printed in Kaizōsha or other Japanese publishing houses of radical orientation. The quick increase of popularity of leftist ideas and their possible impact onto the public order could not leave the Japanese colonial authorities unconcerned. The 1925 Peace Preservation Law significantly reduced the amount of leftist literature which could be legally brought to or kept in Korea. It is interesting that while this action undermined the activities of other leftist groups it had no immediate impact on the highly organised Communist forces of the region.

An infinite variety of materials on political and economic issues also inspired a discussion on historical issues. Throughout the 1920's, a number of academic periodicals like Yŏnhŭi, Poejŏn Hahoeeronjip, and Sinhŭng regularly and openly discussed various aspects of Marxian theory of history. An important role in this process was played by the Japanese economists and historians, and Kawakami Hajime primary among them. His translations of Marxist literature and personal writings such as Marukusushugi Keizaigaku-no Kiso Riron [The Basics of Marxist Economics] inspired many Korean scholars to undertake materialist research of Korean history. During the early 1920's, the influence of the Leninist version of Marxism was also on the rise. The first graduates from the Communist University began returning from Moscow full of revolutionary zeal and ideas. But there still were very few people who were skilled enough to project the Marxian historical materialism onto the complicated texture of Korean history. It took a decade before the Marxist idea of materialist and universalistic history research found its articulation in Paek Nam-un's 'Sinhŭng Sahak' [New Historiography].

30 Amongst the major hypothesis were presented the theory of Communal agrarian system (by Watanabe Yoshimiti Moritani Katsumi); the theory of pre-Slave-ownership unique class society which prepared a basis for patriarchal slave-ownership (Aikawa Haruki); the theory of unique Tributary society which existed during the transition from Primitive to Slave-owning society (Hayakawa Jirō); the theory of the Asiatic Slave-owning society (Akizawa Shūji, Akamatsu Keisuke), and some others.

31 The year 1925 was also marked by the introduction of General Manhood Suffrage Law in Japan. Such political liberalisation inspired activation of numerous radical groups.

32 These journals were published by Yŏnhŭi College, Poejŏn College, and Kyŏngsŏng Imperial University respectively. See, Cho Dong-gŏl, Hyŏndae Han'guk Sahaksu [Contemporary Korean Historiography], Seoul: Nanam Ch'ulp'an, 1998, p.197

33 U Yŏng-saeng, 'Marksu-wa Yumulsagwan-ŭi Ilbŏl' [A Glimpse at Marx and his Materialist View on History] in Kaebŏk 1-3 (August 1920); Yun Cha-yŏng, 'Yumul Sagwan Yoryŏng' [The gist of Materialist View on History] in Asŏng 1-1 (March 1921); Sin Paek-u, 'Yumul Sagwan Kaeyo' [The Outline of Materialist View on History] in Kongje 2-5 (April 1921); Kye Ri-ŏn, 'Yumul Sagwan-gwa Yusim Sagwan-Ui Haesŏl' [Explanation of Materialist and Idealist Views on History] in Kaebŏk 4-12 (December 1923); Yi Sun-t'ak, 'Yusim Sagwan-gwa Yumul Sagwan' [Idealist and Materialist Views on History] in Yŏnhŭi 4-1 (April 1925)

34 This work was published in December 1929 at the Keizaigaku Zenshii [Comprehensive Collection on Economics] Vo1.8

35 Bukharin's 'ABC of Communism' was translated and published in Tokyo as early as 1923. Ten volumes of Lenin's Selected works were published by Hakuyōsha publishing house in 1932. See, Kovalenko Ivan I., Kommunisticheskata partiiia Japonii [Japanese Communist Party], Moscow: Nauka, 1987, p.57
The birth of New Historiography can be officially dated at 3 June 1932. On that day at the Chongno hall of Seoul YMCA, there was a session of the “Economic Lectures Society”\(^\text{36}\) where Paek Nam-un publicly presented the manuscript of his Chōsen Shakai Keizaishi [Socio-economic History of Korea]. The topic of the lecture was unequivocally titled “The Proposal for Establishment of a View on Korean History,”\(^\text{37}\) Insisting that among possible approaches to Korean history there were only two alternatives - the universalistic approach or the search for peculiarities - Paek proposed a new approach which was to prove that Korean history was part of the world historical process.

In this, Paek Nam-un repeated an historiographical experiment undertaken by his Japanese and Chinese colleagues who had been working in a similar direction since the mid-1920’s. Indeed, the rise of Marxist historiography in Korea did not appear before 1927, when Noro Eitarō completed his research on the development of capitalism in Japan.\(^\text{38}\) The works of Hattori Shisō and Hani Gorō on Japanese history also had helped Paek in shaping his New Historiography.\(^\text{39}\) Approximately at the same period, Guo Mo-ruo activised his exploration of Chinese ancient history and, in 1929, published his sensational book “Research on Ancient Chinese Society” in Japan.\(^\text{40}\) Although Paek Nam-un’s attempt to implement a ‘scientific’ method in the research of primitive and ancient societies in Korean history followed similar works by Chinese and Japanese leftist scholars, he became the first Korean scholar who dared to apply Marxist historical materialism onto research of national history.\(^\text{41}\)

In 1933, Paek’s Chōsen Shakai Keizaishi [Socio-economic History of Korea] was published in Tokyo by Kaizōsha publishing house.\(^\text{42}\) Needless to say, this book quickly acquired popularity in Japan and Korea. After the Manchurian Incident (1931), when ideological suppression in the colonies was aggravated, the boldness of Paek’s research was conspicuous. The emergence of such a book in Japan provided a momentum for the restoration of trampled national pride and re-activated the interest of Korean nationalist scholars towards research on national history. No surprise that the Korean vernacular press rushed to characterise Paek as “the most brilliant talent in Korean academic circles”\(^\text{43}\) and immediately promoted him to the rank of “undisputable authority among Korean economists.” As it was stressed that Paek’s hypothesis was “firmly based on reasonable deductions” which “demonstrated high effectiveness,”\(^\text{44}\) from the first semester 1936, colonial authorities even recommend the book for compulsory student reading.\(^\text{45}\)

\(^{36}\) The society was sponsored by the Department of Economy and the Commerce Study Group of the Yōnhūi College where Paek Nam-un was lecturing.

\(^{37}\) Paek Nam-un, ‘Chosŏn Sagwan Surib-ŭi Chech’ang’ [Proposal for Establishment of a View on Korean History] in Kyongjae Yongu No.4 (February 1933). The abstract of Paek’s speech was recorded by his student, O Kil-man, and was replete with mistakes and omissions.


\(^{39}\) Hattori Shisō’s Meiji ishin shi [History of Meiji Restoration](1928); Hani Gorō, “Tenkeiki-no Rekishigaku” [Historiography of the Period of Changes], 1929; and Hani Gorō, “Rekishigaku Hihan Josetsu” [Critical Description of Historiography], 1932.

\(^{40}\) Guo Mo-ruo’s Zhongguo gudai shenhui yenyu [Research on Ancient Chinese Society](1929).

\(^{41}\) Yi Puk-man’s research titled ‘Chosŏn-in-e Issodō Toji Soyu Hyŏngt’ae-ŭi Pyŏnŏk’ŏn’ [Changes of the Land Ownership Forms in Korea] was published in Rekishi Kagaku 1-4 (1932), and could be called the first attempts to implement Marxist historical materialism onto Korean history research. Also see, Pak Mu-kyu, ‘Nōson Shakai Bunka-ng Kiten Tosite-no Tochi Chōsa Jigyō-ni Tsurite’ [On the Land Survey as a Starting Point for Social Division in Village] in Chosŏn Shakai Keizaishi Kenkyu [Research on Socio-economic History of Korea], Vol.6 (1933) which was prepared by the Faculty of Letters of the Kyōngsŏng Imperial University.

\(^{42}\) Paek Nam-un’s close relations with the family of Yamamoto Zanehiko, the owner of Kaizōsha publishing house, dated back to 1918 when Paek arrived in Tokyo as overseas student. During the 1930’s Kaizōsha was specialising in publication of radical literature including the writings of Hitler and Mussolini. The publishing house was closed in 1952?? after the question of its controversial influence on society was arisen in Japanese press. See, Mizushima Haruo, Kaizōsha-no Jidai [The Age of Kaizōsha] vol.1, Tokyo: Tesho Shuppansha, 1976.

\(^{43}\) Hwang Uk, ‘Nonjŏ-rŭl Tonghae Pon Chosŏn Hakkye-ŭi Suhwak. 2’ [Korean Academic Circle’s Achievements Through the Doctrines. 2] in Tonggak Ilbo (2 January 1935).


\(^{45}\) Cho Dong-gŏl, ‘Chŏng In-bo-ŭa Paek Nam-un’ [Chŏng In-bo and Paek Nam-un] in Han’guk Hyŏndaesa-ŭi Laibŏl [Rivals in Contemporary Korean History], Seoul: Yŏksa Pip’yŏngsa, 1992, p.140.

210
Paek’s initiative was generally supported by the other scholars of the emerging Marxist historiographical school. Soon, Yi Ch’ông-won published a series of articles where he examined some issues of ancient Korean history from the materialist perspective of class struggle. In these articles Yi Ch’ông-won opposed the ‘idealistic’ historiography of ‘uncompromising’ nationalists. He criticised those who, like Chông In-bo, created a mysterious concept of national history as absolutely unique and specific on the basis of ‘Oî’ [National Spirit], ‘Chosônhak’ [Korean Science], or the myth of Tan’gun. Thus, Yi saw his main task as an historian to criticise the ‘idealistic’ approach, systematise, and apply the Marxist ‘scientific’ methodology onto research on Korean history. In this, Yi Ch’ông-won’s position coincided with that of Paek Nam-un.

However, Paek’s pioneering work provoked a series of heated discussions within the Marxist school proper. It was in the essence of Marxian dialectics that to achieve any qualitative development, a constructive criticism had to be directed at the leading authority of the school (ie. Paek Nam-un). Therefore, criticism of Paek’s work radiated from the younger generation of Marxist scholars of history. The following quotation from Yi Ch’ông-won explains the nature and the context of criticism which precipitated on Paek Nam-un after 1933.

Representatives of the New Historiography in our country trust only Paek Nam-un and therefore hesitate to criticise him. Frankly speaking, the problem is that he does not deserve criticism. However, impartially clearing the way for progress in [our] chaotic scholarship, the most urgent task is the arranging of history (which is still unaccomplished), which can be achieved only through concrete research and must be undertaken bravely and faithfully. Thus we shall see our new academic forces making the first real step towards an international level [of research] and slowly, though gradually, shall gain confidence in our success. There is no doubt that the scale of problems which Paek Nam-un dealt with [in his book] is immense, and the way he suggested a resolution is pioneering. But the more criticism we apply the more evident becomes the historical value of this work.

Although the question of sources verification was also often raised, for the first several years after the publication of “Socio-economic History of Korea” it was predominantly Paek’s theoretical and ideological views that were placed under scrutiny. Japanese leftist scholars of Korean history, Hatada Takashi and Moritani Katsumi, joined in criticism of Paek’s work for his ‘formal’ application of Marxist dogma onto Korean history. The most comprehensive criticism was offered by Korean Marxist historians, Pak Sa-jŏm, Han Hŭng-su, Yi Ch’ông-won, and Kim Kwan-jin, for whom Paek’s book was more than an ordinary publication on national history. Addressing themselves to the problems of Paek’s perception of Marxian historical materialism, which in the early 1930’s was a kind of ideological vogue, these Korean leftist scholars disagreed with Paek’s formalistic understanding of the principle of a ‘unilinear pattern of history’. They claimed that Paek was disdainful towards numerous peculiarities of Korean history and too impatient in imposing this Europe-centred unilinear pattern on the history of an Asian country. Contrary to Paek’s attitude, they believed that national peculiarity was something to be emphasised in the truly ‘scientific’ analysis of history:

...
If you mechanistically apply only a unilinear theory of the world's historical evolution and insist that every nation has experienced the same process of development, isn't it very easy to overlook and underestimate the importance of specific differences? Why should we consider reactionary every vision of history which recognises [national] peculiarity? ...The recognition and proper elucidation of peculiarities in the cultural legacy of modern Korea will protect us from the 'evil path to slavery' and help launch the unique 'way of rebirth'.

Paek's colleagues also accused him of being too abstract and metaphysical in approach rather than truly materialist, so that they called his views 'petit-bourgeois' and 'idealistic'. Besides this theoretical denunciation, the problem of practical applicability of Peak's theory was also actively discussed. They classified Paek as a non-party idealist who "deliberately isolated himself from the realities of life in the ivory tower of purely scholarly research of theory for the sake of theory, and learning for the sake of learning".

Yi Ch'ong-won claimed that Paek's methodological inconsistency was a "natural and inevitable result of his materialist, so that they called his views 'petit-bourgeois' and 'idealistic'. 51 Besides this theoretical methodology. Although Yi estimated highly Paek's writings as the pioneering work of the 'scientific' research of national history, he criticised Paek for superfluousness and formalism that made the conclusions academic circles had not yet produced any strong historiographical tradition of research based on 'scientific' methodology. Although Yi estimated highly Paek's writings as the pioneering work of the 'scientific' research of national history, he criticised Paek for superfluousness and formalism that made the conclusions of Paek's research dubious.

Critical discussion of Paek's Chosen Shakai Keizaishi in the pages of historical journals and the daily press in Korea and Japan continued for several years until Yi Ch'ong-won published in Tokyo his Chosen Shakai Keizaishi Tokuhō (1936), Chosen Tokuhō (1936), and Chosen Rekishi Tokuhō (1937). These books marked a new fundamental step in the development of Marxist historiography in Korea. Although Yi adopted a similar materialist methodology of class struggle and periodisation of history, in many cases he came to different conclusions than Paek. In the preface to his book, Yi Ch'ong-won regretted that Korean academic circles had not yet produced any strong historiographical tradition of research based on 'scientific' methodology. Although Yi estimated highly Paek's writings as the pioneering work of the 'scientific' research of national history, he criticised Paek for superfluousness and formalism that made the conclusions of Paek's research dubious.

An especially heated discussion developed in the mid-1930's around the idea of national peculiarities in history. Defending the hypothesis of 'specific Korean features', Han Hūng-su presumed that besides

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50 Pak Sa-jōm, 'Chosŏn-ui Munhwa Yusang-gwa Kŏ Chŏnsūng-ui Pangbŏp (4)-(5)' [Korean Cultural Legacy and Its Glorious Methods. 4-5] in Tong-A Ilbo (5-6 January 1935). To emphasise the concurrence in the ultimate goal of research, Pak Sa-jōm used Paek's own expressions "evil path to slavery" and "way of rebirth" for Korean nation.


53 Yi Ch'ong-won, 'Chosŏn Shakai Keizaishi-wo Yomu' [Reading the Socio-economic History of Korea] in Yūbutsuron Kenkyū, No: 31 (1934. 12) p.92

54 All three books were published by Hakuyosha publishing house which not long before that finished the ten volumes publication of Selected Works of Lenin. See, Kovalenko Ivan L, Kommunisticheskaia partlia Japonii [Japanese Communist Party], Moscow: Nauka, 1987, p.57

55 The most striking difference with Paek's research layed in the definition of socio-economic organisation of Koryŏ Kingdom (947-1392). Yi Ch'ong-won identified this period as the last slave-owning society, while Paek Nam-un believed it to be the first feudal society in Korean history. See, Yi Ch'ong-won, Chosŏn Shakai Keizaishi Tokuhō, Tokyo: Hakuyosha, 1936, p.318

56 Yi Ch'ong-won, Chosŏn Shakai Keizaishi, Tokyo: Hakuyosha, 1936, pp.1-3

'internal reasons', certain 'external reasons' [Waebu-jök Motibû] had to be taken into account for an explanation of the transition of the Korean nation from barbarity to civilisation.\footnote{Han Hûng-su, ‘Chosôn Munhwa Yôn’gu-úl T’ôksusŏng’ [Peculiarity in the Research of Korean Culture] in Pip’an, No: 30 (1936. 7), pp.3-4} He criticised Paek for discounting the influence of a highly developed Chinese state on the process of degradation of tribal society in Korea and the rise of the first class states.

Talking about this process, professor Paek Nam-un revealed only the internal motives of natural development, and discarded any external motives which had played the most important role in the collapse of the tribal system. In other words, exploring Old Chôson, Three Han, and Koguryô, he paid no attention to the period of the Four Military Districts (the so-called Lolang period). In this respect, it is difficult to refrain from suspecting him of formalism.\footnote{Han Hûng-su, ‘Chosôn Wonsi Sahoeron - Paek Nam-un-ssi CM “Choson Sahoe Kyongjesa”-e Teahan Pip’an-m Kyomhayo’ [Thesis of Primitive Communal Society in Korea- Deciding to Criticise Paek Nam-un’s "Socio-economic History of Korea"] in Pip’an, No: 25 (1935. 12), p.15}

Indeed, the notion of Korea's peculiarity was often used by colonial propagandists to substantiate the official view of Korean history as stagnant and abnormal. The discussion on Paek's Choson Shakai Keizaishi was not confined within the frames of academic discourse. Professional revolutionaries also expressed critical opinions of Paek’s book. For example, in April 1934, Kwon Yong-t’ae, a graduate from the Moscow Communist University who was working at a Korean branch of the Comintern-controlled Red Trade Unions, characterised the current duties of Communists as follows:

To investigate deeply and thoroughly Korean problems in agriculture. To criticise properly the Social-democratic and National-reformists ideas which have recently appeared in the newspapers. To criticise thoroughly Paek Nam-un’s “Socio-economic History of Korea” which provokes strange impulses among Koreans.\footnote{Censorship Department of the High Court of the Government-General in Korea, Section of Ideology, ‘Miyake Seidai Kyöjû-no Sekika Undô Jikô’ [‘Turn the Campus Red’ Incident of Professor Miyake] in Siso Geppo, No: 2, (1935.3), p.37, cited from Pang Ki-jung, "Han’guk Kûndae Sasangsa Yongu” [Research of Korean Contemporary History of Ideas], (Seoul: Yôksa Pip’yêngsa, 1995, p.165}

Thus, Paek’s work was apprehended as controversial and caused theoretical debates not only within academia but also inside the Korean Left. The last two examples were directly connected with the changing policy of the Comintern towards the role of the 'petty-bourgeois' intelligentsia in the national-liberation movement. However appropriate was this criticism, it is clear that the evaluation of Paek's ideas against the theory and practice of Marxist historical materialism was a very complicated matter even for Korean Marxist historians. Their judgements and criticism were often highly subjective, demonstrating the inhibited state of nationalist historiography and the insufficient knowledge of Marxism in colonial Korea. Despite their desperate attempts, neither Yi Ch’ông-won nor Han Hûng-su managed to offer anything substantially different from what was included in Paek’s work. As Yi Ch’ông-won aptly noted in 1935, nobody in Korea could have reached that academic level.

Needless to say, the 'uncompromising' nationalists and 'colonial' historians also exerted harsh criticism on Paek's work. Insisting on the 'unilinear pattern' of world development, Paek dismissed the 'colonial' notions of a stagnant and backward Korea which was apparently derived from the peculiar character of historical development. On the other hand, the Five Thousand Years Korean History theory of the 'idealistic' school of nationalist historiography was also disgraced by Paek's hypothesis of a primitive communal society which existed in Korea long before the age of the mythical King Tan’gun (2333 BC).

In other words, Paek's book caused a severe blow to both historiographical traditions and, demonstrating the might of Marxist scholarship, offered a feasible way out of the protracted historiographical crisis. However, soon after the publication of Socio-economic History of Korea Korean Marxist historians experienced a dramatic change in world Communist politics. Connected with Japanese and Korean radical groups, they had to follow recommendations suggested by the Comintern. Thus, a discussion on the Asiatic mode of
production that was resumed in Japan and China in the late 1933 brought serious confusion into the circles of Korean leftist scholars.

4) Debate on Korean peculiarities

Opened and developed by the Marxist historians of the Kōza faction, this discussion brought forward the problem of patterns in social evolution. Of particular interest to leftist historians was the question of the Asiatic Mode of Production (AMP) and its applicability to the unilinear model of world history. In 1934, leftist academic circles in Japan became aware of the Leningrad conference where Kovalev, criticising the views of Godes, put special emphasis on the inevitability of the slave-owning stage in ancient history, and where the AMP was presented as a specific variant of slave-ownership.61

The main focus of relevant debates in Japan, therefore, was the issues of slave-owning societies and feudalism in Asian countries. To avoid conflict with the unilinear model of historical universality, AMP should not be singled out into a special socio-economic formation but rather equated with Moscow's already existing mythology of slave-owning or feudal societies. Among the epoch-making achievements of Japanese Marxist scholarship at that time was Nihon Rekishi Kyōsei [Revision of Japanese History] by Watanabe Yoshimichi and Hayakawa Jirō. The AMP was presented there as an Asian form of slave-ownership which, sooner or later, was to be followed by Asian feudalism. Therefore, special attention in the debate was paid to Asiatic peculiarities. The Kōza Group scholars persistently tried to presented every Japanese peculiarity as a manifestation of the universal law of social development, while the peculiarities of any other Asian country were to prove its stagnant and backward essence. Korean history was no exception and abundant examples of its deplorable state of stagnation in Eastern Asia were provided. Finally, Asian peculiarities were equated with Asian stagnation.

All these 'scientifically proven' views could not but cause a strong shock in Marxist scholarship in Korea. The following statement by Yi Ch'ong-won, who was at that time in Japan and also participated in the debate, demonstrates what kind of feelings was borne by Korean Marxists in response to the idealistic atmosphere which dominated the Japanese academic circles.

What was really shocking for us was that Japanese [scholars] in their scientific research were ready to link the question of 'Asiatic' Mode of Production with Korean history, part of the Orient which is just about to demonstrate unprecedented historical development. Although this discussion inside the Tokyo academic circles, which always pay a great deal of attention to our Korean scholarship, is developing constructively, it is shameful that our scholars still have not given any concrete response.62

In the early 1930's, only No Dong-gyu tried to introduce a debate on the AMP in Korea. Focusing on Asian feudalism, he failed to conduct any valid research on Asian slavery. The Asiatic idea was mechanically applied for Korean history periodisation to separate slave-ownership from feudalism.63 Only after 1936, under the steady influence of Japanese academic circles, did the new hypothesis concerning the place of AMP in Korean history emerge in Korean Marxist scholarship.64

The first one was offered by Yi Ch'ong-won who proposed the following periodisation of Korean history: Primitive Communism (Old Chosŏn) -- Asian Slave-owning society (from the Three Kingdoms to Koryŏ) --

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Asian Feudalism (Yi Dynasty). Although he supported the idea of an existing slave-owning society in Korean history, Yi did not believe that the slavery system had ever become a fully fledged mode of production in Korea. Therefore, he insisted that it was a sort of Asian slave-owning society. Yi Ch'ong-won assumed that such a society was economically based on the labor of both the working slaves and free manufacturers who remained from the age of Primitive Communism. From the Primitive society Korea also inherited a communal or state land-ownership system which later created the basis of the AMP. Yi believed that Korean society continued existing in that form until the end of Koryo. Before 1936, Yi Ch'ong-won's views on AMP and periodisation of history were heavily influenced by Paek Nam-un's Chosen Shakai Keizaishi and, participating in the 1933 debate in Japan, Yi actively advocated the idea that AMP was an Asian variant of feudalism. However after 1936, Yi reviewed his views and enriched the debate with the idea of distinguishing the land-ownership of Asian slave-owning society from the land-ownership of Asian feudalism.

The second hypothesis was articulated by Yi Puk-man and later supported by Kim Kwan-jin and Moritani Katsumi. They assumed that Korean history lacked slave-ownership mode of production at all. Criticising Paek Nam-un's theory of slave-owning in Koguryo, Kim Kwan-jin insisted that despite the existence of slave-ownership elements in Koguryo's economy the remnants of Communal and clan relationships lingered until the 3rd century AD, and tributary relationships even until the 4th century AD. The implication of such a hypothesis was that slave-ownership in Korea failed to develop into a separate socio-economic formation. They also believed that gradual formation of the state and transition to Feudalism took place in Korea around the 5th century AD on the basis of serfdom and the tributary system. Moritani Katsumi, who also dismissed Paek's theory of slave-ownership as formalistic, asserted that a mode of production based on slave labour could not appear in stagnant Korean villages where the remnants of Communal kinship were always strong. Instead, the transition from Primitive Communal society to backward Feudalism, which was characterised by serfdom and Oriental despotism, took place in Korea.

Although all these views and theories were in conflict with each other, there was one common point among all of them - strong adherence to the idea of Asiatic peculiarities, which was foisted by the Comintern to Korean and Japanese leftists historians to protect the unilinear concept of the world history. This Asian peculiarity always manifested itself in the undeveloped character of relations of ownership and the lingering elements of a Communal system. According to the universal laws of social development, these peculiarities formed obstacles to Korea's social development and became the reason for Korea's protracted stagnation. That constituted the main argument of other Marxist historians against Paek Nam-un and his Chosen Shakai Keizaishi which happened to be written before the major change in the Comintern's line. The price which was paid for support of the unilinear model of history proved to be detrimental to the pride of Korean nationalists. The search for Asiatic peculiarities provided a theoretical basis for the 'scientific' substantiation of Korea's stagnant character and backwardness.

Conclusion:

In the 1920's, Korean Marxist historians tried to participate equally in nationalist historiography. Despite ideological and methodological differences in their research, they actively participated in the creation of anti-Japanese historiography and in the construction of a broad nationalist United Front. Academic achievements, which were performed by the materialist New Historiography, demonstrated its excellent efficiency and ability to surpass both the 'idealistic' and the 'colonial' schools of historical research. Although Marxism was

65 Yi Ch'ong-won, Chosen Shakaiishi Tokuh [A Reading Book on Social History of Korea], Tokyo: Hakuyōsha, 1936; Yi Ch'ong-won, Chosen Rekishi Tokuh [A Reading Book on Korean History], Tokyo: Hakuyōsha, 1937
67 Yi Ch'ong-won, Changnyon Choson Hakkye-ui Suhwak-kwa Ch'use Ilgo' [Considering the Recent Results and Tendencies in Korean Academic Circles] in Choson Chung'ang Ilbo, (17 January 1936)
merely a popular leftist ideology in the 1920's and 1930s, the close connections of its followers with the world Communist movement proved that this ideology was powerful enough to trigger the division of the whole nationalist movement in Korea. Despite persistent attempts to reach cooperation between the nationalist Left and Right, it soon became clear that ideological differences could not be easily subjugated.

With the failure of the Chinese Revolution (1925-1927), the situation in the world Communist movement dramatically changed. Korean leftist scholars begun experiencing strong ideological pressure from the Moscow-controlled Comintern. Conflict between Stalin and Trotsky had sharply polarised all internal conflicts within the Communist movement and placed a huge group of petty-bourgeois intellectuals under the constant suspicion of the Party. To prove their dedication to the revolutionary course, Korean leftist scholars were to respond to any change in Comintern policies by an appropriate shift in their research. It caused heated historiographical controversies in Korea and Japan in the 1930's which only confused Marxist scholarship in these countries and forced historians into protracted debates over such bizarre notions as the Asiatic Mode of Production or Asiatic peculiarities. As a result, Marxist research on national history transformed from being a valid weapon of the anti-colonial struggle into the periphery of the nationalist movement or into a hostage in the hands of an erratic Kremlin leadership.

The dramatic dissolution of Sin'ganhoe [National Front] in May 1931 was also engineered and advocated by the Comintern-led Korean Communists. It demonstrated their uncontrollable ambition for hegemony in the national-liberation movement. But the ideas of Marx and Lenin were interpreted and misinterpreted in so many different ways that its proponents often failed to reach unity between themselves. The situation in which Korean Marxist historians found themselves in the mid-1930's was particularly hard. Their research on national history became not only a subject for suppression from colonial authorities, but also a matter of frequent intrusion from the side of the Comintern. Finally, ideological guidance, which was supposed to consolidate the Korean nationalist Left, significantly complicated the intra-movement relations and increased the dependence of Korean leftist intellectuals on the Soviet academic tradition.
THE DISSOLUTION OF THE SHIN'GANHOE

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Introduction

It is not uncommon when people comment on contemporary situations in a country to refer to the past as an explanation: one cannot understand the chaebol phenomenon in contemporary South Korea, we are told, unless one first understands the features of commerce and industry under Japanese colonial rule in the first decades of the twentieth century. What I want to do in this paper, however, is suggest that contemporary North Korean political culture might throw light on the nature of the failure of the united front experiment in Korea between 1927 and 1931. My point of departure here is an exchange I had with North Korean historians in May 1990 over the place of the Shin'ganhoe movement in modern Korean history. My question was whether there was much interest in the movement among North Korea's historians, and the reply, in brief, was that since the united front period belonged to a time when a destructive factionalism (p'aboljuui) predominated, it was not regarded as an important or worthy subject of inquiry.

Whether or not the Shin'ganhoe experience is important to contemporary North Korea, it seemed that this North Korean viewpoint is helpful in understanding the Shin'ganhoe. For the idea that the united front movement operated in an atmosphere of disunity (of the left as well as the right) and the judgment that it had therefore only negative value in modern Korean history have overshadowed scholarship on the subject up till very recent years. That the movement has had this effect on historical memory and has been presented by North Korean historians as empirical evidence for the necessity of absolute unity in the revolutionary movement, indicates that its failure was a bitter affair that has left a bitter legacy. The self-destruction of the organisation engendered deep mistrust among the different camps; and among the left-wing groups there was mutual recrimination over the internal discord that prevented them from gaining hegemony over the anti-imperial struggle through the Shin'ganhoe. But what is striking here is the lack of any genuine socialist analysis of the movement and its replacement by categories that are almost entirely nationalistic. It is almost as if the struggle turned into a battle over nationalist credentials rather than between left and right as such. And indeed, this is illuminative of the process of dissolution of the Shin'ganhoe in 1931.

North Korea is a state that to an unprecedented degree has acted upon the notion that all social causes can be known and hence all social outcomes can be controlled. The rulers have aimed to create a society from which all possible causes of conflict have been eliminated, an ambition that has involved a very severe suppression of thoughts and practices that are considered inimical to this aim. This aim has been advocated in part by blaming not just the failure of the Shin'ganhoe but the whole anti-imperialist struggle up to the mid-1930s (when Kim II-Sung is supposed to have united everything) on p'aboljuui.1 As a consequence, factionalism--implying the lack of a leader to unify the nation--has become a hermeneutic not only in the portrayal of the colonial period but in such matters as literary criticism of Korean classics also.2 This dream of a cessation of all conflict cannot be realised except through a political system that maintains itself without any restraints, institutional or intellectual. If any sort of dialectic, material or intellectual, existed in North Korean polity, it would burst apart. Hence the regime anchors itself on the historicism of a permanent idea.3

It is hardly surprising then that the standard, perhaps sole explanation of the failure of the Shin'ganhoe is that it was wracked by factionalism.4 Whereas this explanation does have a kind of rule-of-thumb validity, it does not illumine very far the actual dynamics of the united front movement

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1 This is something of a simplification, since there has been a debate over p'aboljuui versus chongp'ajuui (sectariansim) among scholars, but the public elaboration of the evils of the time focus on p'aboljuui.
2 The North Korean version of the classic story Hong Kildong ends with the moral that Hong was unable to overcome the aristocratic oppression because the people at the time lacked a leader.
4 In 1993 a lengthy study of the Shin'ganhoe, titled simply Shin'ganhoe yŏn'gu, was published, authored by Yi Kyun'yŏng (Seoul: Yŏksa pip'yŏngsa). It is a compendious treatment of the movement, and while describing the

217
nor the process of its dissolution. Even one of its most important clues to the culture of the Korean political world of the time, namely, the highly negative evaluation of compromise and the absence of a concept of constructive tension, is hidden by the mechanical employment of the explanation. What I wish to suggest, first, is that the seeds of the Shin'ganhoe's failure were sown at the beginning in the manner in which the organisation was founded, through the exclusion of the middle ground. Thereafter, contests between groups within the front lacked any kind of umpire and could only polarise in a destructive way. The second point I wish to argue is that the self-dissolution of the front is less meaningfully related to factional struggle, which was a given from the outset and the reason why it was called a united front organisation, than to an inherent problem in the nationalist movement as a whole. Or to put it another way, I contend that the ingredients of the united front's failure lay not so much in its institutional contradictions as in the political culture that lay behind them. Culture is a form of power, or struggle for power, since it involves creating a consensual but nevertheless dominant system of rules: political culture defines what playing by the rules is. In this sense, I suggest that the Shin'ganhoe was founded on a fallacy: the assumption that the resolution of conflicts could wait upon the attainment of a common goal. This assumption I consider to be a fallacy because it is in the process whereby people attain the common goal that the conflicts are resolved. The goal cannot be separated from the means chosen to attain it, and when the question of means arises, the idea of a common goal becomes very shaky. Had the left-wing groups acceded to the nationalist definition of the rules of the game, they would have surrendered much of their ability to affect the outcome.

The Exclusion of the Middle Ground

The middle ground in this case is not an ideological position between left and right wings but a position usually termed "culturalism" in studies of Korean movements during the colonial period, a movement that had its intellectual origins in pre-occupation enlightenment movements but that gained some popularity in the 1920s in the context of the political failure of the 1919 March First movement and the Government-Generals' subsequent relaxation of press and assembly laws. The culturalists formed a middle ground between cooperation with the Japanese colonial regime and direct political or military resistance to it. The exclusion of this group from the Shin'ganhoe in 1927 was of considerable moment considering the initiatives taken by the culturalists to form a united front earlier in the decade.

An attempt to create a "popular front" was made as early as August 1919 when the socialist Yi Tonghwi took up his position as Premier of the Korean Provisional Government in Shanghai. There was an understanding between Yi and Lenin that the Provisional Government would adopt Communism and the USSR would assist the Korean independence movement against Japan, but the idea founded by early 1921 on the major split between the Russified and non-Russified Korean communists. An attempt was made thereafter by Yǒ Unhyŏng (socialist) and An Ch'angho (liberal-democrat) to unify the "nationalists" and "communists", but the National Delegates' Conference organised in 1921 was short-lived. Despite Zinoviev's call for nationalist/communist united fronts at the First Congress of the Toilers of the Far East in January - February 1922, all attempts to forge alliances across the northern borders failed, bedevilled by a range of serious problems, such as personal rivalries, complex alliances between guerrilla groups, difficulties of communications across rugged terrain, the lack of clarity and practicability of the Comintern's instructions and deep ideological cleavages.

But inside Korea itself, moves for a united front were also under way and were more promising. Yi Tonghwi, that very nationalist of communists, had in any case pressed for cooperation with Chang Tŏksu, the culturalist leader and manager of the Tonga ilbo in Seoul. It was through the pages of this culturalist-nationalist newspaper that the idea of a united front was first broached inside Korea, from 1923 to 1924. The culturalists' idea was that the failure of the March First movement to achieve

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5 Many of the basic facts of the cases outlined in this section can be found in a number of books including Lee Chongsik, The Politics of Korean Nationalism, (Berkeley and Los Angeles, University of California Press, 1963), Scalapino and Lee, Communism in Korea, Part I: The Movement (Los Angeles-London, 1972) and Suh Dae-Sook, The Korean Communist Movement, 1918-1948, New Jersey, Princeton University Press, 1967. My purpose here is to reinterpret
political independence despite its extraordinary proportions and despite the principle of national self-determination that was being applied at the time (1919) in the Paris Peace Conference deliberations, underlined the need for Koreans to give priority for the present to the cultural task of creating a strong Korean nation, after which it would become more feasible to engage in the political project of building a Korean state.

There were two parts to the culturalists' logic here. For many--perhaps most--the main logical basis for their position was that political defiance was not simply impracticable but actually counter-productive and would, under the then prevailing circumstances, put independent statehood even further out of reach. In the cultural game the odds might be stacked in favour of the Japanese Government-General, but it was a game that could at least be played and could, provided the people played it with perseverance--the lack of which in many Korean movements the culturalists constantly criticised--be won in time. The other part of their logic was the argument that means and ends were inseparable. A nation, some of them believed, was founded on an ideal, and the quality of the nation depended on the extent to which those ideals had been disseminated, applied and reinforced. If nationhood were simply given at this point, the content of the Korean nation would be no more than the degree to which an ideal foundation (both an intellectual-ethical and material set of ideals in this case) had been laid and built upon.

In this connection, a united front was to be both a forum for Koreans to argue out their different formulations of nationhood and a means of cooperating on activities that were possible--particularly educational endeavour, economic self-strengthening and formation of citizens' associations to gain political training. Whatever final shape the "common goal" might take, it would be the outcome of a healthy process.

The proposal was not well-received. The most common rebuttal was that the Japanese, far from allowing Koreans to lay down their national foundations, were laying their own, and thus if the culturalists' nation-idealism were correct, it was critically urgent that the Japanese be expelled from Korea before they went any further in establishing a Japanese nation in lieu of a Korean one. By 1924, the culturalists faced angry charges of compromise with Japanese policy by the right and of abetting capitalist imperialism by the left. The fatal outcome of this rejection of the culturalists' united front proposal was that the left and right (the moderate right, that is: the far right had no interest in a united front with communists) turned the whole issue into one of compromise versus non-compromise, and fastened on this as a "common" cause that later was inevitably shown up as beside the point and an illusion. As it was, having excluded the culturalists from consideration, the left and right camps were left accusing each other of bad faith once the insufficiency of their "common" cause was revealed. Even had most of their central ideas been disregarded, the presence of the culturalists in the united front would at least have provided some middle ground and kept alive the insight that burying differences was not a healthy way of attaining even what "common" goal there might and should never have been the basis of the front.

Nevertheless, the culturalists were excluded and the compromise versus non-compromise axis became the rubric under which organisation of the front was pursued. By 1925, decimation of their ranks through arrest inclined communists and left-wing and moderate nationalists towards negotiations. From the communists' side, this was encouraged also by their receipt in January 1926 of Safarov's "tasks for Koreans," in which he urged that although the nationalist movement in Korea was a bourgeois democratic movement, it should be supported because it was directed against imperialism. But at same time he warned them to resist determinedly all temptations to toy with compromise or pacifism.

One piece of advice, however, reveals the limitations of Safarov's materialist understanding: Japanese imperialism has destroyed Korea's aristocracy, he noted - therefore liberation from Japan will rather naturally unfold in interests of proletariat. Such an expectation could only lead to frustration and deepen recriminations over bad faith. For the separation of the Korean aristocrats from their institutions and even in some cases their land did not destroy their mentality, impulses or ambition for restored power and political prerogatives. Nor were the communist leaders themselves from the proletarian classes, such as there were.
So it was that when in February 1927 the centre-nationalist newspaper, *Chosŏn ilbo*, proclaimed the formation of the united front, the Shin'ganhoe, a great deal was made of its stand against the *Tonga ilbo* party, that is, against "compromise" and "opportunism." In reality, the Shin'ganhoe was a "legal" body: it was formed with Government-General permission and existed thereafter on Japanese sufferance; when the Government-General refused its petition to reorganise in May 1931, it was unable to revive. By 1929, however, it boasted 138 branches and 37,000 members.

**The Sin'ganhoe Dissolution**

In November 1988, a young scholar by the name of Cho Huiyŏn wrote an article in which he claimed that South Korea had reached a stage that was ripe for a "comprehensive revolution," led by a revolutionary minjung movement. A proponent of the National Liberation line, he argued that it was necessary to equate class liberation with national liberation, in the sense that the whole nation be regarded as a neo-colonised class, and to grasp the fact that the characteristics of Korean capitalism and the properties of imperialism are of a piece. Identifying the external forces that colonise the Korean nation, he maintained, would provide the impetus for national reunification. The point at issue was essentially whether the north's chuch'e ideology was the most appropriate and what its relation was to Marx-Leninism. Surprisingly, given that this argument is almost identical to the views propounded by elements in the Sin'ganhoe, Cho claims that his position amounts to a "new form" of thought. The reason for this kind of position is also similar to the reason for the M-L faction's position in the Sin'ganhoe: in both cases the debate had become entangled in a project that was not actually a class issue. For Cho the dilemma is how to draw class issues into some form of unity with the national imperative of reunification, while in the united front it was how to maintain the integrity of class struggle in face of the national imperative of liberation from Japan. Defining the state so that national interests coincide with the interests of the working classes, however, invites an intractable problem: how can "citizenship" be linked to class affiliation? In the end, "state" interests will determine the relations of classes within its borders.

Towards the end of 1994, the history journal *Yŏksawa hyŏnsil* devoted a special section to discussion of the relation between the Great Depression and national liberation movements in Korea. One contributor, Yi Chunsik, observed that 1927 was a high-water mark in social movements, which are now (1994) experiencing an ebb-tide seemingly hastened by the collapse of the USSR system, and suggested that reform and revolution are subject to periods of ebb and flow. Apparently each high-tide reaches higher than the one before, since every generation takes up the cause again, overcomes the limitations of the former, and takes the "historical process" of "autonomy and liberation, unity and democratisation," one step further. Written against a background of constantly frustrated liberation movements during and following the colonial period, Yi reaches for a sense of a guaranteed linear, progressive direction in history. In this he makes no explicit recourse to national destiny, but rather appeals to non-nationally specific ideals. Another contributor, Yi Aesuk, followed up with a thoughtful article on the Sin'ganhoe, an organisation that rose before, but suffered its ebb-tide during, the Depression. Here, Korea is examined as part of the wider world, and although the struggle between Japan and Korea is assumed in nationalistic terms, this is surely an accurate reflection of how the reality was understood at the time.

What I wish to do is go beyond this reflection of reality and approach it from the point of view of cultural-political struggle between groups each attempting to define the nation culturally in such a way that should their version became dominant they would attain legitimacy as the rightful and natural leaders of the people. I am encouraged here by Roger Chartier's observation that,

When it studies groups' representations of themselves and of others...cultural history is able to reflect usefully on social questions, since it focuses its attention on the strategies that determine positions and relations and that assign to each class group, or milieu a perceived being which constitutes its identity.11

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9 ibid, pp. 92-94.
10 Yi Chunsik, "Ch'ongnon: Segye taejginghwanggi minjok haebang undong yŏng'ŭiŭi tŏt'iwa kwaje," in *Yŏksawa hyŏnsil*, 11, 1994, p. 13. Cf Pak Segil, *Tasi ssŭnun Han'guk hyŏndasa*: 3, Seoul, Tolpegae, 1992, p. 215: "The triumphant minjung are always confronted by new trials. This is the law of experience history teaches us. by overcoming these trials the minjung can mature a step further. Indeed, our minjung, who attained their shining victory in the June minjung struggle, have had to tread just this path."
From this standpoint, we can return to what I consider the cardinal difficulty of the Sin'ganhoe, namely, the assumption on which it was based, that the resolution of one specific type of conflict between opposed interests could wait upon attainment of another, common goal. I wish to argue that this assumption was nationalistic and responsible for confusing and undermining the socialist program and that the dissolution was really a defensive measure by the socialist-communist groups, though they did not necessarily understand it as such.

The united front was entered into by nationalist, socialist and communist groups not from a position of strength but of weakness, a weakness relative to each other as much as to the Japanese Government-General. Matters had not gone well for the nationalists after the failure of the March First movement to effect any meaningful progress towards independence. The Korean Provisional Government in Shanghai registered complete failure in its attempts to gain a hearing in the League of Nations and the Pacific and Washington conferences of 1921-1922. Liberal democracy had lost appeal and socialist alternatives were gaining ground. Then the apparent strength of the culturalist movement between 1921 and 1923 proved misleading: interest in education, Cho Mansik's Korean Products Promotion Society (Choson mulsan changnyohoe) and so forth stemmed in part from a negative factor--hopelessness over political resistance. The socialists and communists likewise understood, especially after their abortive attempt to stage a national uprising in June 1926 in connection with the funeral of the Korean Emperor Sunjong, that they could not go it alone.

Apart from this realisation of their individual weakness, there were theories of united fronts that the joining parties held. The Marxist-Leninists had a clear enough position: the theory of a nationalist insurrection as an initial step towards full communist revolution. The non-Leninists, who outnumbered the Leninists in the earlier stages, thought the idea was to bury ideological hatchets in order to unite to expel Japan. Comment in the nationalist newspapers and journals and the reports of the Government-General Police Affairs Bureau suggests that the vast majority of interested Koreans initially believed that the Sin'ganhoe was a kind of truce organisation in which ideological issues were taboo and national liberation the binding suprapartisan objective. It was not until the Sixth Congress of the Comintern delivered its December Theses of 1928, which emphasised the error of capitulating to the nationalists in the united front and virtually expelled the Korean Communist Party, that a flurry of activity among communists occurred, designed to gain unambiguous hegemony over the movement. The December Theses, it should be noted, urged the Korean communists to "strengthen the national-revolutionary movement by lending it a class character and dissociating it from compromising national-reformism, the vacillation of which must be untiringly and mercilessly exposed..." 12

The non-Leninists responded in kind. The November 1929 Kwangju student uprising became an opportunity for each camp to gain recognition as the source of real leadership. None succeeded; many were arrested. Frustrated, the communists began campaigning for a dissolution of the front from early 1931, with the vain intention of reorganising it under their leadership. But the debates over the dissolution reveal the difficulties with the assumption on which the movement was founded and suggest that the construction of the front's objectives in almost exclusively nationalistic terms not only made a dissolution inevitable but also masked the nature of the struggle.

By now a little more involved in united front debates, the Tonga ilbo's leading article of 1 January 1931 accused the M-L group of going against the original spirit of the Sin'ganhoe. This original spirit was that groups would stop competing with each other and instead join forces against the common enemy. Class movements were not national movements and therefore had no valid place within the Sin'ganhoe. This was a standard statement of generic nationalism and typical of the nationalist right and centre positions. In March 1931 the cultural-nationalist journal Hyesong published the results of a questionnaire on whether a new body drawing all classes and groups together was necessary. Those answering in the affirmative argued two main points: first, that such a united body was the only possible means of carrying out a meaningful movement; and second, that the central task of a united front was not deciding which "ism" to adopt but to organise the masses into a genuine national force.

Those for the negative, mostly on the left of the nationalist camp, either wanted the Sin’ganhoe to remain or favoured the abeyance of a united front for the time being. Among these, advocates of the continuation of the Sin’ganhoe emphasised that it stood in need of correction so that it became what it was intended to be: a movement dedicated to solving problems common to all Koreans. Those for the dissolution argued that the timing had been wrong, that the people were not at a sufficiently high level of consciousness to join in a common, national cause. This had two further aspects. In the first place, the Sin’ganhoe had been formed from a position of weakness, so that it was an opportunistic, insincere arrangement. The nationalist, socialist, religious and women’s groups had to get their own houses in order before forming a united front. In the second place, the Sin’ganhoe had been inspired by examples elsewhere, not generated out of Korea’s own conditions. "It was the creation," said one respondent, "of some bone-headed half-wits infatuated with the Japanese Proletarian Party which inhabited a world completely different from Korea’s, and of translators14 who turned the heads of various buffoons who love to stand on committees and appear important, and of charlatans who have no need to take thought for their livelihood." Only one respondent dismissed the Sin’ganhoe as an impossible venture, since nationalists and socialists have different strategies.

The debate among Marxist-Leninists was a more complex one, which I will have to subject to some Procrustean management in the interests of brevity. The arguments of those for dissolution can be summarised through the positions of three members of the Iwon branch of the Sin’ganhoe, surnamed Hong, An and Chong, as printed in Samch’olli in April 1931. Dissolve it, they urged, because the leadership—the left-wing nationalists—are basically petit-bourgeoisie. It is thus doing more harm than good, it is a copy of foreign examples, especially in China, and the timing is wrong. Kim Tongsu responded on behalf of M-L members who opposed dissolution, in an article in the May 1931 issue of Hyesông. The question, he argued, is not whether the Sin’ganhoe is a bourgeois institution but whether it is an anti-imperialist institution. A bourgeois nationalist movement is a stage in a historical process. The proletariat must join in or will fail to be in a position to achieve hegemony and thereby place themselves in a position to grasp leadership after national liberation. Because the Sin’ganhoe is a united front, a power-struggle between camps is inevitable, and to leave it is to play into the opposition’s hands, by booting oneself out of the struggle.

In the end, the issue seems to have been decided by judgments expressed by officials in communist organisations abroad. G. Voitinsky, an official of the Comintern, alleged already around May 1929 that the Shin’ganhoe had become a national-reformist organ; Comintern members in Japan advised in 1930 that the Shin’ganhoe was no fit organisation for labourers and farmers to join; while the Red International Labour Union (Profintern: USSR) officially denounced the Shin’ganhoe as a national-reformist movement in September 1930.15 Ironically, the only reason the communists were able to dissolve the organisation that had been condemned in these terms was that they held the balance of power in its executive committee - that is, they had in fact gone a long way towards gaining hegemony and the condemnation was unfounded.

In what way does this reveal the problems with the assumption and how might a cultural analysis throw light on the experience? What the non-M-L voices were tacitly stating was that anything other than a national interest is a sectional interest and must be excluded from the activities of the Sin’ganhoe. This is to define "nation" as an overarching cultural-political entity. Had they convinced the majority of united front members to accept this, they would have really settled the internal struggle almost completely in their own favour in advance. So long as the M-L camp consented to this view of a "national" culture and to the ideological truce, they would in reality affirm to the mass of Koreans, whatever their own intentions, the truth of this ideal national culture and the validity of the subordination to it (though not a political reality at all) of "sectional" issues of class, gender and so on. The ideological truce was entirely one-sided, for the nationalist position was simply reinforced by the "understanding." The only kind of socialism that could emerge from this would be a nationalistic socialism, one more example of the pattern Immanuel Wallerstein, for example, perceives in the present age.16 Increasingly, the idea that the issues dividing members of the Sin’ganhoe would be resolved after national liberation was attained became unrealistic. In principle, the very manner of attaining this "common" goal would determine these issues. Whoever

14 "Translators" presumably refers to those who were translating classics of socialist and Marxist thought - Engels, Marx and Bebel, among others.
15 Mizuno Naoki, pp. 10 & 12.
had grasped the handle on the "culture" of the "nation" would be able to open the door to power. To put this another way, the "nation" that would be liberated would be one in which the M-L and any other competing groups would be required to depend on nationalistic sources of legitimacy - as, in fact, happened after 1945 in both north and south Koreas.

In a sense the M-L camp realised something of this and this realisation set in motion the process that led to dissolution and the failure of the venture. But the reason the M-L camp urged dissolution--apart from Comintern pressure--was implicated in the same assumptions held by the nationalists. Kim Tongsu was correct, perhaps, in urging the M-L members to stay in the united front, but perhaps for incomplete reasons. He saw it as a matter of political manoeuvring and institutional struggle only, not of representations of Korean national identity. He argued his case on the basis of necessary stages in history and a foregone conclusion about which side would be victorious. The consciousness of the masses, he believed, would be formed by objective factors of Korea's social and economic development, and so failed to recognise that even "objective" factors are subject to interpretation and that the nationalism of Korea at the time operated by interpreting all such factors in terms of a political struggle between two national cultures. As such, then, the united front was supposed to represent first and foremost the line of no compromise on Japanese imperialism.

In theory, the logics of the nationalists and the socialists were incompatible, for the one was premised on the struggle between nation-states as such, in a kind of ethnically centred social-Darwinist sense, whereas the other understood the cause of imperialism in terms of class-struggle and the final stage of capitalism. Nevertheless, the Leninist theory of imperialism as the final stage of capitalism that provided the rationale for socialists and communists to enter a united front also allowed an equation to arise between the values of the workers' struggle against imperialism and the nationalists' attachment of value to ethnic origin. This has taken place in a large number of comparable struggles and the effect in Korea is seen in the inseparability of chuch'e ideology and Korean ethnic identity in the north and in the continuing intense and dangerous level of competition between the two Korean states over legitimacy as custodians of Korean identity.

In both Koreas ever since their separate identities were formed theories about the national and ideological divisions have continued to reflect the dilemma of the Shin'ganhoe experience. To be sure, the heavy involvement of the superpowers raised the stakes horribly high and put a decisive spin on the conflict, but the failure of the united front left a negative legacy on domestic matters, one aspect of which is a political culture in both sides that views tension and conflict as essentially negative and destructive. Even on the eve of Kim Dae-Jung's election as president, South Koreans remained generally uneasy about and unsupportive of a competitive system of political parties. And the most sophisticated theory in the south regarding the means of reunification of the peninsula is a strongly left-wing one which nevertheless construes the project as one that is rooted in a national-ethnic unity vis-a-vis forces outside Korea (which have, however, representatives within Korea). In the north, class has long since been abandoned as an analytical or explanatory category; in its place there persists a fantastic doctrine of all sections of the population facing in the same direction in an absolute unity focused on a single source. Reunification on this view is a common goal of all genuine Koreans in which the essential struggle is between those who compromise with outside forces and those who are true patriots. Parallels with the Shin'ganhoe experience might be more than superficial, and with respect to the debate over what kind of Korea will follow upon the anticipated reunification, the terms being used might have already settled the question--in favour of the nationalist formulation.

17 See the findings of surveys on this head in Doh C. Shin, Mass Politics and Culture in Democratizing Korea. Cambridge, Cambridge University Press, 1999
18 Paek Nakch'ong has written extensively in this vein, both in articles in his journal, Ch'angjakkwa pip'yōng, and in monographs such as his Minjok munhagui sae tan'gye (Seoul, Ch'angjakkwa pip'yōngsa, 1990) and Pundan ch'eje pyŏnhyŏgŭi kongbu kil, Seoul, Ch'angjakkwa pip'yōngsa, 1994. In English, see his chapter, "The Reunification Movement and Literature," in Ken Wells (ed), South Korea's Minjung Movement: The Culture and Politics of Dissent, 223
Learning about other cultures is always an interesting activity since it makes people open their eyes to look at the world and understand different ways of thinking, different social values, etc. Especially language is the most representative cultural feature, since language and culture are not separable. Even though it has been widely accepted that cultural learning is important to language learning, there have not been many attempts to integrate language and culture in the Korean language education area. Recently the importance of cultural education has been advocated (Sohn 1995, Min 1996, Cho 1998) in the Korean language acquisition area. However there have still not been many attempts to integrate language and culture. Language teaching has generally separated the language from its cultural context which has merely been introduced through some traditional cultural or historical background. We cannot expect the quality of learning to improve much if we simply introduce a few traditional cultural items.

This paper aims to explore a teaching methodology which enables the integration of culture with language in context. As a way of developing a method, this study will use advertising texts. Advertising texts are very good texts for learning cultural literacy, because they contain a rich and wide range of social and cultural contexts, contemporary visual images and complex styles which can contain two or more different language styles in one text.

This study will show how advertising texts can be used to acquire cultural literacy and language proficiency and the learning outcomes will be discussed.

What culture do students want to learn?

A key point to remember is that students learn best when they learn what they want to learn. When asked, most students say that they want to learn about modern culture and to know about Koreans of their own age. So classes should reflect these interests and needs. However the culture parts of most Korean textbooks haven’t really provided language learners with the material to understand Korean culture in this respect. Culture should be introduced in the context of student interest and not be focused on emphasising the greatness of Korean culture or giving isolated pieces of information which are not contextualised.

Culture can be divided into two categories: “Culture” and “culture” (Brooks, 1975). “Culture” with a capital C is high culture as in classical music, dance, literature, arts, etc., whereas “culture” which with a small c is everything in human life which the social group shares such as beliefs, behaviours, attitudes, values, etc. Since the sixties “Culture” has not been perceived as a significant part of the language curriculum in foreign language teaching. Especially the use of the communicative method has been widespread and more weight has been placed on “culture”. However in most Korean language textbooks, “culture” is introduced mainly through the traditional cultural products (literature, artifacts, music, etc.) or a narrow range of behaviours (customs, food, etc.) rather than through ideas (beliefs, values and institutions).

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1 It can be dived into ‘high culture’ and ‘anthropological culture’ (Scollon and Scollon, 1995)

2 Robinson(1998) categorized definition of the culture into three group: ideas, behaviors and products according to survey result from the teachers who are teaching second or foreign languages.
To communicate effectively in a target language, an understanding of people’s ideas, social values, beliefs and institutions is more important than some knowledge about the target ‘Culture’. As Brooks (1968) pointed out “What is important in culture… is what one is expected to think, believe, say, do, eat, wear, pay, endure, resent, honour, laugh at, fight for, and worship in typical life situations….” Therefore culture study in language classes should deal with “culture” in a modern day setting.

What authentic materials are appropriate for culture study?

The use of authentic materials has come to occupy an important place in language classes. With the development of the Internet, ease of access to authentic materials has accelerated their use in class. How they should be selected and used most effectively to teach the target culture are issues that language teachers need to constantly consider.

As Rivers (1968) stressed, cultural awareness should occur simultaneously with language learning, and teaching for cultural understanding should be fully integrated with the process of language patterns and lexicon. So far in most Korean textbooks culture has been introduced through reading texts, which are focused on cultural facts that Korean language learners should know. These texts were specially written for Korean language learners, and can give a distorted picture of the culture that is experienced by native speakers. Therefore even though culture is introduced in the target language in these Korean textbooks, it is not possible to claim that culture is being fully integrated with language in context. Furthermore these texts are written for the purpose of introducing Korean culture so they have a tendency to emphasise what a marvellous culture Koreans have.

These cultural achievements are presented by Koreans who employ their own history as the chief framework. However the language learners employ completely different and usually much wider frameworks in assessing what is presented. A common reaction is that the students form negative ideas on Korean culture.

Authentic materials facilitate the integration of culture with language in context. There are ample authentic materials for teaching culture such as newspapers, movies, novels, and advertisements. Some authentic materials require only one of the four language skills. For example newspapers and novels need only reading skills and movies require listening skills. However advertisements can require only one skill, such as reading skills for reading an advertisement in magazines or newspapers, or a combination of skills, such as both listening and reading skills for watching TV commercials. Whereas some materials like novels contain only pure text, advertisements often consist of both written texts and visual elements. The inclusion of visual elements such as photos or graphics with written text can help language learners to understand the written texts more easily. And these visual elements also give cultural information such as expression of feelings, attitude, opinion and social values. They also stimulate the students’ own interests and motivation since they appreciate the target culture and language in a real context.

Teaching culture in Korean language courses has been focused on the advanced levels because expressing cultural understanding in Korean requires a high proficiency level of Korean. However it is possible to teach culture to students with lower proficiency levels of Korean through the selection of appropriate authentic materials. The written texts in advertisements are quite simple and short and can contribute to the development of reading skills in lower levels while the cultural aspects behind the written texts and photos can be discussed by students in their own language. In exploring aspects of Korean culture that are of interest, it is not necessary for students to speak only in Korean and discussion can take place in English in English speaking countries, Japanese in Japan, etc.

3 Sass(1996) pointed out that books on Korean culture are available but most of them are about traditional culture and they contain bias so it is difficult to use in the university and students often disappointed.
Advertisements are good authentic materials that give insight into the target culture. They illustrate many aspects of popular culture and provide a rich and wide range of social and cultural contexts, including both traditional and contemporary visual images. Advertising exists within a very competitive market for a mass audience and advertisements reflect culture and people's lifestyles. They are an important part of the popular culture, and the significance given to its contents such as the products, the depiction of people in the advertisement, the background music, visual images, etc. are grounded in the culture of the place and time. Advertising texts are very good texts for learning cultural literacy.

Methodology
Subjects
A total of seven undergraduate students between the ages of 20-30 participated. The group consisted of different gender and language backgrounds. It included one Japanese student who is married to an Australian, one Taiwanese female student who came to Australia in secondary school, one Korean heritage student born in Australia, one Korean born heritage student who migrated to Australia when she was young, one female and one male Australian student who have both been to Korea, and one female Australian student who has not been to Korea. These seven students were studying the third year level of Korean at Clayton campus, Monash University.

Materials
The materials used in these activities were focused on providing cultural awareness through advertisement texts. Two TV commercials were introduced in the third year class in second semester 1999. One was the OB Beer commercial “my wife is always a close friend” and the other was the “Lucky Rendezvous Shampoo” which were both shown on TV around 1990. The OB commercial depicts a young couple relaxing together over a glass of beer. The Lucky shampoo commercial depicts a busy double income couple’s morning before going to work and plays out the theme of saving time. These two commercials was chosen because of the way they represent Korean people’s ideology and social values. Both are listed in the book “Nae ka choahanfm kwanggo (The Advertisements I Like)” (Han’guk Kwangju Hyophoe, 1992). After the introduction and group discussion of these two commercials, each student was required to choose a Korean commercial for presentation in class and lead a discussion on what the commercial revealed about Korean culture.

Procedure
The design of this study involved various steps in developing the students’ ability to discuss Korean culture. The teacher introduced the two TV commercials to provide the students with a model for leading a discussion using commercials to examine cultural experiences. Each of the students then chose a time for their presentation. Students discussed with the teacher in advance whether the commercials they selected were appropriate for discussion about culture and how they were going to conduct their presentation. After each presentation, all the students in the group were required to put their opinions on the Web located in the Monash Korean Studies Home Page. The purpose behind this use of the Web BBS (Bulletin boards) was to create an environment where the students could pursue further discussions.

Using advertisements in class to develop students’ language skill

Advertisements are quite different from other texts. Apart from some texts such as those in textbooks, songs, etc… most texts are usually for reading once only. However, advertisement texts are very short and are repeated to stamp themselves on people’s memory. So they can be very good resources for language learning.

Four images in the OB Beer commercial were extracted from the book “The advertisement I like” were given to students to describe. Subsequently they were asked to write a script for the commercial which was then compared with the original.

The script students wrote together was as follows:
Beer is very cool/refreshing
It is as refreshing as a shower
A beer is more pleasing than a wife./A beer is as pleasing as a wife.
I like my wife. I like my wife plus a beer even better.

The original OB Beer commercial script was:

아내와 함께 하는
시원한 OB 한 잔
아내는 언제나 가까운 친구입니다
사람들이 좋다
OB가 좋다.

A glass of cool OB with my wife
My wife is always a close friend
I like people.
I like OB.

In the second class, six frames from the Lucky Rendezvous Shampoo commercials were extracted from the book “the advertisement I like” and given to students to describe. Again the students wrote a script together and compared it with the original.

The script students wrote together was as follows:

시간이 없다고 생각해요?
아침에 너무 바빠요.
오렌지 주스하고 다리미질?
상푸하고 린스 하나로
시간이 남네.

Do you think we haven’t got time?
We’re too busy in the morning.
Ironing with orange juice?
Shampoo and rinse into one.
Plenty of time.

The original Lucky Rendezvous shampoo script was:

Visual Title:
맞벌이 부부의 아침

Narration:
상푸와 린스가 하나로
Visual Title:
A double income couple’s morning

Narration:
Shampoo and rinse in one
Lucky Rendezvous shampoo
Simply ‘rendezvous’ in busy times
The freshness and softness of ‘Rendezvous’
Shampoo and rinse at the same time
Shampoo time became shortened. Lucky Rendezvous
UH? We’ve got plenty of time

After students had compared their own scripts with the originals, they were advised to find a Korean advertisement in a newspaper or magazine that uses different speech styles. For example, they had to examine what verb endings were used in the advertisement, how these endings were used in every day speech and what significance could be attached to the way they were used in the advertisement.

Many questions were given to students to induce their idea about the style in the advertisement texts. Examples of such questions were: Where can we see this type of text?; Why does it use a noun phrase instead of a full sentence?; Does the narrator use a phrase or a full sentence?; What speech level does the narrator use?; Does the narrator use a phrase or a full sentence?; Is the speech level the narrator used the same with the body text?; How would the commercial sound if you change these three texts (headline, body and close) into the same speech style?; What is the idea behind using different speech styles in the one advertisement?, etc. With this method students could understand the complex and unique characteristics of the style of the advertisement.

Students were able to learn ways of creating messages that were simple and short for getting peoples’ attention while they were producing their own script for the advertisements. The frequent use of the ‘-ta’ ending which expresses a person’s thoughts or subjective feelings was also explained in the context of the advertisement.

Cultural awareness in group discussions

In discussion of the OB beer commercial, students talked about the gender discrimination in the commercial. Six out of seven students were female and they were sensitive to gender issues. During class activities, when a male student produced a phrase “A beer is more pleasing than a wife” some female students rebuked him arguing that he was using a gender discriminating expression and urged him to change it. So the male student had to change the line to “A beer is as pleasing as a wife”.

There were big arguments whether beer advertisements in general were focused towards males or not. Students gave examples of Australian beer commercials which presented beer as a man’s drink. Another opinion expressed by one of the female students about the Korean advertisement was that it was directed towards female consumers. The reason was that the person who does the shopping is the woman so it focused on women consumers. She argued that the logic/idea behind the commercial was that the husband drinks a cool beer which makes him happy and therefore the wife will be happy as a result. She added that this kind of advertisement would make Australian women unhappy. A Japanese student refuted this view arguing instead that the
advertisement just described the relationship between husband and wife and emphasised the importance of family. The male student agreed with this idea and explained that the advertisement, which described this kind of value, seemed unrefined to young Australians. This was because young Australians perceived marriage or the importance of family as part of an old-fashioned ideology. However, he thought the reason why this advertisement appealed to Koreans was that they believe these value to be important.

The Japanese and Taiwanese students thought that the advertisement would also be appealing in their countries. They said that spending time with a husband was an attractive message to women in their societies. The male Australian students agreed with them and emphasised that this advertisement didn't promote gender discrimination but showed the changes in Korean society by giving an importance to the relationship between husband and wife that could not be found in traditional Korean society. Another view was that this advertisement showed the younger generation's attitudes towards the relationship between husband and wife, which is quite different from that of the older generation. It also presented a lifestyle image which not only reflected social reality but also acted to promote a dream image. In Korea not many people have time to relax with their wives or families, so the representation of the couple is not so much based on an experienced reality but it is an idealised version of it.

These class activities made it possible to extend the students' social understanding by comparing both cultural differences and also cultural similarities between Korea and their own countries. The commercial 'Lucky Shampoo' demonstrated cultural similarity of the modern young couple's busy life in both Korea and the students own countries. Through discussion students realised that the advertisement reflected cultural and social change, some of which changes was very much universal. An advertisement like this has only become relevant in recent times with the growing involvement of women in the work force.

Dominance of female students in class often led discussion to gender issues. The advertisement for beds produced by the bed manufacturer 'Stone Art' was perceived by the Australian female students as an example of gender biased advertisement because the text in the commercial urged wives to buy beds for their husbands’ health. Australian female students often pointed out gender bias in the advertisements, and the male student and, sometimes, the Asian female students rebuked the Australian female students, arguing that they were too sensitive to gender issues. Two separate Kombawoo Soju (liquor) advertisements were a good example that showed female students themselves were biased. One advertisement showed an unclear nude image of a female inside a bottle of the liquor. The other one showed a group of nude men drinking Kombawoo Soju. The first advertisement was seen as sexist by the female students but not the second. The male student pointed out if the nude people in the second advertisement were women, not men, it would have been accused of being sexist by the females. Another example was an insurance advertisement directed at housewives. Again it was accused of gender bias and a similar example in an Australian insurance commercial was given by a student. It was about an Australian insurance company that gives a special deal to female drivers because statistics shows that female drivers tend to get involved less in car accidents. The male student argued that it was discrimination against the male. He argued that if the insurance company charged higher insurance premium to Asian people based on their higher propensity for accidents, it surely would be accused of racial discrimination. These class discussions made it possible to see cultural difference determined not only by different nationalities but also by gender within the same society. Students perceived that women are in a disadvantaged and powerless position because of their sex role in society and that advertisements tend to reinforce these sex roles by containing stereotypes of the female role.

Bennett (1996) claim that ethnocentrism has developed into three stages: denial, defence and minimization stages. When students study foreign languages they usually go through these stages, these stages also can be found in exploring gender issues in class discussion. By creating their own stereotypes of men or women in their own society, students became very defensive about gender culture. If it is possible to name this as 'gender-centrism', from observation it would appear that students in this discussion group were in the stage of defence.
In group discussion of culture, it is easy to focus on cultural difference. Since some advertising tends to target particular groups of people, it often provides a stereotypical portrait of the target groups. Social science would describe the process of stereotyping as one of the strategies human beings have for filtering all the information that is around them (Goddard, 1998). Focusing cultural difference often creates not only a stereotypical view of other cultures but also of one's own culture. For example a Maeil baby food commercials was presented by a student for discussion of the importance of education in Korea. One student gave her opinion saying that not much the emphasis has been placed on education in Australian society. It was pointed out that this was a generalisation and the discussion moved to the different emphasis on education in different countries. The diversity of ethnic backgrounds gave students an opportunity to be aware that their own culture can also be perceived by others in different stereotypical terms. For example a student pointed out that the education system in Japan doesn't equip students to develop creativity, and so Japanese are good at copying things and have technology imported from other countries. The Japanese student agreed but she added that Japanese improve the technology that they borrowed from other countries. Through the discussion, students started to perceive that stereotypical views of their own or other cultures create barriers to understanding and sharing of both cultural diversity and similarity. Students became aware of the importance of observing other cultures with open eyes and of refraining from immediately making ethnocentric assumptions.

The importance of education in Korea was explained by one student as stemming from a hierarchical of social system rooted in Confucian ideology. While Confucian ideology could not be directly seen in the advertisement, this ideology still plays an important role in modern Korean society which is reflected by the way the importance of education is portrayed in the advertisement.

Conclusion

On the basis of this class observation, it can be concluded that integrating culture with language in context, using TV commercials and magazine and newspaper advertisement enhanced students' understanding and knowledge of the target culture as well as their own culture. Diversity of students' cultural background has helped students to learn and develop skills in interpreting different cultures in a balanced way. It was also possible for students to develop skills to look at cultures focusing on complexity and individual differences rather than reinforcing stereotypes. It was observed that these activities gave students opportunity not only to develop competence in language and culture but also to stimulate their intellectual curiosity and enhance their motivation for learning. In spite of the importance of integrating culture in language class and improving students' cultural competence, this area has been somewhat neglected in Korean language teaching. This research was able to identify just a few aspects of this area. More research in this area is needed.

References

Brooks N 1968. Teaching Culture in the Foreign Language Classroom, Foreign Language Annals, 1
CULTURE COMPONENT

This culture component (two hours per week) is a part of the subject KOR3320 that requires four hours of class attendance per week.

CULTURE COMPONENT DESCRIPTION

In this component students will read and analyse Korean advertisements and discuss Korean culture behind these advertisements. The teacher will introduce the two TV commercials to provide the students with a model for leading discussion and using commercials to examine cultural experiences. Each of the students then chooses a time for their presentation. Students are required to discuss with the teacher in advance whether the commercials they selected are appropriate for discussion about culture and how they are going to conduct their presentation. After each presentation, all the students should post their opinions on the Web bulletin boards located in the Monash Korean Studies Web site. The address is as follows: http://www.arts.monash.edu.au/korean/centre/resources/communication/cooperative/

The purpose behind this use of the Web BBS is to create an environment where the students can pursue further discussions.

CULTURE COMPONENT OBJECTIVES

Advertisements are good learning materials that give insight into the target culture. They illustrate many aspects of popular culture and provide a rich and wide range of social and cultural contexts, including both traditional and contemporary visual images. Advertisement and TV commercials also provide various speech styles in context. Therefore, on successful completion of this component, students should have acquired better understanding of popular Korean culture, and various speech styles and their usage.

CULTURE COMPONENT STRUCTURE

Each student will attend two hours per week as follows:

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>11:00 - 12:00</td>
<td>CALL Lab 6</td>
</tr>
<tr>
<td>Tuesday</td>
<td>12:00 - 1:00</td>
<td>S524</td>
</tr>
</tbody>
</table>

REQUIRED TEXTS

- Korean-English/English-Korean dictionary
- Advertisements from recent newspapers and magazines

ASSESSMENT

Assess for this culture component will consist of the following:

- Oral presentation 15%
- Class participation 25%
- Final exam 10%
- Total 50%

CLASS PREPARATION AND ORAL PRESENTATION

All students are required to prepare oral presentations and present these on the designated days. The topic of oral presentation should deal with current advertisements from recent newspapers and magazines. And it should have some debatable issues for class discussions. Students should provide other students with summary of the presentation topic, vocabulary, structures one week earlier before the presentation.
Use the following guidelines when you select your advertisement and prepare for your oral presentation:

1. Find a Korean advertisement in a newspaper or magazine that uses different speech styles.
   - What verb endings are used in this advertisement?
   - How are these endings used in everyday speech?
   - What significance can you attach to the way they are used in the advertisement?

2. Find a Korean advertisement in a newspaper or magazine where you consider that the message is ambiguous.
   - Describe the key elements in the visual images and written text.
   - Take each of these key elements and try to analyze how they may form associations with what you have learnt about Korean culture and society.

3. Find a Korean advertisement for a particular brand-name product that is also advertised in your own country.
   - Describe the differences in how the product is advertised in each country.
   - How do these differences reflect cultural differences between the two societies?

4. Find a Korean advertisement where you think that the depiction of a lifestyle is being idealised or a dream image is being promoted.
   - Which particular aspect of the lifestyle is being idealised?
   - Who is this idealisation process being directed at?
   - What can you deduce from this about the way Koreans may think or feel about the lifestyle presented? (For example in the Lucky Rendezvous shampoo advertisement, you might infer that women want more equality.)

COMPUTER LAB
Students will spend one hour per week at the CALL (Computer-Assisted Language Learning) Lab 6 and write and post their opinions on the Web BBS about the advertisement or commercial discussed in the previous class.

CLASS PARTICIPATION
Students are reminded that apart from sitting for examination, students who wish to complete this culture component of the subject must attend classes and perform all prescribed exercises such as participation in discussions and posting of their opinions on the Web BBS. As the learning of languages requires constant and steady effort, your regular attendance is important and it is always expected and assumed. Students who are absent through illness and emergencies should notify the coordinator and consult the tutors concerned about work missed as soon as possible. Your class participation will be monitored all the time.

FINAL EXAM
Students will be tested on their understanding of texts, Korean culture, and various speech styles covered in this component.
1. Introduction

The present study aims to investigate the way Korean children acquire how to tell coherent stories. Telling a coherent story, among other things, involves the ability to take into account simultaneously the 'global theme' of the story and the 'local theme' at the moment, and the 'previous theme' for continuity as the speaker develops a story.

A number of studies have used picture-based story-telling methodology to elicit multiple, comparable narratives from different age groups of children (e.g. Berman and Slobin 1994). The present study takes one more step from there, where the pictures and titles of the story were manipulated so that the level of pragmatic notions such as theme could be separately defined from their linguistic reflections such as syntactic subject. In the experiment, two groups of children (6 and 11 year olds) were asked to tell a story while looking at the pictures in accordance with a given title. This study examines the effects of these different levels of themes in their resulting narratives by using a qualitative regression model called the 'logit'.

In particular, the questions this study addresses are as follows: First, how do the three levels of themes affect subject assignment in the narratives of the Korean younger and older children groups? Kim (1996), and Kim (to appear) have found that the selection of a referent as the syntactic subject of a given clause is significantly influenced by all three themes for English and Korean adult speakers, although local theme is the most powerful factor of all. Our first hypothesis is that children will be most influenced by what is happening at the moment, or the local theme; that the consideration for global theme will be relatively weak; and that it will be even weaker in the younger group.

Secondly, this study is interested in how the particles on subject in Korean, nun and ka, which have been traditionally called 'topic marker' and 'subject marker' respectively, interact with the thematic structure in children's stories. Kim (to appear) claims that one important discourse function of nun has to do with the global theme of the story. If we accept Kim's claim of nun as the marker of 'global theme', we expect that the effect of global theme on the assignment of Nun will be weaker in children than in adults, and even weaker in younger children.

2. EXPERIMENT 1

2.1. Method

Materials

The experimental pictures consisted of a series of 10 simple line drawings about a girl and a boy bumping into each other on the street. In each picture, one of the two characters was drawn more prominently, so that he or she could be perceived as the local theme of the picture. In order to make each character eligible to be the main character of the whole story, the local themes were assigned in such a way that half of the pictures had the male character as their local themes and the other half had the female character as their local themes. An outline of the pictures is presented in Table 1. The local theme in each picture is given in Italics.
We also prepared two biasing titles for the story; the two titles were identical except that each includes one of the two characters. The character included in the title would be made the main character, or the global theme of the story. The speakers under Title 1 Condition was given the title “What happened to Mina” and Mina, the female character of the story, was replaced by Inho, the male character, in Title 2 Condition. Each title was followed by a picture of the main character and a short introduction, suggesting that the speaker imagine him/herself as a close friend of the main character’s. This was necessary as a motivating device because global theme is the outcome of a speaker’s higher-level planning.

Table 1. Descriptions of the Experimental Pictures

<table>
<thead>
<tr>
<th>Picture</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A girl is walking by with flowers while a boy is around the corner</td>
</tr>
<tr>
<td>2</td>
<td>The boy bumps into the girl</td>
</tr>
<tr>
<td>3</td>
<td>The girl falls down with flowers all over</td>
</tr>
<tr>
<td>4</td>
<td>The boy looks for his glasses</td>
</tr>
<tr>
<td>5</td>
<td>The girl finds the glasses for the boy</td>
</tr>
<tr>
<td>6</td>
<td>The boy collects the flowers</td>
</tr>
<tr>
<td>7</td>
<td>The boy gives the girl the flowers back</td>
</tr>
<tr>
<td>8</td>
<td>The girl calls the departing boy</td>
</tr>
<tr>
<td>9</td>
<td>The girl gives the boy a flower</td>
</tr>
<tr>
<td>10</td>
<td>The boy says goodbye to the girl</td>
</tr>
</tbody>
</table>

Subjects and Procedures

37 6-year-old first graders (18 males and 19 females) and 38 11-year-old sixth graders (19 males and 19 females) participated in this experiment. They were randomly assigned to one of the two conditions and were each asked to tell a story while looking at the pictures in accordance with the given title. The experiment took about 15 minutes.

2.2. Results

Linguistic Complexity

Number of Clauses Per Speaker. The resulting narratives were recorded and transcribed in Korean orthography and then broken up into clauses. The general results about the database are summarized in Table 2.

Table 2. The Number of Clauses per Speaker in Each Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total Clauses</th>
<th>Analyzed Clauses</th>
<th>Excluded Clauses</th>
<th>Clauses per Speaker</th>
<th>Clauses per Picture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1</td>
<td>520</td>
<td>452</td>
<td>68 (13.6%)</td>
<td>14.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Grade 6</td>
<td>608</td>
<td>553</td>
<td>55 (9.0%)</td>
<td>16</td>
<td>1.6</td>
</tr>
</tbody>
</table>

The younger group produced a total of 520 clauses. Each speaker produced an average of 14.1 clauses, or 1.4 clauses per picture. Of the 520 clauses, 452 clauses were used for further analyses. The remaining clauses (68 clauses, or 13.1%) were not used because their syntactic subjects didn’t refer to either of the characters. On the other hand, the older group produced a total of 608 clauses, with an average of 16 clauses, or 1.6 clauses per picture. Of the 608 clauses, 553 clauses were used for further analyses. The remaining 55 clauses (9.0%) were not used for the same reason.

The database shows that there is not much difference between the older and younger groups in the number of clauses they produced, but if we compare these results with the ones for Korean
adult speakers in a comparable experiment (Kim, to appear), where they produced an average of 3.4 clauses per picture, there seems to be a big difference between the children and adult groups.

*Clauses per Sentence.* The shorter narratives for younger children suggest that they might have not acquired clause-chaining constructions, which are typical sentence types in Korean discourse, because in both groups one sentence per picture was a norm. Thus, we calculated the number of clauses per sentence in each group. Overall, stories by the older group contained more clauses per sentence (M = 1.6) than stories by the younger group (M = 1.4).

*Subordinate Clause Index.* As another index of overall language complexity in the story, we divided the number of embedded clauses by the total number of clauses each group produced. Since a majority of the embedded clauses were reported speech, they were separately counted from nominal and relative clauses. The result shows that the older group used more reported speech (M = .15) or other types of embedded clauses (M = .09) than the younger group (M = .11 and M = .05 respectively). In sum, the sixth graders produced longer and linguistically more complicated narratives than the first graders.

*Thematic Structure and Subject Assignment*  
As the next step, for each clause, the character referred to by its syntactic subject, the local theme of the given picture, the global theme given in the title, the character referred to by the previous subject were identified and recorded. It was tentatively hypothesized that the effects of global, local, and previous themes on subject assignment would be relatively weaker for children than for adults, and even weaker for younger children. In order to see the general picture, all the subject referents were first cross-classified according to the global theme and local theme. The result is shown in Table 3.

Table 3 suggests that although there may be influences of both local and global themes, the effect of global theme seems relatively very weak.

<table>
<thead>
<tr>
<th>SS</th>
<th>Grade 1 (GT=Mina)</th>
<th>Grade 1 (GT=Inho)</th>
<th>Grade 6 (GT=Mina)</th>
<th>Grade 6 (GT=Inho)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LT=Mina</td>
<td>LT=Inho</td>
<td>LT=Mina</td>
<td>LT=Inho</td>
</tr>
<tr>
<td>Mina</td>
<td>88 (41.3)</td>
<td>9 (4.2)</td>
<td>76 (31.8)</td>
<td>12 (5.0)</td>
</tr>
<tr>
<td>Inho</td>
<td>21 (9.9)</td>
<td>95 (44.6)</td>
<td>36 (15.1)</td>
<td>115 (48.1)</td>
</tr>
</tbody>
</table>

Notes: 1. GT, LT, and SS stand for Global theme, Local theme, and Syntactic subject respectively. 2. The numbers in the parentheses are the percentage of the mention within the condition.

This study employs the 'logit analysis' to test the statistical significance. The logit analysis is a kind of 'qualitative response model' used when the dependent variable is qualitative, or categorical (See Kim (1994, 1996) for further information). In this study, the dependent variable is the referent of the syntactic subject of each clause (SUBJECT) and the explanatory variables are the local theme of each picture (LOCAL), the global theme of the narrative (GLOBAL), and the referent of the previous subject (PREVIOUS). They are all categorical variables, that is, either Mina or Inho. They are assigned zero (0) if they refer to Mina, and one (1) if they refer to Inho. The estimates resulting from the logit analysis are presented in Table 4. The results for Grade 1 and 6 are separated presented, and those for adults (Kim, to appear) are also shown for comparison.
Table 4. Estimation of Syntactic Subjects with All Observations

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>LOCAL</th>
<th>GLOBAL</th>
<th>PREVIOUS</th>
<th>Obs</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Children</td>
<td>-1.655***</td>
<td>3.757***</td>
<td>0.342*</td>
<td>0.530***</td>
<td>1005</td>
<td>848</td>
</tr>
<tr>
<td></td>
<td>(9.264)</td>
<td>(18.264)</td>
<td>(1.850)</td>
<td>(2.809)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Grade 1</td>
<td>-1.601***</td>
<td>3.435***</td>
<td>0.321</td>
<td>0.592**</td>
<td>452</td>
<td>374</td>
</tr>
<tr>
<td></td>
<td>(6.070)</td>
<td>(12.089)</td>
<td>(1.217)</td>
<td>(2.163)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Grade 6</td>
<td>-1.692***</td>
<td>4.088***</td>
<td>0.371</td>
<td>0.448*</td>
<td>553</td>
<td>474</td>
</tr>
<tr>
<td></td>
<td>(6.953)</td>
<td>(13.415)</td>
<td>(1.430)</td>
<td>(1.712)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Adults</td>
<td>0.381***</td>
<td>1.918***</td>
<td>0.542***</td>
<td>0.765***</td>
<td>1389</td>
<td>1005</td>
</tr>
<tr>
<td></td>
<td>(-11.758)</td>
<td>(15.001)</td>
<td>(4.319)</td>
<td>(3.172)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Estimates are made by the logit analysis. 2. The first row of each equation presents the estimated coefficients of the explanatory variables and the numbers in the parentheses the t-statistics. 3. *, ** and *** denote coefficients that are significant at the 10, 5, and 1 percent levels respectively. 4. Obs. represents the number of observations, and CC (Cases Correct) represents the number of observations predicted correctly by the model.

Eq. (1), which includes both Grade 1 and 6 children, shows that for children local theme (LOCAL), global theme (GLOBAL), and previous theme (PREVIOUS) all predict positive coefficients, but only LOCAL and PREVIOUS are significant at the one percent level and GLOBAL is significant only at the ten percent level. If we compare this with Eq. (4) for adult speakers, we find that although LOCAL is the most significant variable in both groups, GLOBAL is relatively much weaker in children. Eq. (2) and (3), the estimates for the first and sixth graders show exactly the same phenomenon, GLOBAL being insignificant in both groups. In fact, for PREVIOUS, the younger children were found to be more sensitive than the older children.

Overall, children were most significantly influenced by what is going on in the current event, or what has happened in the previous discourse, but the consideration for the global theme of the story was found to be relatively weaker than in adults. Although it was expected that the influence of global theme would be greater in the older group of children, it was not significant at all in either group.

The Acquisation of Particles Nun and Ka in Discourse

Developmental Pattern of Particles. The fact that syntactic subjects in Korean can take either nun, the so-called topic marker, or ka, the so-called subject marker, has produced a number of studies attempting to account for the functional differences between them. In the Korean acquisition literature, it is well-known that the acquisition of nun comes much later than that of ka (Kim 1997). This makes us speculate that they might have different functions in children's stories. First of all, we will briefly take a look at the distribution of the particle-marked and null subjects in each group, which is shown in Table 5. Table 5 shows the tendency that with age the number of nun increases until nun exceeds ka in the adult stage.

Table 5. Distribution of Particles in Each Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Nun</th>
<th>Ka</th>
<th>Zero</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>67 (15.1)</td>
<td>191 (42.9)</td>
<td>187 (42.0)</td>
</tr>
<tr>
<td>G6</td>
<td>133 (24.5)</td>
<td>223 (41.1)</td>
<td>186 (34.3)</td>
</tr>
<tr>
<td>Adults</td>
<td>402 (28.9)</td>
<td>302 (21.7)</td>
<td>685 (49.3)</td>
</tr>
</tbody>
</table>
Since the distribution pattern of the two particles seemed quite different in each age group, each story was classified into one of four levels according to the use of the particles to see the overall developmental pattern. *Null-subject narratives* (Level 1) used no overt subjects or only one particle-marked subjects. This seems to be the initial stage of acquisition, where children do not make explicit what they are talking about to the addressee because they assume it is shared (Givón 1979). *Ka-only narratives* (Level 2) are those that have ka-marked subjects in the majority of clauses, with no or only one nun-marked subjects. *Ka-dominant narratives* (Level 3) begin to show some occurrences of nun, but not more than ka. Lastly, *Nun-dominant narratives* (Level 4), the expected stage for adults, show more instances of nun than ka. The result is presented in Figure 1.

Figure 1 shows that there are in fact some variations in the distribution pattern even within a group. For instance, even in the adult group, 37.5% of the stories were classified as *ka-dominant narratives*. However, we still can see some developmental pattern of gradual increase of the use of nun with the increase of age of the speaker. This cross-sectional data confirm that there is indeed a developmental pattern that nun takes over some of the functions of ka over time.

Figure 1. Proportion of Each Level of Narratives by Group

![Figure 1](image)

**Discourse Functions of Nun.** If we accept Kim’s (to appear) claim of nun as a marker of global theme of the discourse, we expect to see a similar pattern also in children’s stories. We categorized all subjects into nun-marked, ka-marked, and zero subjects and ran the logit analysis on each category to find out how the three themes affected particle assignment. The separate results for the first and sixth graders are presented in Table 6.

The results shown in Table 6 are very different from what Kim (to appear) found for adults in a comparable experiment. First of all, GLOBAL was not found significant in any of the categories for children, whereas it was highly significant with nun-marked subjects for adults. Second, for children, PREVIOUS was found negatively significant only with nun-marked subjects, while it was with both nun- and ka-marked subjects for adults. Third, it is very unusual for LOCAL to be only weakly significant (p < .1) with nun-marked subjects for Grade 1 students because LOCAL has been the most powerful factor in any categories in previous studies.

2.3. Discussion

Although this study did not find any statistical evidence that children center their story around a global theme, there is some literature suggesting that they do (See Berman and Slobin 1994). The possible reasons why we did not get any significant influence of global theme are as follows: 1)
Table 6. Estimation of Particles with All Observations

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>LOCAL</th>
<th>GLOBAL</th>
<th>PREVIOUS</th>
<th>Obs</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Nun-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>0.742 (0.267)</td>
<td>1.097* (1.738)</td>
<td>0.261 (0.435)</td>
<td>-1.751*** (2.769)</td>
<td>67</td>
<td>50</td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-0.296 (0.628)</td>
<td>3.364*** (6.053)</td>
<td>0.250 (0.491)</td>
<td>-1.348** (2.555)</td>
<td>133</td>
<td>111</td>
</tr>
<tr>
<td>2) Ka-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>-1.330*** (3.559)</td>
<td>3.820*** (7.361)</td>
<td>0.656 (1.484)</td>
<td>-0.251 (0.552)</td>
<td>190</td>
<td>158</td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-0.954*** (2.835)</td>
<td>8.211 (1.450)</td>
<td>0.210 (0.517)</td>
<td>-0.595 (1.450)</td>
<td>223</td>
<td>188</td>
</tr>
<tr>
<td>3) Zero-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>-2.907*** (4.750)</td>
<td>4.130*** (7.132)</td>
<td>-0.031 (0.064)</td>
<td>2.624*** (4.513)</td>
<td>195</td>
<td>169</td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-4.479*** (4.790)</td>
<td>1.789 (2.197)</td>
<td>4.606*** (5.769)</td>
<td></td>
<td>197</td>
<td>185</td>
</tr>
</tbody>
</table>

Notes: 1. Estimates are made by the logit analysis. 2. The first row of each equation presents the estimated coefficients of the explanatory variables and the numbers in the parentheses the t-statistics. 3. *, ** and *** denote coefficients that are significant at the 10, 5, and 1 percent levels respectively. 4. Obs. represents the number of observations, and CC (Cases Correct) represents the number of observations predicted correctly by the model.

They do center their story around a global theme, but it is not just strong enough statistically, 2) thematically coherent and globally well-organized stories emerge rather at a later stage of development (for instance, Ito and Tahara (1985, cited in Nakamura 1993) report that only the 14-year-old and adult narrators were able to systematically differentiate wa and ga according to discourse function in Japanese), 3) the experimental methodology the present study employed, where the children were not given a chance to look at the pictures before they told a story, might have affected their performance in the sense that they did not know what the story would be like beforehand.

In order to find out whether this no-preview storytelling methodology (No-Preview Condition) affected the performance of the children, another experiment was run, where the children were given a chance to look through the pictures before they told a story based on them (Preview Condition).

3. EXPERIMENT 2

3.1. Method

Experiment 2 used the same materials and followed the exactly same procedure as Experiment 1, except that the children had a chance to look at the pictures before they told a story. This ensured that they knew what they were going to talk about.

Experimental Speakers and Procedures

40 6-year-old first graders (20 males and 20 females) and 41 11-year-old sixth graders (20 males and 21 females) participated in this experiment. They were randomly assigned to one of the two conditions and were first asked to look through the whole pictures and then tell a story.
3.2. Results

**General Characteristics of the Data**

The resulting narratives show that the Preview condition did not affect the number of clauses that the children produced. The younger children produced a total of 545 clauses. Each speaker produced an average of 13.6 clauses, or 1.4 clauses per picture. Note that the children of the same age in Experiment 1 produced an average of 14.1 clauses. Of the 545 clauses, 480 clauses were under further analyses and the rest of them (65 clauses, 11.9%) were excluded because they did not refer to either of the characters.

On the other hand, the older children produced a total of 686 clauses, an average of 16.7 clauses per speaker. Considering that the same-aged children in Ex. 1 produced 16.0 clauses, the conditions did not make any significant difference in the number clauses they produced. Of the 686 clauses, only 602 clauses were further analyzed for the same reason.

**Thematic Structure and Subject Assignment**

We expect that the children were more likely to attend to the global theme of the story in this Preview condition since they knew how the story went before they started their story. Again, the logit analysis was run on Grade 1 and 6 children separately, and the results are shown in Table 7.

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>LOCAL</th>
<th>GLOBAL</th>
<th>PREVIOUS</th>
<th>Obs</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1</td>
<td>-1.695***</td>
<td>3.891***</td>
<td>0.277</td>
<td>0.545*</td>
<td>480</td>
<td>409</td>
</tr>
<tr>
<td></td>
<td>(6.331)</td>
<td>(12.783)</td>
<td>(1.032)</td>
<td>(1.960)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade 6</td>
<td>-2.096***</td>
<td>4.434***</td>
<td>0.713***</td>
<td>0.813***</td>
<td>602</td>
<td>523</td>
</tr>
<tr>
<td></td>
<td>(8.057)</td>
<td>(13.715)</td>
<td>(2.665)</td>
<td>(3.052)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Estimates are made by the logit analysis. 2. The first row of each equation presents the estimated coefficients of the explanatory variables and the numbers in the parentheses the t-statistics. 3. *, ** and *** denote coefficients that are significant at the 10, 5, and 1 percent levels respectively. 4. Obs. represents the number of observations, and CC (Cases Correct) represents the number of observations predicted correctly by the model.

Table 7, in comparison with Table 4, shows that the Preview condition certainly improved the performance of the sixth graders, but not that of the first graders. Whereas the Grade 6 children show their sensitivity to the local, global, and previous theme, more like adults, the Grade 1 children do not seem to benefit from the Preview condition. This means that the Grade 1 children are not yet equipped with the necessary discourse strategies to tell a coherent story; since they are mostly influenced by the local theme at the moment, the stories of the younger children are more like a collection of events without a meaning to them. On the other hand, it seems that the Grade 6 children are able to tell a thematically coherent story, but not so confident that their performance will vary depending on the situation.

**The Development of the Particle System**

The distribution of the particles nun and ka is shown in Table 8. For comparison, the results from Exp. 1 are also included.

Table 8 seems to confirm the developmental pattern of the particles that Korean children acquire them in the order of ka and nun, and that as they get older, they tend to increase the use of nun.
In order to see the extent to which the various levels of themes affect the assignment of the particles, all the subjects were categorized into nun-marked, ka-marked, and zero subjects and the logit analysis was run on each category. The results are presented in Table 9.

Table 8 shows that local theme is the most powerful factor in explaining subject assignment in Preview condition, too. For the Grade 6 children, the condition indeed made a difference in their performance in that their use of nun is related to the global theme of the story. GLOBAL is found to be significant at the 5 percent level with nun-marked subjects for the Grade 6 children. From this result, we can make the same conclusion that with the increasing age, children are more likely to attend to the global theme of the story they are telling.

However, either nun or ka was not significantly related with previous theme in any way in this Preview condition, although the nun-category was negatively correlated with previous theme in Experiment 1 (No-Preview condition). Note that for adult speakers, both nun and ka were found to be negatively related with previous theme, statistically significant at the one percent level (Kim, to appear). It is hard to explain why this should be so, but it may indicate that the discourse functions of nun and ka have not been fully acquired by both the younger and older children.

TABLE 9. Estimation of Particles with All Observations

<table>
<thead>
<tr>
<th></th>
<th>Constant</th>
<th>LOCAL</th>
<th>GLOBAL</th>
<th>PREVIOUS</th>
<th>Obs</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Nun-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>-0.567</td>
<td>2.836***</td>
<td>0.064</td>
<td>-0.675</td>
<td>106</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>(1.068)</td>
<td>(5.087)</td>
<td>(0.124)</td>
<td>(1.268)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-1.647***</td>
<td>4.331***</td>
<td>1.509**</td>
<td>-0.961</td>
<td>136</td>
<td>121</td>
</tr>
<tr>
<td></td>
<td>(2.957)</td>
<td>(6.569)</td>
<td>(2.242)</td>
<td>(1.451)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Ka-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>-1.039***</td>
<td>3.491***</td>
<td>0.157</td>
<td>-0.498</td>
<td>199</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>(3.061)</td>
<td>(7.566)</td>
<td>(1.392)</td>
<td>(1.227)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-0.834***</td>
<td>4.049***</td>
<td>0.372</td>
<td>-0.544</td>
<td>193</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>(2.355)</td>
<td>(6.409)</td>
<td>(0.921)</td>
<td>(1.324)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Zero-S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Grade 1</td>
<td>-4.841***</td>
<td>5.709***</td>
<td>1.039</td>
<td>4.043***</td>
<td>175</td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>(4.195)</td>
<td>(5.141)</td>
<td>(1.515)</td>
<td>(3.801)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Grade 6</td>
<td>-3.854***</td>
<td>4.194***</td>
<td>1.561**</td>
<td>3.762***</td>
<td>273</td>
<td>256</td>
</tr>
<tr>
<td></td>
<td>(6.012)</td>
<td>(6.265)</td>
<td>(2.475)</td>
<td>(6.592)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Estimates are made by the logit analysis. 2. The first row of each equation presents the estimated coefficients of the explanatory variables and the numbers in the parentheses the t-statistics. 3. *, ** and *** denote coefficients that are significant at the 10, 5, and 1 percent levels respectively. 4. Obs. represents the number of observations, and CC (Cases Correct) represents the number of observations predicted correctly by the model.
4. Conclusion

This study examined the narratives of two age groups of Korean children (6 year-old first graders and 11 year-old sixth graders) in order to find the developmental pattern of how they acquire the discourse management skills to make their story thematically coherent. The results were reported mainly in two categories: (1) the effects of the different levels of themes on syntactic subject assignment, and (2) the effects of thematic structure on the particle-marking on subject.

Major findings of this study is that (1) of the three themes, local, global, and previous themes, local theme is the most powerful factor in explaining subject assignment in children’s narratives, just as in adults' narratives, (2) Having a chance to preview the pictures enhanced the performance of the older children, but not that of the younger children, which seems to indicate that the younger 6 year-old children do not have the enough cognitive and linguistic capability to tell a coherent story yet, (3) The cross-sectional data suggest the developmental pattern of the acquisition of nun and ka that ka always exceeds nun in number, but that as children get older, they tend to decrease the use of ka and increases the use of nun until nun exceeds ka in the adult stage, and (4) Nun as the marker of global theme appears only in the narratives of the older group, suggesting that complete acquisition, including discourse management skills, comes much later than commonly assumed.

Future research will require further investigation into the early discourse functions of these particles. Furthermore, more fine-grained age-based research including teen-age groups will give more insights into the developmental path of how discourse management skills are acquired by children.

Bibliography


When an adult learns a foreign language, the sound system of his/her native language can be a source of interference factor in the learning process of the new sound system of a target language. This paper aims to identify some of the major difficulties English-speakers might have in acquiring the sound system of Korean due to the sound system of English, and to explore some ways in which teachers can help students acquire the correct sounds of Korean, using a comparative knowledge of interrelated areas of the phonology of the two languages.

I write this paper targeting readers without a good knowledge on phonetics and phonology of the two languages. For this reason, I provide a brief introduction to the rudiments of phonetics and phonology prior to the main discussion and in the appendices, and relevant phonological rules are described in informal language.

1. Basics of Articulatory Phonetics

Human languages make use of a certain limited number of sounds as mediators to represent meanings. Phonetics is the study of these sounds utilised by human languages. Despite the fact that the sounds we produce and hear are continuous signals, every human speaker and listener, without special training, can segment an utterance into its basic discrete elements of sound. This ability seems to be shared by every human being, although there may be some individual differences as is the case for any other human skills. This human ability allows us to study individual sounds and to describe the nature of each sound.

Human speech sounds can be classified in terms of their articulatory properties—ways in which sounds are produced. This particular field of study is called articulatory phonetics. In order to study the phonology of any language, one must know some basic concepts and terminologies of articulatory phonetics, as many phonological descriptions are largely based on the concepts and terminologies of articulatory phonetics.

Articulatory properties can be placed into two groups: manner (or mode) of articulation and place (or point) of articulation. Manner of articulation means the way in which a sound is produced, such as the blockage or obstruction of the air stream, the level of air friction required, the passage of the airstream, the existence of aspiration or vocal cord vibration, and the degree of sonority, etc. Place of articulation denotes the position of the speech organs required in the production of sounds, such as the lips, the tongue and other speech organs. See Appendix I for the list of manners and places of articulation used in the description of English and Korean sounds. Note that some manners and places are used only for either English or Korean, although most are shared by both languages.

2. Basic Concepts of Phonology

2.1. Underlying vs. Surface Representation

Phonology is the study of the sound system in a language. Unlike phonetics, phonology is not to describe the nature of each sound that is utilised in a language but to describe how each sound works systematically within a language.

There are two distinctive levels of phonological representation in the framework of Generative Phonology, the standard theory of phonology since the publication of The Sound Pattern of English (Chomsky and Halle, 1968): They are the underlying level and the surface level. In technical terms, the former is called the morphophonemic representation, the latter the phonetic representation.

The underlying level is an abstract and psychological representation assumed to exist in the native speaker's brain. It represents the level where no phonological rules have as yet had a chance to apply. To use a metaphor, it is the centre of a target—the bull’s-eye—at which archers are aiming when they shoot. Psychologically, native speakers think that they are saying a sequence of sounds in the underlying representation. The surface representation is a very concrete level of sounds or a sequence of sounds that native speakers actually say. Using the same archery metaphor, it is the landing site of an arrow which may or may not coincide with the targeted bull’s-eye.

The question which then arises is what may have caused an arrow to hit a different spot on the target. There can be numerous reasons for an arrow to miss the bull’s-eye. It can be the wind force at the time of shooting, the lack of concentration by the archer by interference such as objects and people passing nearby, and so on. There could be so many reasons for not hitting the bull’s-eye that it would be very difficult, if not impossible, to pinpoint the exact causes. However, by analysing every aspect of shooting, which may include the archer’s shooting position, breathing technique, and calculation of
wind force and direction, a well-qualified archery coach might be able to point out the exact causes.

A phonological description will require similar tasks. First of all, a phonologist has to identify any sound changes in a language. From the surface representations (i.e., the actual pronunciation of a word, phrase or sentence), a phonologist has even to figure out what their underlying representations are (i.e., bulls'-eyes which an archery coach or an archer do not have to work out). Any differences between actual pronunciations and their underlying representations need to be described in terms of phonological rules.

2.2 Phonemes vs. Allophones

There is another pair of terminologies which are very much related to these two levels of phonological representations. They are phonemes and allophones. Underlying representations consist of a set of phonemes, while surface representations will introduce new sounds called allophones. A phoneme can be defined as a minimal unit of sound by which meaning can be changed in a language. Allophones are positional variants of a single phoneme produced by the application of a phonological rule.

While many writing systems, especially those with an alphabet system, do not reveal much of their phonemic systems (underlying representations), the contemporary Korean writing system represents its phonemic system very well. The Korean writing system is almost morphophonemic, and as a result, the majority of underlying representations of words are indeed identical to their spelling. There are, however, a small number of words written in the so-called phonetic spelling: e.g., mye. cil 'several days', su. t'ak 'a rooster', ma.nin (vs. -man. in) 'although... ', etc., where a dot denotes an orthographical syllable boundary.

A group of underlying sounds (i.e., phonemes) of a language is called the phonemic inventory. The phonemic inventory is language-specific. See Appendix II for the Korean and English phonemic inventories.

2.2.1 Sharing Identical Sounds Between Languages

Although two languages may share identical speech sounds, the status of these shared sounds may differ. In fact, mere existence of the same sound between two languages may not help speakers of one language learn the other language at all. On the contrary, it may be a source of interference, especially when the sounds are in a different level.

For example, let us examine the distinctions between aspirated vs. unaspirated as well as tense vs. lax (lenis) distinctions in stops in Korean and English. The following shows that there are three series of stops in four places of articulation in Korean:

(1) Labial Alveolar
    pal 'a foot' tal 'the moon'
    p'al 'an arm' t'al 'a mask'
    p'al 'to suck' t'al 'a daughter'

Palatal Velar
    ca 'to sleep' kal 'to grind'
    c'h a 'to kick' k'al 'a knife'
    c'a 'to be salty' k'al 'to spread'

Since meanings are changed by the substitution of initial consonants, these twelve initial consonants are all phonemes in Korean.

What about English stop sounds then? The following shows that there are some variations in actual pronunciation of the English voiceless stops /p/, /t/, and /k/:

---

1. They are, in fact, technically called 'morphophonemes' as each morpheme (a minimal meaningful or grammatical unit) is represented as an identical sequence of sounds.

2. Note that for some phonologists, Korean palatal obstruents are treated as affricates rather than stops.
While there are only three voiceless stop phonemes in English, the actual pronunciation reveals that there are nine variants: At the beginning of a word (or more accurately, a syllable) stops are strongly aspirated; after /s/ voiceless stops are not aspirated but slightly glottalised; and stops may optionally be unreleased at the end of a word (or syllable). Since we can predict the distribution of these three types of voiceless stops in English, these variations are not phonemic but allophonic.

When we find some phonetically similar sounds appearing in totally different and predictable positions, they are not likely to be phonemes but variants of a single phoneme by the application of phonological rules. In technical terms, they are ‘phonetic similarity’ and ‘complementary distribution’ (i.e., the exclusive positions of sounds), and they are the two major principles by which a group of sounds are considered to be allophones of a phoneme.

To help beginning students of phonology conceptualise these crucial principles, let me introduce another metaphor. Suppose you are married with children, and you are studying at a university. You are a mother or a father to your children, a wife or a husband to your spouse, or a student to your teachers, and so on. Your appearance and behaviour may vary according to different situations or places. You may wear casual clothing when you play with your children. You may wear pyjamas (or nothing) when you are in bed with your spouse. You may wear formal clothing when you come to class. Despite your different physical appearance, however, you are still a single individual who acts appropriately according to the situation. Aspirated vs. unaspirated voiceless stops (as well as tensed vs. lax stops) in English act like this. The English stops at the beginning of a word (or a syllable) behave differently from those at the end of a word or after /s/. This is the case where the same phonemic entity undergoes phonological changes according to its environment.

However, if people who look alike appear in one or two places at the same time, they must be different individuals who happen to be similar in appearance, as is the case of twins and siblings. The twelve Korean stops fall into this category. In Korean, aspirated, unaspirated and tense stops may appear in the same place, e.g., at the beginning of a word in the above data. In other words, since their locations are not predictable, they are all independent entities called phonemes in Korean.

3. Difficult Korean Sounds for English-Speakers

3.1 Initial Lenis Stops

In this section, I will identify some major difficulties experienced by English-speakers in acquiring the sound system of Korean, and explore some teaching techniques which might help them acquire the correct sounds of Korean with less difficulties.

As mentioned in the previous section, although Korean and English share the same (or at least similar) stop sounds on the surface level, English-speakers might have difficulties in producing unreleased (or lenis) stops or tensified (glottalised) stops at the beginning of a word in Korean. This is due to the fact that these shared sounds are at different levels in the two languages.

In English, the two phonological rules—Word-initial Aspiration and Post-s Glottalisation—play important roles here. Since phonological processes of one’s native language are so automatic and uncontrollable, it is not easy to escape from applying the same processes in the target language when the same conditions are met. This is where the phonological system of one’s native tongue interferes with the foreign language learning process. In order to produce word-initial (or syllable-initial) unaspirated stops in Korean, English-speakers should somehow be able to suppress Syllable-initial Aspiration, which is an automatic part of English phonology. Also, as glottalised/tensed stops are only available after /s/ in English by Post-s Glottalisation, they have to learn to produce tensed stops in a new environment like the word-initial position.

(3) Syllable-Initial Aspiration

In English, stops are strongly aspirated at the beginning of a syllable.

---

3 The term ‘environment’ is used in phonology without adding much technical meaning.
In English, stops are slightly glottalised after /s/.

To help English-speakers produce word-initial lenis stops, we may introduce them as if they are voiced stops (/b/, /d/ and /g/), although for the majority of phonologists their phonemic entities are voiceless stops (/p/, /t/ and /k/). This is a good idea for assisting English-speakers to produce lenis stops, not only because voiced stops are easily identified as lenis stops by Koreans but also due to the existence of the devoicing rule in English—for many English-speakers, stops are devoiced at the beginning or the end of a word. As a result of the application of Devoicing, for example, the distinction between the two words 'Bob' and 'pop' in English will be only in the existence of the initial aspiration and in the length of the following vowel as in [pa:p] and [pʰap] respectively. Suppressing the lengthening of the vowel after a lenis stop unless it is phonemically long, by the application of the English devoicing rule into Korean, students may achieve the correct pronunciation of words with initial and final voiceless lenis stops in Korean.

(5) Devoicing (English to Korean)
Stops are devoiced at the beginning or the end of a word.

(6) Suppression of Vowel Lengthening
Do not lengthen the vowel after the application of Devoicing into Korean.

(7) /bab/ ‘rice’
[pap] Devoicing (with Suppression of Vowel Lengthening)

3.2 Initial Tensed Stops
To help English-speakers produce tensed stops at the beginning of a word (or a syllable), we may also make use of the English phonological rule—Post-s Glottalisation (See Rule (4) above). Introducing the double characters of ꡱ, ꡲ, ꡳ and ꡴, which represents tensed stops [p’], [t’], [c’] and [k’] respectively, as ꡱ, ꡲ, ꡳ and ꡴, English-speakers will easily be able to produce tensed stops, as in spot, stop and skill. Once the glottalisation is achieved, students should be asked not to pronounce /s/, treating it as a silent-s.

(8) /spal/ for /p’al/
[sp’al] Post-s Glottalisation
[p’al] (silent-s)

Mastering the correct pronunciation of these twelve stops in Korean is very crucial, since they carry a great functional load in the language. Considering the fact that Korean has only three fricatives (while English has nine) Korean seems to compensate the small number of fricatives by the greater number of stops, resulting in fifteen obstruents. Notice also that English has seventeen obstruents which include six stops, two affricates and nine fricatives.

3.3 Geminate Consonants
For English-speakers, due to the degemination rule in English (e.g. /ll/, /mm/ or /nn/ becomes [l], [m] or [n] as in illegal, innate and summer), it is easy to drop one of the lateral or nasal geminates in Korean. Fortunately, as these geminates are always separated by a syllable boundary in the Korean script, reading each syllable clearly as a separate unit will make them escape from Degemination. So, /ən.ni/ ‘elder sister’ and /l.l.i/ ‘one reason’ will be pronounced as they are, not as [ə ni] and [l.i].

(9) Suppression of Degemination
In Korean, lateral or nasal geminates should be pronounced as they are, pronouncing each syllable clearly as a separate unit.

3.4 Soft vs. Strong s
As English pre-vocalic /s/ sounds like that of tensed ([s’]) in Korean, for English-speakers, pre-vocalic soft [s] will be difficult to produce. Teachers may explain that the soft [s] is similar to English pre-
consonantal /s/ as in spring, strike and swing, while the tensed one [s’] is like that of the pre-vocalic one in English, as in same, song, or sign.

(10) a. [s] as in swing, strike, spring  
b. [s’] as in same, song, sign

3.5 Syllable-Final Lateral vs. Syllable-Initial Flap
The Korean consonant letter ḷ (or the phoneme /l/) represents two sounds—the lateral [l] at the end of a syllable and the ‘flapped r’ at the beginning of a syllable. The latter is called a flap since it involves a tongue flapping. Since the flap is often taught wrongly as the English [r] sound, which does not involve a tongue flapping, students tend to pronounce it like the English [r] sound. The Korean flap sound should be properly introduced, using some English examples of casual speech, where a flapping occurs—i.e., in alveolar stops ([t] or [d]) after a stressed vowel is flapped in English, as in letter, ladder, water, let it be, or Peter.

(11) the flap [ɾ] not [r]  
In Korean, syllable initial /l/ becomes a flap.

On the other hand, the Korean syllable-final /l/, which must be pronounced touching the behind of the alveolar ridge by the tongue, tends to be weakened by Velarisation of Syllable-final /l/ in English. The velarised lateral, which is symbolised [ɻ], does not involve the tongue touch of the alveolar ridge at all. Velarisation of the syllable-final /l/ should be prohibited in Korean, as it is the case for the syllable-initial one in English:

(12) Suppression of Velarisation  
The syllable-final [ɻ] should not be velarised in Korean.
/l=/ *[l=] but [l], /pal/ * [pal+] but [pal]

3.6 Post-Consonant Glides
English-speakers tend to add the vowel [i] between a consonant and the palatal glide [y], especially when they imitate words by listening or read romanised words. Fortunately, due to the writing system of Korean where the glide [y] is represented as a part of the following vowel, such mispronunciation is not likely to happen in reading the script. The routine pronunciation drill of the syllables of CyV (such as ㄱ, ㄱ, ㄲ, ㄸ...) can be used to produce them as a single unit, since the combinations of a glide and a vowel is represented as a single unit in the Korean script.

(13) Suppression of i-Insertion between a consonant and /y/  
hiyondæ *[hiyondae] but [hyeondae] ‘Hyundai’  
tokh yo *[tokhyo] but [tokhyo] ‘Tokyo’  
kyeôsa *[kyoosa] but [kyaesa] ‘festivity’  
hyeônce *[hiyence] but [meyeje] ‘brothers’

3.7 English Stress Assignment and Weakening of Unstressed Vowels
Due to the English stress rule for nouns, which assigns a major stress to a penultimate syllable, English-speakers tend to pronounce Korean quadrisyllabic words or phrases with the penultimate stress, weakening unstressed vowels to schwa [ə], e.g., [haeboɾagi] for [haeboɾagi] ‘sunflower’, or [uraɾaɾa] for [uraɾaɾa] ‘our country’. This tendency should be obstructed by suppressing the English stress assignment process into Korean, giving each syllable relatively equal strength except for a slight stress at the initial syllable. Also, weakening of unstressed vowels into a schwa should be prohibited in the process of giving more or less equal strength to each syllable.

(14) * [haeboɾagi] but [haeboɾagi] ‘sunflower’  
* [uraɾaɾaɾa] but [uraɾaɾaɾa] ‘our country’

249
4. Minor vs. Major Process

In this section, we will look at some Korean phonological rules which appear in English as a minor process. When a phonological process of the target language is merely a minor part of one's native language, it would be difficult to expand the process fully in the target language. However, at least the teacher may use relevant examples from the learners' native language in the explanation of such process.

4.1 Stop-Nasalisation

For example, unlike English, where stops are rarely nasalised before a nasal with the exception of casual and allegro speech for some expressions, Korean pre-nasal stops must be nasalised even in careful or slow speech. Presenting English phrases or sentences in casual and fast speech where stops are nasalised, students should be able to understand the nature of Stop-Nasalisation.

(15) hakmun [haemun] ‘learning, academy’
    ipmunsa [immunsa] ‘an introductory book’
    kutni [kunni] ‘Is it hardening?’

(16) Let me be there. [lenmibdear]
    Give me a break. [gimmbreyk]
    If you want to make me stay... [....meymist’ey...]

4.2 Consonant Place Assimilation

In Korean, especially in casual and allegro speech, stops and nasals are assimilated to the position of the following consonants. Such consonant place assimilation process appears in English in a very limited fashion, as in the development of the Latin prefix in- before words begin with labial or velar consonants, e.g., impossible [mphasbak] from impossible and the pronunciation of the word incorrect [kekrek] as opposed to intolerable where there is no change due to the same points of articulation. Again, teachers may use these relevant English examples to explain the nature of Consonant Place Assimilation in Korean.

(17) kutko [kuk’o] ‘hardens and’
    ipku [ikk’u] ‘an entrance’
    imkim [ingim] ‘a king’
    sanph a [samph a] ‘a midwife’

(18) impossible > impossible [mphabk]
    incorrect [kekrek]
    pumpkin [phakm]

4.3 Aspiration

In Korean, any sequence of a lenis stop and /h/ becomes an aspirated stop. Similarly, we may use some relevant English examples such as white house [wayhous] or Greek history [grikhiscri]

(19) cohta [cot’o] ‘be good’
    kushata -> kuthada -> [kotchada] ‘do a shamanistic ritual’
    kiakhæ [kiakæ] ‘remember (it)’

(20) white house [wayhous]
    Greek history [grikhiscri]

4.4 N-Lateralisation

In Korean, /n/ before or after /l/ becomes [l]. This is a total assimilation of /n/ to /l/. Although such process is not a part of contemporary English phonology, a similar process can be found in the development of the Latin prefix in-, as in in-legal > illegal, or in-regualr > irregular. These examples can be used to help students understand the nature of the process.
5. Summary

So far I have identified some typical difficulties English-speakers might have in acquiring Korean phonology due to English phonology, and suggested some teaching tips and techniques to assist them to acquire the correct Korean sounds, using relevant knowledge of phonological systems of the two languages. For the inducement of Korean lenis and tensed stops at the beginning of a syllable, I propose an easy way to get around by riding on the two English phonological rules—Devoicing and Post-s Glottalisation. Identifying the sources of mispronunciation of some Korean sounds (such as a degeminated lateral or nasal, soft vs. strong s, lateral vs. flap, etc.) in terms of the first language system (i.e., English phonology) would help teachers invent teaching tips and techniques by which students could escape from first language interference. Even when a productive phonological rule in Korean is only a minor part of English phonology, relevant English examples should be used in explaining the nature of the rule in question.

Let me conclude with another metaphor for this type of teaching technique. Apples in a refrigerator can be eaten without washing, since someone washed them before putting them in the refrigerator, whereas apples in a storage room should be washed before eating since they were not washed. Assuming that in my house all apples are in a refrigerator and in your house only some apples are kept in a refrigerator, your apples in the storage room need to be cleaned before eating, while mine are always ready to eat. The teaching tips and techniques that I have suggested here are a kind of a washing job for those apples which are not ready to eat.

Of course, in order to master the entire sound system of Korean, foreigners have to learn many phonological rules in Korean. There are about twenty-five phonological rules for which no clue for the correct pronunciation can be found in the orthography, while there are about six phonological rules which are reflected in the orthography. \(^4\) As a matter of fact, where no interfering factors can be found between the two phonological systems—the native and target languages—the logical conclusion would be that learners would experience less difficulties in learning new rules in the target language, like a drawing on a blank sheet of paper.

References


\(^4\)The former must be learned by foreigners, while the latter may not be. See Part II of Park (1997) for a full description of Korean phonology.
Appendix I
Manners and Places of Articulation

A. Manners of Articulation

Aspirated (vs Unaspirated): Sounds with (or without) a strong flow of oral airstream. In English, syllable-initial stops are strongly aspirated as [pʰ], [tʰ], and [kʰ]; [ɛ] and [h] are also classified as aspirated. In Korean, four aspirated stops [pʰ], [tʰ], [cʰ] (=[c]) and [kʰ] and a fricative [h] belong to this class.

Tense (vs Lax): Tense sounds are ones produced with a deliberate, accurate maximally distinct gesture that involves considerable muscular effort. Lax (or lenis) sounds are produced rapidly and somewhat indistinctively. In English, [i] and [u] are tense vowels, while [ɪ] and [ʊ] are lax vowels. In Korean, [p'], [t'], [c'] and [k'] are tense stops, while unaspirated stops [p], [t], [c] and [k] are lax stops.

Voiced (vs Voiceless): Sounds produced with (or without) vocal cord vibration. In both English and Korean, all vowels, glides, nasals, liquids, and voiced obstruents are voiced.

Rounded (vs Unrounded): Sounds produced with (or without) a narrowing of the lip orifice. In English, [u], [U], [ø], [w], and [r] are rounded, while other sounds are unrounded. In Korean, [u], [ø], ([ü], [ē]) and [w] are rounded, while others are unrounded.

Stops: Sounds which are stopped completely for a brief period of time. They are sounds which cannot sustain a continuous noise. In English, [p], [t] and [k] belong to this class. In Korean, there are 12 stops in three series: unaspirated stops [p], [t], [c] and [k]; aspirated stops [pʰ], [tʰ], [cʰ] (=[c]) and [kʰ]; and tense stops [p'], [t'], [c'] and [k']. Note that some Korean linguists categorise [c], [cʰ] and [c'] as affricates, not stops.

Nasal (vs. Oral): Sounds produced through the nasal (or the oral) cavity. [m], [n], and [ŋ] belong to this class in both English and Korean. All others are oral sounds.

Fricatives: Sounds with some air friction by which the airstream is obstructed from flowing freely. In English, [f], [v], [θ], [ð], [s], [z], [ʃ], [ʒ] and [h] belong to this class. In Korean, [s], [s'] and [h] belong to this class.

Affricates: These sounds are often described by a stop closure followed immediately by a slow release of the closure characteristic of a fricative. In English, [ɛ] and [j] belong to this class. If Korean palatal consonants [c], [cʰ] (=[c]), and [c'] are treated as stops, Korean does not need this class.

Sibilants: Sounds with a hissing noise. The fricatives [s], [z], [ʃ], [ʒ] and affricates [ɛ] and [j] are sibilants in English. Although Korean [s], [s'] and [cʰ] (=[c]) may belong to this category, this class is not needed in the description of Korean phonology.

Sonorants: Sounds produced with a vocal track cavity configuration in which spontaneous voicing is possible. In both languages, all vowels, glides, nasals and liquids belong to this class, while others are non-sonorants. Note that this class excludes voiced obstruents ([b], [d], [g], [z], [ʒ], [ð], [j], etc.) In other words, sonorant sounds are a subset of voiced sounds.

Liquids: Sounds produced by lowering the mid section of the tongue, thereby allowing the air to escape in the vicinity of the molar teeth. In English, [l], [ɾ] and a flap [ɾ] are liquids. In Korean, [ɾ] and [ɾ'] are liquids.

Lateral: To produce lateral sounds, the front of the tongue makes contact with the alveolar ridge (the bony protrusion behind the upper teeth), but the sides of the tongue are down, permitting the air to escape laterally through the sides. Note that the laterals are a subset of the liquids. In both languages, [ɾ] is a lateral sound.

Obstruents: All non-nasal and non-liquid consonants belong to this class. In both languages, stops, affricates and fricatives are obstruents.

Glides: Transition sounds. Being partly like consonants and partly like vowels, they are often called semi-vowels. Glides make the flow of sounds smooth by providing a transition from one sound to another. In both languages, [y] and [w] are glides. [y] is called a palatal glide, and [w] a labial glide (See Appendix I. B. Places of Articulation for details).
B. Places of Articulation

The term ‘places of articulation’ denotes the positions of the speech organs (such as the tongue, lips, teeth, palate, velum or glottis, etc.) involved in the production of sound. The following is a list of places of articulation used in the description of English and Korean. Notice that some places of articulation are used exclusively for English:

<table>
<thead>
<tr>
<th>Places</th>
<th>involvement of speech organs and examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilabial:</td>
<td>the closure of the lips</td>
</tr>
<tr>
<td></td>
<td>[p], [b], and [m] in English.</td>
</tr>
<tr>
<td></td>
<td>[p], [pʰ], [p'] and [m] in Korean.</td>
</tr>
<tr>
<td>Labio-dental:</td>
<td>the lower lip touches the upper teeth</td>
</tr>
<tr>
<td></td>
<td>[f] and [v] in English.</td>
</tr>
<tr>
<td></td>
<td>None in Korean.</td>
</tr>
<tr>
<td>Interdental:</td>
<td>the tip of the tongue is between the upper and lower teeth</td>
</tr>
<tr>
<td></td>
<td>[θ] and [Ø] in English.</td>
</tr>
<tr>
<td></td>
<td>None in Korean.</td>
</tr>
<tr>
<td>Alveolar:</td>
<td>the tip of the tongue touches the bony tooth ridge (the alveolar ridge) or the air friction occurs near the ridge</td>
</tr>
<tr>
<td></td>
<td>[t], [d], [l], [r], [n], [s] and [z] in English.</td>
</tr>
<tr>
<td></td>
<td>[t], [tʰ], [t'], [l], [r], [n] and [s] in Korean.</td>
</tr>
<tr>
<td>Palato-Alveolar:</td>
<td>the air friction between the tongue blade and palato-alveolar region</td>
</tr>
<tr>
<td></td>
<td>(the palatal region just behind the alveolar ridge)</td>
</tr>
<tr>
<td></td>
<td>[ʃ] and [ʒ] in English.</td>
</tr>
<tr>
<td></td>
<td>These two sounds are often classified as palatal sounds.</td>
</tr>
<tr>
<td></td>
<td>None in Korean.</td>
</tr>
<tr>
<td>Palatal:</td>
<td>the raising of the tongue blade toward the palate (the hard roof of the mouth)</td>
</tr>
<tr>
<td></td>
<td>[y], [ɛ] and [ʃ] in English (and [ʃ] and [ʒ] for those who classify them as palatals)</td>
</tr>
<tr>
<td></td>
<td>[c], [cʰ], [c'] and [y] in Korean.</td>
</tr>
<tr>
<td>Velar:</td>
<td>the raising of the back part of the tongue towards the soft palate (the velum)</td>
</tr>
<tr>
<td></td>
<td>[k], [g] and [ŋ] in English.</td>
</tr>
<tr>
<td></td>
<td>[k], [kʰ], [k'], and [ŋ] in Korean.</td>
</tr>
<tr>
<td>Glottal:</td>
<td>sounds from the deep throat while the glottis is open</td>
</tr>
</tbody>
</table>

5In the English phonemic inventory of Appendix II, I have classified [ʃ] and [ʒ] as palatals for the sake of brevity.
Appendix II
Phonemic Inventories of Korean and English

A. Consonant Phonemes in Korean
In addition to the 12 stops discussed above, there are three fricatives, three nasals and one lateral. If one includes two glides in the consonant category, there will be 21 consonant phonemes in Korean. The following is the chart of the Korean consonant phonemic inventory according to articulatory properties. Note that each column denotes a place of articulation, while each row denotes a manner of articulation:

<table>
<thead>
<tr>
<th>Korean Consonant Phonemes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>places</strong></td>
</tr>
<tr>
<td>labial</td>
</tr>
<tr>
<td><strong>manners</strong></td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>stops</strong></td>
</tr>
<tr>
<td>lenis (normal)</td>
</tr>
<tr>
<td>p &lt;sup&gt;h&lt;/sup&gt;</td>
</tr>
<tr>
<td>t &lt;sup&gt;h&lt;/sup&gt;</td>
</tr>
<tr>
<td>c &lt;sup&gt;h&lt;/sup&gt;</td>
</tr>
<tr>
<td>k &lt;sup&gt;h&lt;/sup&gt;</td>
</tr>
<tr>
<td>aspirated</td>
</tr>
<tr>
<td>p &lt;sup&gt;'&lt;/sup&gt;</td>
</tr>
<tr>
<td>t &lt;sup&gt;'&lt;/sup&gt;</td>
</tr>
<tr>
<td>c &lt;sup&gt;'&lt;/sup&gt;</td>
</tr>
<tr>
<td>k &lt;sup&gt;'&lt;/sup&gt;</td>
</tr>
<tr>
<td>tensed</td>
</tr>
</tbody>
</table>
| p<sup>'</sup>| t<sup>'</sup> | c<sup>'</sup> | k<sup>'</sup>
|**fricatives**             |
| lenis                     |
| s<sup>h</sup>             |
| tense                     |
| s<sup>'</sup>             |
|**nasals**                 |
| m<sup>h</sup>             |
| n<sup>h</sup>             |
| n<sup>η</sup>             |
|**lateral**                |
| l<sup>h</sup>             |
|**glides**                 |
| w<sup>h</sup>             |
| y<sup>h</sup>             |

Examples:
See (1) for the example of stops.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>sal</td>
<td>'skin'</td>
<td>hæ</td>
<td>'the sun'</td>
</tr>
<tr>
<td>s'al</td>
<td>'rice'</td>
<td>ma</td>
<td>'horse'</td>
</tr>
<tr>
<td>s'aj</td>
<td>'table'</td>
<td>na</td>
<td>'I'</td>
</tr>
<tr>
<td>wi</td>
<td>'upside'</td>
<td>-ya</td>
<td>'the vocative suffix'</td>
</tr>
</tbody>
</table>

6Notice that the phonetic transcription that is used in this paper is a slightly modified version from the International Phonetic Alphabet (IPA). The following includes the list of symbols which differ from those of IPA:

- [C]<sup>h</sup> aspirated consonants, e.g., [p<sup>h</sup>], [t<sup>h</sup>], [c<sup>h</sup>] and [k<sup>h</sup>]
- [C]<sup>h</sup> tensed consonants, e.g., [p<sup>'</sup>], [t<sup>'</sup>], [c<sup>'</sup>], [k<sup>'</sup>] and [s<sup>'</sup>]
- [C]<sup>h</sup> [t<sup>l</sup>] in IPA, the other symbol sometimes used is [k]
- [f] [jg] in IPA
- [g] [j] in IPA
- [g] [j] in IPA
- [y] [j] in IPA
B. Consonant Phonemes in English
The following is the English consonant phoneme inventory:

<table>
<thead>
<tr>
<th>Places Manners</th>
<th>labial</th>
<th>alveolar</th>
<th>palatal</th>
<th>velar</th>
<th>glottal</th>
</tr>
</thead>
<tbody>
<tr>
<td>stops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>voiceless</td>
<td>p</td>
<td>t</td>
<td>k</td>
<td></td>
<td></td>
</tr>
<tr>
<td>voice</td>
<td>b</td>
<td>d</td>
<td>g</td>
<td></td>
<td></td>
</tr>
<tr>
<td>affricates</td>
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<tr>
<td>voiceless</td>
<td>č</td>
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<tr>
<td>voiced</td>
<td>j</td>
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<td>fricatives</td>
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<td>f</td>
<td>θ</td>
<td>s</td>
<td>ñ</td>
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<tr>
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<td>v</td>
<td>δ</td>
<td>z</td>
<td>ž</td>
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<tr>
<td>nasals</td>
<td>m</td>
<td>n</td>
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<td>liquids</td>
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<td>lateral</td>
<td>l</td>
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<tr>
<td>non-lateral</td>
<td>r</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>glides</td>
<td>w</td>
<td></td>
<td></td>
<td></td>
<td>y</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Symbols</th>
<th>Examples</th>
<th>Symbols</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>p</td>
<td>pen, copy, hop</td>
<td>θ</td>
<td>think, author, path</td>
</tr>
<tr>
<td>b</td>
<td>back, bubble, job</td>
<td>δ</td>
<td>this, other, smooth</td>
</tr>
<tr>
<td>t</td>
<td>ten, tight, that</td>
<td>s</td>
<td>soon, cease, sister</td>
</tr>
<tr>
<td>d</td>
<td>day, odd</td>
<td>z</td>
<td>zero, zone, roges</td>
</tr>
<tr>
<td>k</td>
<td>key, cock</td>
<td>ş</td>
<td>she, ship, sure, station</td>
</tr>
<tr>
<td>g</td>
<td>get, giggle, ghost</td>
<td>ž</td>
<td>pleasure, vision</td>
</tr>
<tr>
<td>ç</td>
<td>church, match, nature</td>
<td>h</td>
<td>hot, whole, behind</td>
</tr>
<tr>
<td>j</td>
<td>judge, age, soldier</td>
<td>m</td>
<td>map, more, summer</td>
</tr>
<tr>
<td>f</td>
<td>fat, rough, physics</td>
<td>n</td>
<td>nap, nice, know, funny</td>
</tr>
<tr>
<td>v</td>
<td>view, heavy, move</td>
<td>ñ</td>
<td>ring, long, thanks, finger</td>
</tr>
<tr>
<td>w</td>
<td>wet, one, when, queen</td>
<td>y</td>
<td>yet, use, beauty</td>
</tr>
</tbody>
</table>

In English, there are 24 consonant phonemes including 2 glides. Compared with Korean, English has fewer stops (6 vs. 12), but many more fricatives (9 vs. 3). 3 nasals and 2 glides are both shared by English and Korean. One point to note is that English has two liquids /l/ and /r/, whereas Korean has only one lateral liquid /l/ in the phonemic inventory.

C. Vowel Phonemes in Korean
There are two major theories about the phonemic vowel inventory of Korean. One theory postulates that there are 20 vowels in Korean (10 vowels with the length distinction), whereas the other claims 16 vowels (8 vowels with the length distinction). The current trend is to follow the latter theory, and there is a strong argument for doing so.

The 20-vowel system is summarised in the following chart:
### 10 short vowels

<table>
<thead>
<tr>
<th></th>
<th>front</th>
<th>back</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unround</td>
<td>rounded</td>
</tr>
<tr>
<td>high</td>
<td>i</td>
<td>ü</td>
</tr>
<tr>
<td>mid</td>
<td>e</td>
<td>ò</td>
</tr>
<tr>
<td>low</td>
<td>æ</td>
<td></td>
</tr>
</tbody>
</table>

### 10 long vowels

<table>
<thead>
<tr>
<th></th>
<th>front</th>
<th>back</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unround</td>
<td>rounded</td>
</tr>
<tr>
<td>high</td>
<td>i:</td>
<td>ü:</td>
</tr>
<tr>
<td>mid</td>
<td>e:</td>
<td>ò:</td>
</tr>
<tr>
<td>low</td>
<td>æ:</td>
<td></td>
</tr>
</tbody>
</table>

Examples:

**Short vowels**
- iyu 'weaning'
- cepi 'raffle ticket'
- cæka 'approval'
- kū 'ear'
- ö 'single'
- kin 'root, muscle, pound'
- ømi 'mother'
- pam 'night'
- kul 'oyster'
- sosik 'news'
- kacæ 'properties of a house'

**Long vowels**
- i:yu 'reason'
- ce:pi 'swallow'
- cæ:ka 'second marriage'
- kū: 'precious'
- ò: 'maternal'
- ki:n 'near'
- ø:mi 'suffix'
- pa:m 'chestnut'
- k:ul 'tunnel'
- so:sik 'light eating'
- ka:cæ 'robster'

The 16-vowel system drops two front rounded vowels /ü/ and /ò/ as below:

### 8 short vowels

<table>
<thead>
<tr>
<th></th>
<th>front</th>
<th>back</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unround</td>
<td>round</td>
</tr>
<tr>
<td>high</td>
<td>i</td>
<td></td>
</tr>
<tr>
<td>mid</td>
<td>e</td>
<td>ø</td>
</tr>
<tr>
<td>low</td>
<td>æ</td>
<td></td>
</tr>
</tbody>
</table>
8 long vowels

<table>
<thead>
<tr>
<th></th>
<th>front</th>
<th></th>
<th>back</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unround</td>
<td>round</td>
<td>unround</td>
</tr>
<tr>
<td>high</td>
<td>i:</td>
<td>i:</td>
<td>u:</td>
</tr>
<tr>
<td>mid</td>
<td>æ:</td>
<td>a:</td>
<td>o:</td>
</tr>
<tr>
<td>low</td>
<td>æ:</td>
<td></td>
<td>æ:</td>
</tr>
</tbody>
</table>

In fact, nowadays the majority of Korean native speakers do not produce the sounds [u] and [o]. However, whether we should adopt these two front rounded vowels as phonemes or not is a controversial issue yet to be resolved. If deeper representation is preferred or needed, as is the case in the description of historical phonology, the 20-vowel system may be used. However, many phonological descriptions of modern Korean adopt the 16-vowel system because of the obsolete nature of these two front rounded vowels in contemporary Korean.

In addition to either 10 or 8 short vowels, the vowel length distinction exists in a limited number of vocabulary items for some older people. The following are pairs of words7 with the vowel length distinction:

<table>
<thead>
<tr>
<th>Short vowels</th>
<th>Long vowels</th>
</tr>
</thead>
<tbody>
<tr>
<td>mal 'horse'</td>
<td>ma:l 'language'</td>
</tr>
<tr>
<td>X æ malko 'not X'</td>
<td>ma:lkø 'roll up and'</td>
</tr>
<tr>
<td>pæ 'pear, ship, stomach'</td>
<td>pæ: 'times'</td>
</tr>
<tr>
<td>multa 'to bite'</td>
<td>mu:ltæ 'to pay'</td>
</tr>
<tr>
<td>nun 'eyes'</td>
<td>nu:n 'snow'</td>
</tr>
<tr>
<td>pal 'foot'</td>
<td>pa:l 'screen'</td>
</tr>
</tbody>
</table>

Today, however, the vowel length distinction also seems to be obsolete, as is the case for the front rounded vowels. It seems that most native speakers, particularly the younger generation, distinguish the pairs of words above not by vowel length, but by the context within which the words occur. For these reasons, foreigners who are learning Korean may ignore the vowel length distinction as well as the two front rounded vowels. Students of the Korean language, then, have to be able to produce and differentiate only the 8 vowels.

D. Vowel Phonemes in English

The following is the English vowel phoneme chart.

<table>
<thead>
<tr>
<th>English Vowels</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>

7These are called minimal pairs in technical terms.
Examples:

/i/ as in feel, sea
/ɪ/ as in fill, bid
/e/ as in baby [ey], day [ey]
/eɪ/ as in bad, dress
/e/ as in bed, dress
/aɪ/ as in bad, trap
/a/ in awake
/ʌ/ in love, bud
/u/ in pool, goose, two
/ʊ/ in pull, foot, good
/o/ in boat [ow]
/ɔ/ in thought, law
/a/ in father
/ɒ/ in lot, odd

Note that /ɒ/ exists only in British English, while the other vowels are shared by both British and American English.

E. Glides

There are two glide sounds in both English and Korean, /y/ and /w/. The former is called a palatal glide and the latter a labial glide. They are called glides because they are sounds which cause neighbouring sounds to be pronounced smoothly. Note that the glides are included in the consonant chart in the previous section.
THE CONSTRUCTION OF RELATIVE CLAUSES IN KOREAN AND PEDAGOGICAL GRAMMAR

Kyu Shin
Curtin University of Technology

Introduction

Recently the importance of 'grammar teaching' has been reemphasized with a concern that a communicative classroom environment is not sufficient for achieving grammatical competence and overall language proficiency (Ellis, 1997; Cook, 1996; Larsen-Freeman and Long, 1991). Grammar teaching has been revised, not as traditional grammar which gives descriptive explanations of rules, but has been approached as a process of discovery into the pattern of the language. Grammar teaching is now more focused on raising learners' consciousness and increasing language awareness about the nature of the target language rules by elaborating the salient features of the language.

Relative clauses are used to provide background information about the head noun (Givon, 1979). In this role, the relative clause is an implicational universal that appears in almost all languages (Comrie, 1989). However, mechanisms for constructing relative clauses are language-specific and vary depending on the characteristics of the language. The typological characteristics of Korean namely, SOV word order, head-final, pro-drop and Korean’s left-branching tendency present learning problems in acquiring relative clauses in Korean.

Relative clauses in Korean are not adequately presented in current textbooks in teaching Korean as a second language. Other than the nominal modifier, the construction of relative clause is overlooked. No clear explanation of the grammar or functional purposes of relative clauses is given. This paper aims to examine the salient features in the construction of Korean relative clauses and hopes to make teachers and learners aware of the characteristics of the relative clauses and help them to use them efficiently. In particular, the paper will closely look at the relationship between adjectives and relative clauses and their syntactic and semantic expansion.

1. Head-final construction

One of the most notable characteristics of Korean relative clauses is that the relative clause precedes the head noun, whereas in English the relative clause comes after the head noun. This left-branching construction with head-final characteristics of Korean would have important consequences in the acquisition process. Learners of Korean are often confused by a long relative clause, as they do not know where the relative clause begins, since there is no clear relative pronoun to mark. The syntactic characteristics of Korean relative clauses can be seen in this example:

(1) Youngswu-ka mana-n kyoswu-nun hocwu salam-ita
    Name NOM met REV prof. TOP Australia person-is
    'The professor who Youngswu met is an Australian.'

The clause that modifies the head noun 'kyoswu' comes before the head noun, whereas in English it
comes after the head noun. There is no relative pronoun equivalent to ‘who’ but ‘n’ is a relativizer that has the same function of joining the relative clause and the head noun. ‘Youngswu-ka mana-n’ is a relative clause that modifies the head noun Kyoswu. The adverbial clause can be included in a relative clause as in the following example, which is ungrammatical in English:

(2) Chingwu-ka sogayha-yse Youngswu-ka mana-n kyoswu-nun
     Friend-NOM introduce because Name-NOM met-REV prof.-TOP

hocwu salam-ita.
Australia person-is
*‘The professor who Youngswu met because his friend introduced is an
Australian.’
‘Because his friend introduced him to him, Youngswu met a professor who is an
Australian.’

More nominal modifiers can be inserted between the relative clause and the head noun, but, however long the relative clause is, it all comes before the head noun.

This head final constraint of relative clause construction affects the flow of information in discourse, as information flows discourse-chronologically from an earlier point to a more recent point (Kuno, 1978; Fox and Thompson, 1990). Consequently the Principle of Information Flow is assumed to work differently in relative clauses in Korean than English (Kim and Shin, 1994). For example, if the following sentence is translated into Korean using relative clauses in the same sequences, the order of events is completely reversed to (c)(b)(a), because of head-final constraints (Joo, 1998).

a. Slowly he walked along the aisle and up the steps to the choir,
b. where he handed the plate to the priest,
c. who blessed the gifts and then reverently placed them on the altar.

Learners of Korean therefore need to have not only linguistic competence, but also the pragmatic competence to enable them to use the language appropriately in context.

2. Relativizer

Although Korean does not have relative pronouns such as ‘who’, ‘whom’ ‘that’ or ‘which’, in the transformation from the deep structure to the surface structure, the devices used in the construction of relative clauses have the same function as relative pronouns in English. (Suh, 1994; Lee H. B., 1989).

The Korean relativizer is in the form of a dependent morpheme, which is suffixed to the verb stem to form a clause and modify the head noun. This fits with the definition of a relative clause in which “Relative clauses are subordinate clauses that modify nouns within noun phrases in the main clause” (Cook 1993, p.138).

The Korean relativizer also has a semantic function in marking tense and aspect. This is particular to Korean. For instance, English distinguishes ‘who’, ‘which’ and ‘that’ according to animacy, whereas in French, the choice of ‘qui’ and ‘que’ is made in terms of whether it is subject or object of the relative clause. In Germanic languages, the distinction is made according to the gender and number of the head noun. Japanese, which has many similar syntactic characteristics to Korean, especially in pre-nominal relative clause construction, does not have anything that
functions as a relative noun or relativizer, but the verb in the modifying clause is simply in finite form (Kuno, 1973b; Matsumoto 1988b).

The relativizer, the mechanism used in the construction of relative clauses is, however, not solely used for the relative clause. They are exactly the same devices used as the nominal modifier and the noun-complimentizer as illustrated in the following examples:

(3) a. cak-un hakkyo (-un as the nominal modifier)
    small-TOP school
    ‘small school’

    b. Tosekwan-i cak-un hakkyo (-un as the relativizer)
    library-NOM small-REL school
    ‘the school which has a small library’

    c. Tosekwan-i cak-un sasil (-un as the noun complimentizer)
    Library-NOM small-TOP fact
    ‘the fact that the library is small’

These grammatically different clauses are constructed by the same mechanism and it is necessary for learners to be aware of them.

The Korean relativizer is marked for tense and aspect but the tense is marked differently from the matrix sentence. Some scholars argue that only -(u)n and -(u)l are considered as nominal modifiers (or relativizer) and ‘n’ and ‘te’ as the tense markers (Lee and Ihm, Wang, 1993). For learners of Korean as a second language, it is easier, however, for them to understand that basically there are three relativizers, -(un), -(u)n and -(u)l: these variant morphemes denote the tense of processive verbs in which -(u)n for past, -(un) for the present tense and -(u)l for irrealis but -(u)n is different from the past tense markers, -(ass/ess/yess), that are used in the matrix sentence. The descriptive verbs take -(u)n for the present tense and the past tensed is marked differently from the processive verbs. The honorific suffix -(si) and the retrospective tense suffix -(te) can be inserted between the verb stem and relativizer. This particular characteristic of the relativizer, which expresses the tense and aspect, represents an extra grammatical role on top of the universal role of relative pronouns which is joining the relative clause and the head noun. This special role has not been considered in the acquisition of relative clause studies.

It is also important to note that the tense in the relative clause is not restricted by the tense in the matrix sentence, as in English, except for some descriptive verbs. As the following example (Suh 1994, p.1184) illustrates, tense in the relative clause can take any form regardless of the tense in the matrix sentence.

(4) Chelswu-nun meli-ey a. ssu-nun/ssukoiss-nun mocha-lul betmunta/besestta
    NAME- TOP head-LOC b. ssu-n/ssesse-ste-n hat-ACC take off/took off
    c. ssuko issesste-n
    ‘Chelswu {takes off/ took off} the hat that he
    a. wears/is wearing.’
    b. wore/had worn.’
    c. was wearing.’

3. Inflection of Verbs

In Korean, the verb is the head of sentence (Kang, 1986, Lee 1992). Korean is a prodrop language
in which the subject of the sentence is often omitted and communication is possible without the subject or object in the sentence. This is due to rich inflectional system in the verb which provides information such as tense, aspect, mood and honorifics etc. In the construction of relative clauses, the verb also plays a crucial role in determining the relativizer. Depending on whether the verb is an processive verb, a descriptive verb, an existential verb or a copula (equative) verb, the verb stem takes a different relativizer. For example, descriptive verbs and copula (equative) verbs take -(u)n for the present tense but the existential verb is treated same as processive verbs in which -nun is suffixed to mark the present tense. The following table is summary of relativizer. (Suh, 1994, Lee, H. B 1989 and Lee, K. D. 1993)

Table 1. Summary of Relativizers

<table>
<thead>
<tr>
<th>Type of Verb</th>
<th>Present</th>
<th>Past</th>
<th>Past Continuing/ Imperfective</th>
<th>Past Completion/ Imperfective</th>
<th>Irrealis</th>
<th>Supposition Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processive Verbs</td>
<td>-nun</td>
<td>-(u)n</td>
<td>-ten</td>
<td>-ass/esste-n</td>
<td>-(u)l</td>
<td>-ass/ess-ul</td>
</tr>
<tr>
<td>(VS ends in a Vowel)</td>
<td>ga-nun</td>
<td>ga-ten</td>
<td>ga-ssste-n</td>
<td>ga-l</td>
<td></td>
<td></td>
</tr>
<tr>
<td>gata (to go)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(VS ends in a Consonant)</td>
<td>mek-nun</td>
<td>mek-ten</td>
<td>mek-essste-n</td>
<td>mek-ul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>mekta (to eat)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existential Verb</td>
<td>-nun</td>
<td>-ten</td>
<td>-ass/esste-n</td>
<td>-(u)l</td>
<td>-ass/ess-ul</td>
<td></td>
</tr>
<tr>
<td>Issta (to exist)</td>
<td></td>
<td>iss-ten</td>
<td>iss-essste-n</td>
<td>iss-ul</td>
<td>iss-ess-ul</td>
<td></td>
</tr>
<tr>
<td>Descriptive Verbs</td>
<td>-(u)n</td>
<td>-ten</td>
<td>-ass/esste-n</td>
<td>-(u)l</td>
<td>-ass/ess-ul</td>
<td></td>
</tr>
<tr>
<td>(VS ends in a Vowel)</td>
<td>-n</td>
<td>ssas-ten</td>
<td>ssass-ten</td>
<td>ssal</td>
<td>ssass-ul</td>
<td></td>
</tr>
<tr>
<td>ssata (to be cheap)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cakta (to be small)</td>
<td></td>
<td>cak-ten</td>
<td>cak-assten</td>
<td>cak-ul</td>
<td>cak-ass-ul</td>
<td></td>
</tr>
<tr>
<td>Copula Verb (Equative)</td>
<td>-n</td>
<td>-ten</td>
<td>-ass/esste-tensst-ten</td>
<td>-ul</td>
<td>-ass/ess-ul</td>
<td></td>
</tr>
<tr>
<td>ita (to be)</td>
<td></td>
<td>i-ten</td>
<td>i-esssten</td>
<td>i-ess-ul</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When the processive verbs are relativised, it is relatively straight forward, because they are equivalent to English relative clauses as in the following examples. Example 5(b) shows that the honorific suffix -si and the retrospective marker -te are inserted between the verb stem and the relativizer -n.

(5) a. ga-nun haksayng
     go-REL student
In Korean, existential verbs are treated separately because of their particular characteristics. Sometimes they behave like processive verbs, and taking the relativizer -nun; but sometimes they are more like descriptive verbs, not taking -(u)n for the past tense.

The existential verb is used for denoting existence and possession. There are only three words in this category; issta is the basic form, epta is the antonym and, the honorific form is kyeysita. Although this verb generally describes a stative situation, when the subject is animated, the verb can be used as a processive verb as shown in the following examples (Lee, K. D. 1993, p. 163):

(6) a. Na-nun onul cip-ey issta.
    I-TOP today house-in is
    ‘I will be at home today.’

(7) b. Na-nun onul cip-ey issnunta
    I-TOP today house-in is
    ‘I will stay at home.’

The verb in (7)b, issnunta indicates the subject’s intention to stay home but the situation may change over the time, which makes this verb a processive verb.

The copula verb is categorized separately, but is treated same as the descriptive verb and its main function is as a predicating complement.

4. Descriptive Verbs and Adjectives

Dixon (1977, p.20) raised an important question, asking ‘how does it [that is, a language with either no Adjective class at all or only a small non-productive minor class of Adjective] express concepts that are expressed through adjectives, like English, which do have this major class’. To answer his question, Dixon (1977) devised the seven universal types of Adjective based on semantic, syntactic and morphological criteria to see how other languages express these concepts. The finding was that “All languages appear to have Noun and Verb but some lack a major class Adjective.” (p.28)

Based on Dixon’s seven types of adjectives Thompson (1988) proposed the ‘Property Concept’ to express a word that expresses one of these concepts was coined a Property Concept Word. After examining some forty languages, she came to the same conclusion that “whether or not there is a category of Adjectives, the words expressing Property Concepts tend to fall into categories which either share many properties with the class of Nouns, or many properties with the class of Verbs” (p. 169). Korean belongs to the category in which only a few words are categorized as adjectives, such as say (new), on (whole), oin (left), palun (right) and oe (sole), which means these words cannot be used as predicatives. In place of adjectives, Korean has Descriptive Verbs that change to nominal modifiers by affixing -(u)n to the verb stem to function as adjectives. The main function of descriptive verbs is their predicative role, and in this, they are similar to processive verbs. The attributive function is available only once the descriptive verbs are transformed into nominal modifiers, as illustrated in the following examples:
8. Car-NOM big
   k-un cha
   'The car is big.'

-u is inserted when the verb stem ends in a consonant as in:

9. Car-NOM small
   cak-un cha
   'The car is small'

Japanese also has adjective verbs that are used as predicatives but they can be nominal modifiers without changing the form, using the same sentence final endings. (Kuno, 1973)

Table 2 demonstrates that most universal Adjective types are expressed as Descriptive Verbs in Korean. An exception is an adjective ‘say’ (new).

Table 2. Dixon’s universal adjective types (summarized in Thompson, 1988 p. 168)

1. DIMENSION –
   big (kuta), little (cakta), long (gilta), wide (nelpta)
2. PHYSICAL PROPERTY –
   hard (ttakttakhata), heavy (mwugepta),
   smooth (maykkunhata)
3. COLOUR –
   blue (palahta), white (huita)
4. HUMAN PROPENSITY –
   jealous (ciltwuhata), happy (hayngbokhata),
   clever (ttokttokhata), generous (negulepta),
   proud (calangslepta)
5. AGE –
   new, young (elita), old (nulta)...
6. VALUE –
   good (cohta), bad (napputa), pure (swunswuhata)
   delicious (masissta)...
7. SPEED –
   fast (ppaluta), slow (nulita), quick (ppaluta)...

Givon (1984, p. 51-52) suggested the interesting concept of ‘time stability’ to categorize a linguistic category and defined verb, noun and adjective accordingly: ‘Experiences …which stay relatively stable over time …tend to be lexicalized in human language as nouns…… As the other extreme of the lexical phenomenological scale, one finds experiential clusters denoting rapid changes, in the state of universe….languages tend to be lexicalized them as verbs’ …. Adjectives occupies ‘the middle of the time-stability scale’. This notion was challenged by Thompson (1988, p. 172), questioning the relevance of the category Adjective placed in ‘the middle of the time-stability scale’. Thompson disagrees on two grounds; first, Dixon’s seven types of Adjective do not appear to be ‘the middle of the time-stability scale’ except possibly SPEED; and second, the possibility of making the wrong prediction about a particular set of morphosyntactic facts.

In the case of Korean, the category of Descriptive Verb indeed exhibits the characteristics that they are more time-stable than Verbs. Moreover, Thompson accurately stated “thus, as a subclass of Verbs, Property Concepts often exhibit morpho-syntactic evidence of their stativity, their greater time-stability when compared to prototypical Verbs; they are often constrained not to occur with certain tense-aspect morphemes, for example” (1988, p. 173). In Table 1, we presented above we can see Thompson’s point that the Descriptive verbs, in most cases, cannot take the past tense affix
-\(u\)n and some cases ireallis affix \(-u\). Because of this, it may be reasonable to suggest that the Korean Descriptive Verbs are ‘in the middle of the time-stability scale because they do change the state of property over time. For example, \(ssata\) (cheap) or \(alumdapta\) (beautiful) can change the character or quality over time to become expensive or not so beautiful. However, when the Descriptive Verbs are changed to nominal modifiers and function as adjectives then, they are more time stable than the status of Descriptive Verbs. This perhaps can explain Thompson’s concern over making the wrong prediction on linguistic category in relation to the ‘time stability’.

As the verbs play a most important role in Korean syntax, learners will benefit considerably by knowing the types of verb and the characteristics of each type of verb and understand that inflectional affixes depend on the type of verb.

5. Adjectives and Relative Clauses

As we have seen above, the most striking phenomenon is that the nominal modifier and relativizer are exactly the same in Korean. This indicates the important relationship between the two features. This remarkable syntactic characteristic has been noted recently and it has been claimed that “adjectives, when they modify a following noun, are relative clauses in Korean” (Hwang 1990, p.56). Collier-Sanuki also confirmed her hypothesis that ‘relative clauses and adjectives belong to the same cross-linguistic category in Japanese and that relative clauses compensate for a lack of adjectives expressing appropriate concepts’. (Collier-Sanuki 1993, p. 89). Table 3 shows some Property Concept words expressed in relative clauses in Korean that are almost identical to Japanese examples given by Collier Sanuki. (p. 92)

Table. 3 Property Concept words in relative clauses in Korean

<p>| | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1. Dimension</td>
<td>ki-ga ku-n salam</td>
<td>height-NOM big-REV person</td>
<td>‘a person whose height is high’ = tall person</td>
</tr>
<tr>
<td>2. Physical property</td>
<td>pal-i Ku-un salam</td>
<td>arm-NOM thick-REV person</td>
<td>‘a person whose eyes are big’</td>
</tr>
<tr>
<td>3. Colour</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Human Propensity</td>
<td>maum-i nelb-un salam</td>
<td>mind-NOM broad-REV person</td>
<td>‘a person whose mind is broad’ = generous person</td>
</tr>
<tr>
<td>5. Age</td>
<td>nai-ga tu-n salam</td>
<td>age-NOM take-REV person</td>
<td>‘a person who took many years’ = an old person</td>
</tr>
<tr>
<td>6. Value</td>
<td>meli-ga cohu-n salam</td>
<td>head-NOM good-REV person</td>
<td>‘a person whose head is good’ = a smart person</td>
</tr>
</tbody>
</table>
Learners of Korean need to understand that there is no adjective itself that can express the adjective ‘tall’. Instead learners have to use a relative clause ‘kiga kun’ to describe a tall person. It is clear that some Property Concept words are expressed in relative clauses in Korean, which indicates a close relationship between adjectives and relative clauses. However, it is not clear whether the changed word or clause is an adjective or relative clause when a descriptive verb is suffixed by -(u)n. Kim and Shin used a descriptive verb –huita (to be white) and try to highlight this problem. (1994, p. 482)

a. hui- n pyek ‘a white wall’
   white-ATTR wall

b. hui-ess -te -n pyek ‘a wall which was once white’
   white-PAST-RTRO –REV wall

c. hui-(e)ci -nun pyek ‘a wall which becomes white’
   white-become-REV wall

d. hui-(e)ci -l kkoch ‘a flower which will become white’
   white-become –REV flower

The explanation for the criterion adopted by Kim and Shin (1994 p. 481-482) is that ‘conventional wisdom, to the effect that if a word has the productive –n ending, and is semantically stative, then we treat it as an adjective phrase, unless it is used in a tensed clause, as in (b). Since the forms –nun and –l are considered to be in the portmanteau form of tense and –N in Kim’s analysis, item fixed with these two morphemes are considered to be in a finite clause, i.e. a relative clause, as in (c) and (d)’. No explanation was given in their analysis why the tensed clause (b) is treated as a relative clause. Huierssten is a relative clause because the descriptive verb huita is changed its semantic status by suffixing the past tense marker -ess and the retrospective marker -te denoting that a process took place, as a result, the colour is no longer white, it is changed. For (c) and (d), we argue that the descriptive verb huita becomes a processive verb huieciita (to become white) by attaching –a,e,cita thus take relativizer – nun and –l that are used for processive verbs. Korean descriptive verbs become processive verbs when they are combined with the auxiliary verbs as in the following examples:

colta (to be good) + –a,ehtahata → cohahata (to like) = active
   –a,ecita → cohacita (to become to like) = inchoative
   –a,egeyhata → cohgeyhata (to make something good) = causative

The effect of changing the linguistic category from the descriptive verb to the processive verb is that ‘the adjectives are used to express steady states and the derived verbs are used express states which are variable … which denote processes having beginning and ending’ (Lee, K. D. 1993 p. 151-152). This observation is in line with Givon’s (1984) ‘time stability’ concept in regard to the linguistic category between adjectives and verbs as discussed in section 4.

Lee, H.B. (1989, p. 174) also noted that

As a rule, the European adjective corresponds to the Korean adjectival clause whose P is the descriptive type whereas the European modifying clause marked by a relative pronoun corresponds to the Korean adjectival clause whose P is the processive type.
Thus, it is clear when the descriptive verb is suffixed by the nominal modifier -(u)n it belongs to the cross-linguistically categorized category, the adjective, because they are semantically more time stable. But when the descriptive verbs are suffixed by the tense marker -te or ass/ess-te and sometimes with the irrealis -(u), they are variable in terms of time stability, which means their status has changed or can change, no longer stable. It is therefore categorized as a relative clause. And similarly, when descriptive verbs become processive verbs, combined with auxiliary verbs, they are also relative clauses. The following full sentences illustrate the differences:

(10) Coh-un umsik-i mani isseyo
   Good-ATTR food-NOM many is
   ‘There are lots of good food.’

   Kimchi-TOP Koreans-NOM like-REL food- is
   ‘Kimchi is the food that Korean people like.’

(12) Meli-ka cohaci-nun umsik-i mwueeyyo?
   Head-NOM become good-REL food-NOM what-is
   ‘What is the food that makes people smart?’

(13) Kieklyek-ul cohgeyha-nun umsik-i isseyo?
   Memory-ACC make goo-REV food-NOM is
   ‘Is there any food that makes our memory work better?’

The syntactic and semantic expansion of the descriptive verbs and the processive verbs reveal an interesting relationship that clarifies the characteristic of the relative clause. Describing one’s own personal feelings are often expressed by the descriptive verbs but describing one’s own and somebody else’s feelings is expressed by suffixing the auxiliary verb -a,ehata to the descriptive verb stem. Lee, K. D. (1993) explains that the verb hata is the profile determinant, thus it gives a perfective temporal profile, that is same as the processive verb.

- kipputa (to be pleased)
- kippehata (to feel pleased)
- sulputa (to be sad)
- sulpheta (to feel sad)
- aputa (to be sick)
- apaheta (to feel hurt)

The distinction between descriptive verbs and processive verbs is even clearer when we examine verbs that can be descriptive verbs and processive verbs. There are few verbs that belong to this category, examples are:

- palta (to be bright) - palnunta (to dawn)
- nulta (to be old) - nulnunta (to get old)
- kuta (to be big) - kunta (to grow)
- natta (to be better) - natnunta (to get better)

Take the example of kuta (to be big):

(14) Ku-n ai-ka Youngswu-yeyyo.
   Big-ATTR child-NOM NAME- is
   ‘The big child is Youngswu.’

(15) Ku-nun aitul-un cengmal mani mekeyo.
   Grow-REV children-TOP ally a lot eat
‘Children who are growing really eat a lot.’

(16) Banghak-tongan ku-n aitul-to iss-ko an ku-n aitul-to isseyo.
Vacation -while grow-REV children-too is-CON not grow-REV children-too is
‘There are children who have grown during the vacation and children who have
not grown.’

Kun in (14) is an adjective in which the nominal modifier –(u)n is suffixed to the descriptive verb stem ku- and is in a semantically stable state at the point of utterance; in (15) ku- is the processive verb stem thereby takes relativizer –nun and the tense is present and aspect is continuing; in (16) ku- is also the processive verb stem, that is why the relativizer –n is indicating the tense is past and the aspect is imperfect.

6. Prepositional Phrases and Relative Clauses

Prepositional phrases (PP) in English are often expressed in relative clauses in Korean. One of the nominal modifiers, ‘Noun plus the possessive marker –ui’ has a similar function as prepositional phrases in English as in (17a). However in Korean, (17c) is more commonly used than (17a). Suh (1994) notes that ‘Noun plus the possessive marker –ui’ can be semantically traced back from the deep structure and has about ten different meanings, such as location, possession and cause, to name just three. In (17a), the underlying meaning is location and is equivalent to (17b). When the relative clause is preferred, it is due to the functional role of relative clauses. (Fox and Thompson, 1990) The relative clause specifies or characterizes the head noun more than the nominal modifier can, because of the relativizer, which denotes the tense and aspect.

(17) a. Chago-ui cha
Garage-of car
‘car in the garage’

(17) b. Chago-ey cha-ka issta.
Garage-in car-NOM is
‘There is car in the garage.’

(17) c. Chago-ey iss-nun cha-nun hankwukcey-ita.
Garage-in is-REV car-TOP Korean made-is
‘The car which is in the garage is Korean made.’

For the same reason, 18 (b) is more common than 18 (a) because the verb –ipta (to wear) with the relativizer –un characterizes the head noun (the person), whereas (18)a is a bit ambiguous.

Yellow shirt-in person-NOM NAME-is
‘The person in the yellow shirt is Peter.’

(18) b. Noran shass ip-un salam-i Peter-yeyyo.
yellow shirt wear-REL person-NOM is
‘The person who is wearing the yellow shirt is Peter.’
7. Conclusion

The construction of relative clauses in Korean highlights salient features that are markedly different from English. The most significant characteristics are the head-final, left-branching word order and the relativizer. The relativizer, in the form of a dependent morpheme is confusing for learners, as they take different inflectional endings according to the types of verb when denoting the tense and aspect. The criterion for the cross-linguistic category between adjectives and relative clauses has been explained made clear. The adjective occurs is when the descriptive is changed to a nominal modifier by suffixing 

Abbreviations:

ACC: accusative case marker
REV: relativizer
TOP: topic marker
NOM: nominative case marker
LOC: locative marker
VS: verb stem
ATTR: attributive
PAST: past tense
RTRO: retrospective marker

High proficiency in the language cannot be achieved if learners have not mastered the construction of relative clauses. Studies have shown the effectiveness of instruction in accelerating the learning of relative clauses. (Gass, 1982; Pavesi, 1984) It is important that learners are aware of the salient features of relative clauses in Korean because conscious understanding does help L2 learners’ acquisition of the language (Cook, 1996).

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INTRODUCTION

With the widespread attention given to computer-assisted language learning (CALL), particularly computer-mediated communication (CMC), electronic communication on the Internet is now being considered as a useful activity for providing learners with opportunities and motivations for real communication (Kern, 1996; Warschauer, 1995). As the main goal of most language learners is to be able to communicate in the language they learn, communication via computer-mediated systems seems to offer students the closest thing to being in the foreign country without actually being there (Mathiesen, 1992).

The most popular tool for electronic communication is electronic mail (e-mail). E-mail is fast, convenient, inexpensive, and can be stored, modified and printed. It can transfer long or short messages across the world to other people connected to the Internet. This world-wide electronic communication channel accelerates the traditional pen pal process (Lunde, 1990). Through electronic pen pal correspondence, e-mail can be a medium for cross-cultural exchanges (Kern, 1996; Warschauer, 1995).

A number of e-mail exchange projects have been conducted in foreign language education. Previous research on e-mail exchanges suggests that task-based cross-cultural communication has the potential to improve students' language skills and cultural awareness (Barson, 1991; Cononelos & Oliva, 1993; Gray & Stockwell, 1998; Kern, 1996; Lunde, 1990; Sanaoui & Lapkin, 1992; Warschauer, 1995), and to foster student autonomy (Barson, Frommer & Schwartz, 1993; Peterson, 1997; Soh & Soon, 1991; Sayers, 1993; Warschauer, Turbee & Roberts, 1996).

For example, Lunde (1990) reported on a practical course, called Computer-Assisted Composition in Japanese and Chinese, which has been offered at the University of Toronto, Canada. The course gave students much practice in composing text in their target language. Students studying Japanese were given the option to use electronic mail to correspond with their peers in Japan, namely students studying English at the University of Tokyo, to exchange ideas and information. The goals of this course were to motivate students to use their target language, to enhance the cultural and intellectual component of foreign language study, and to improve students' ability to read Chinese characters. Students who participated in the e-mail exchange showed "marked improvement in their character production, reading comprehension, and word processing skills in their target language" (Lunde, 1990, p. 76).

Barson (1991) described an electronic communication project between two French classes at Stanford University and Harvard University. The two classes worked collaboratively via e-mail to produce a newspaper. Barson found that students benefited from collaboration with peers, involvement in meaningful activity and insight into the writing process. Sanaoui and Lapkin (1992) presented a content-based course which connected high school students of French in Toronto with native speakers in Montreal. They reported that students improved their French writing skills and broadened their cultural awareness.

Research studies also offer teachers guidelines on the organisation of e-mail projects. For instance, Avots (1991) proposes that teachers need to:

(1) set clear, curriculum-based objectives; (2) establish a time line with a definite ending; (3) respect
the needs of members of the partner classroom, being sensitive to cultural differences; (4) involve students in the technology; (5) remain flexible; and (6) evaluate the outcome, involving students in the evaluation process. (p. 129)

Of these points, the first one, which is the most important factor for meaningful e-mail communication in foreign language classrooms, is strongly supported by the following argument:

Student collaboration on e-mail is very successful if the students have a goal. If they don’t, if their purpose is simply to chat and find out about each other, the communication breaks down as soon as one side of the conversation has something more important to do.

(Extract from an e-mail discussion of TESLCA-L, David Tillyer, 5 Oct. 1998)

This indicates that e-mail exchanges should be task-based or content-based to promote collaborative interaction.

These suggestions being taken into account, a small-scale pilot project was set up for collaborative e-mail exchanges. The project was conducted between undergraduate students at two universities in Australia and Korea in September 1998. The main aim of the project was to investigate the potential of the setting up of e-mail exchanges on the Internet for improving the learning of Korean by Australian students and the learning of English by Korean students at the same time. With selected topics and essay formats, Australian students learning Korean sent e-mail messages in Korean, and Korean students learning English sent e-mail messages in English. By establishing peer review procedure, the exchange gave the students the opportunity to experience task-based e-mail exchanges with peers in the target language. With a special focus on the teaching of Korean as a foreign language (KFL), this paper describes the e-mail exchange project and discusses pedagogical and technical aspects of e-mail exchanges in the KFL classroom.

METHOD

Subjects

Two female students in the third year course of the Korean language program at an Australian university were assigned to two female students in the second year course of the Department of English Education at a Korean university. Each student’s e-mail partner was randomly decided and introduced via the first message of the e-mail exchanges. All participating students filled in a consent form before the project. In an information questionnaire, three students, except one Australian student, indicated that they had had previous experience in learning other foreign languages such as Japanese or French and they generally liked working with computers.

Materials and Procedures

To give the students an idea of the overall process of e-mail exchanges and specific tasks they needed to complete, a handout was distributed to all participating students. The handout showed things to prepare before starting the e-mail project, the time line and essay topics for writing tasks. Actual e-mail exchanges took place over ten days. During this period, the students were asked to write and send five messages in total. They had to write and send three essays (one in their native language and two in their target language) first, and then edit their partners’ two essays and send them back later. Australian students completed these tasks in a PC lab during normal class time whereas Korean students did the tasks in a computer room or at home during their own study time.

For word processing in Korean, Australian students used UnionWay AsianSuite 97, multi-lingual software which supports Chinese, Japanese and Korean (CJK) in their native code page or Unicode for Microsoft Windows 95 or Windows 3.x (UnionWay, 1997). Although there are some limitations in working with Korean characters, such as no space character width adjustment option for Korean fonts, the software provided easy Korean input methods. Australian students got used to the input methods by the second session. On the other hand, Korean students had no difficulty in writing messages in both Korean and English in terms of displaying characters and fonts on the screen.

At the end of the project, a post-questionnaire was administered to all students to investigate the students’ views on the e-mail exchanges they experienced and their attitudes toward the use of e-mail for
RESULTS

Exchanged essays

In order to help the students get to know each other, the students were requested to introduce themselves with their first message. It was written in the students’ native language (i.e., English or Korean), so that they could not only describe themselves without any difficulty but also provide them with reading practice. The following self-introduction, written in Korean, is an example:

안녕하세요?
제 이름은 000이예요. 저는 20살이고, 한국 나이로는 21살이에요. 한국에서 가끔 반가워요. 어째 편지받고 너무 기분이 좋았어요.
제 가족은 아빠, 엄마, 오빠, 저, 이렇게 4명이에요. 오빠는 지금 군대에 있어요. 지금 저는 000대학교 영어 교육학과 2학년이구요. 일주일에 두 번 지내고 교통학생을 가르치예요. 낭학생인데, 맛을 잘 안 들어서, 힘들긴 하지만, 그래도 보람있어요. 000는 공항에서 일한다고 했죠? 잡 재미있을 것 같아요. 외국인들도 많이 만나고 좋겠어요. 참, 저도 작년에 중국에 갔은 적이 있어요. 북경, 상하이, 장추, 싱천, 홍콩을 갔어요. 물론 만리장성이 외서도 정말 무서웠죠.
한국에 오다니 좋겠죠? 언제 오는지 궁금하네요. 한국에 오면, 우리집에 오세요. 저희 엄마가 맛있는 한국 음식을 많이 만들어 주실 거예요.
아 참, 한국 이름은 성 이름이 있는 거 아시죠? 제 이름이 000이라는 것, 잊지 말아요!
어떻게 쓰지 않으리고 노력했는데, 이해하기 쉬웠으면 좋겠네요.
그럼 다음에 또 만나요?
안녕!
한국에서 000로부터...

The above message was written by Korean Student 1 (KS1) and sent to Australian Student 1 (AS1) on the second day of the project after KS1 received AS1’s first e-mail in English on the first day of the project.

The topics selected for the second and third essays were “A movie or book that I would like to recommend” and “After 20 years, I will ...”. After receiving their partners’ first message, the students were asked to write on these topics in their target language (minimum 150 words for each essay) for their writing practice. For the fourth and fifth messages, the students were encouraged to correct their partners’ second and third essays from a native speaker’s point of view and send them back with their comments and suggestions for appropriately editing the essays. In the e-mail responses, the original essays were placed first, followed by revised essays and comments. Here are some examples:

<Original essay>

미니의 친구는 야심이요. 미니의 친구는 미니의 남자 친구는 우리 아이의 아버지야.”하고 말해어요. 누구나 아주 놀라지만 미니의 친구가 거짓말을 담아해요. 그리고 미니와 크리스가 같이 결혼해어요. Circle of Friends라요?
주일에 아일랜드에서 삼아서 Circle of Friends를 좋아해요. 아일랜드가 예쁜 나라 이지만 아역 아일랜드에 안 갔어요. 잉글랜드와 스코틀랜드, 웨일즈에 갔지만 아일랜드 아니예요. 아일랜드에 비가 많이 와서 시골을 아주 아름답다고 늘해어요. 또한, 겨울에 날씨가 아주 추워요. 아일랜드의 시골에서 봄이가 아주 긴장을 풀게 해요. 예쁜 물결과 강이 많이 있어요.

<Revised essay>

제가 제일 좋아하는 영화는 사운드 오브 브레인스예요. 2년 전에 처음 우리 집 근처에 극장에서 그 영화를 봤어요. 그 영화의 주인공들은 크리스 오도널과 미니 드라이버예요. 크리스 오도널은 아주 단정하게 잘 생긴...
In the above message, AS1’s Korean essay was checked by KS1. The first original essay and the second revised essay are clearly different in their level of accuracy and coherence.

The following message was exchanged between Australian Student 2 (AS2) and Korean Student 2 (KS2). It contains AS2’s second Korean essay and KS2’s corrections of the essay and suggestions for further collaboration.

<Original essay>

20년 후에 나는 41살이 거예요. 그 때 가장 원하는 것은 크고 기쁜 가족이에요. 친절한 사람과 결혼하고 싶고 아이 6명이 있고 싶어요. 모든 우리 아이들은 좋은 교육을 받고 싶고 그들이 열심히 공부하고 싶어요. 그러나 나는 결혼을 즐기는 것도 중요하다고 생각해요.

호주 시골 농장에 살고 싶어요. 아이들이 건강하게 되고 싶기 때문이고 전통적인 호주 생활양식을 경험하고 싶기 때문이에요. 나는 농장에서 자라려고 제 생각으로는 도시보다 시골이 훨씬 평화스럽고 아름다운 곳이에요. 시골에서 온 사람이 일반적으로 마음 좋다고 생각해요. 나는 돈이 너무 많이 필요하지 않지만 편리하게 살고 싶어요. 자주 외국에 여행할 계획에요. 아이들한테 좋은 것이라고 생각해요.

<Revised essay>

20년 후에 나는 41살이 되었어요. 그 때가 되면 크고 만만한 (화목한) 가정을 갖고 싶어요. 친절한 사람과 결혼하고 싶고, 아이는 6명을 갖고 싶어요. (아이는 6명이었으면 좋겠어요.) 아이들이 열심히 공부하였으면 좋겠어요. 하지만 나는 결혼을 즐기는 것도 중요하고 생각해요. 또 나는 호주의 시골 농장에서 살고 싶어요. 그래서 몸에서 아이들이 건강하게 자라으면 좋겠고 전통적인 호주 생활양식을 경험하고 싶기 때문이에요. 제가 농장에서 자라기 때문에, 도시보다 시골이 훨씬 평화스럽고 아름다운 곳이라 생각해요. 그리고, 시골에서 온 사람들이 일반적으로 마음 좋다고 생각가르쳐요. 나는 돈이 너무 많이 필요하다고 생각하기는 않지만, 생활에 불편함은 없이 살고 싶어요. (편안하게 살고 싶어요.) 그리고, 자주 외국에 여행할 계획이에요. 아이들에게 좋은 경험을 될 거라고 생각해요.

<Comments>

전에도 얘기했지만 한국어 문장이 아주 헷어요.

한국어는 영어와 달리 원형(root)과 현재형(present tense)가 다르고. 그리고 ‘하고 싶다는 내가 주어질 때만 쓸 수 있어요. 다른 사람에게 대한 바람을 나타낼 때는 ‘였으면 좋겠다’를 쓰는 게 좋아요.

편지를 교환하면서 영어와 한국어가 많이 다르다는 생각을 했어요. 000의 말대로 영어로 생각하는 언습이 많이 필요할 것 같아요. 000이 원한다면 계속 편지하고 싶은데, 하고 싶다면 나에게 다시 편지 주세요. 앞으로
In the essays revised by native speakers, interestingly, the teacher could find some spelling errors and non-standard patterns that might give confusion to non-native speakers. For example, in the Korean students' corrections of the Australian students' Korean essays, Korean students often used '예요' or '이예요' instead of '예요' or '이예요'. In grammatical terms, '예요' is the polite form of '이다' ('to be'). '예요' is the contraction form of '이예요' and is usually used when a noun ends in a vowel. According to the grammar rules of the Korean language which Australian students learn at school, '예요' and '이예요' are not accepted in standard Korean. Nonetheless, Korean students used '예요' and '이예요' in their partners' revised essays. Reasons for those inaccurate corrections checked by the teacher included the students' speech styles and patterns they used to speak in conversations and their typing mistakes. The teacher advised Australian students of this point during the e-mail sessions.

Post-questionnaire

In the post-questionnaire, positive language learning and affective results were found. Questions and the number of student responses to Section 1 of the post-questionnaire are shown in Table 1. Questions 1, 2 and 3 were related to the students' general impressions on the use of e-mail. Results indicate that all students seemed to enjoy the e-mail exchanges and find the e-mail activities helpful for learning the target language although two students, who had had no experience in e-mail before, found that using e-mail was somewhat difficult. Questions 4 and 5 were asked to elicit the students' reactions to the efficiency of the e-mail exchanges. The students seemed to appreciate their partners' corrections of their original essays and agree that the tasks selected for the project were useful in general. Questions 6 and 7 asked the students to indicate whether they would like to be involved in continuous e-mail exchanges. All students strongly agreed that they wanted to have more e-mail exchanges with their language partners and other people. These results suggest that e-mail exchanges have the potential to develop students' interest and motivation for their learning and, eventually, enhance foreign language learning.

Table 1: Questions and number of student responses to Section 1 of the post-questionnaire (N=4)

<table>
<thead>
<tr>
<th>Questions</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I enjoyed the e-mail exchanges.</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. I found that the e-mail was easy to use.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>3. I think that the e-mail exchanges helped me with my Korean/English.</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Being able to get a native speaker's corrections of my essays helped me to learn Korean/English.</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5. I found the tasks that were given for the project to be useful.</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6. I would like to continue the e-mail exchanges with my Korean/English partner.</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7. I would like to exchange more e-mail messages, if possible.</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

In the open-ended questions in Section 2 of the post-questionnaire answered in English, several comments relevant to the notion of autonomous learning were found. To quote some of them:

I tried to type without looking at the Korean keyboard so that I would learn how to type quicker.
First I read the whole passage through a few times to make sure I knew what my partner was trying to say and then I tried to polish it so that no English speaker would realise that it was written by a foreign student which involved some major adjustments.

I tried to understand what they were trying to express and then thought about how I would say it.

The students had favourable attitudes toward e-mail exchanges, as indicated by their responses:

I think it’s very effective – it’s fun and constructive – we are actually doing something which benefits not only ourselves but someone else at the same time.

I thought it was an excellent idea. It’s a shame we didn’t have a couple of weeks longer to use it.

I think it is a great idea and actually it was. It has advantages that are even faster than letter, so we can exchange messages more frequently, and that doesn’t need to go to a post office. These reasons could make me more comfortable to write something.

There were also comments on how they felt about the e-mail exchanges before and after the project:

I thought it was an excellent idea before and now that I’ve done it. I’m sorry that we were only allocated one week for this activity.

I was worried it would take me too long to learn how to type in Hangul, but I was surprised how quickly my typing speed improved.

I felt somewhat strange, but excited to meet a foreign friend by e-mails, so I was really looking forward to starting the project. For a week, I always waited for answers. After finishing the project, I regretted that I could have written them more faithfully, however, I’m very satisfied with this experience.

Before I started e-mail exchanges, frankly speaking, it imposed burden on me. Because it was the first time to exchange e-mail. After I exchanged tasks, I’d like to continue the project. I think it is the best way to recognize the differences between Korean and English.

Interestingly, two students could make a suggestion for further e-mail exchange tasks:

I think that by 3rd year we should be touch-typing all of our essays and worksheets. And, rather than just writing two night-before passages we should have a certain number of tasks to complete through the semester, perhaps with no deadlines – we would have to organize things with our partners so there would have to be effective communication.

I think common interest is important to relationship. For example, I think it is better to fix a topic on “Impression from the same book or movie” in the message. With that task, I can learn the difference of the culture as well as the language.

Finally, the students appreciated their participation in the project:

This exercise has given my language study a new lease of life – it seems to me to be a pretty big deal to be able to produce printed material. Thank you.

Thank you for giving me a good chance to meet a new friend.

Thank you for offering me this good opportunity.

In summary, the students expressed the view that the project was beneficial and they showed positive attitudes toward e-mail exchanges with native speakers. There are indications that the project facilitated language learning with the enhancement of student autonomy and motivation.
DISCUSSION

It seems clear that successful e-mail exchanges need clear and meaningful tasks for students. Through peer editing in writing, the tasks can be collaborative and allow students to write productively. Although the present study was conducted with a small number of students for a short period and no test of language proficiency was undertaken, the findings from the study show the value of e-mail exchanges with peers in accomplishing language tasks. They also suggest that e-mail activities may provide an important source for motivating language learners collaborating in networks.

To facilitate e-mail activities, students are requested to practice typing at the first stage of e-mail projects or during the projects. As Esling (1991) discussed, there are practical reasons for introducing CALL into a language program starting with word processing rather than other applications such as tutorials or simulations. One reason is the functional role of the writing task. The concepts of sound-letter correspondences cannot be avoided by a foreign language learner whose task focuses on allowing students to recognize numerous possible orthographic symbols and their combinations in the target language. In addition, word processing skills are practically required in many workplaces where the target language is used. Thus, typing skills seem to be a requirement for purposeful writing on the computer.

With regard to error correction, the technology using electronic networks does not allow for an easy way of giving feedback to individual learners on the screen. However, it is possible to conduct comparative assessments of students’ writing performance during networking activities in order to look into the effects of the use of computer on students’ choices of learning strategies or on their styles of interaction with target language speakers (Esling, 1991). Factors like unexpected responses or inappropriate responses by native speakers to a text can make learners aware of language usage which they had not detected so far (Mathiesen, 1992). In this respect, students themselves can be reviewers of their partners’ writing and help each other in editing the writing. This suggests that students can be engaged in reading and writing actively and analytically through e-mail exchanges.

The teacher as a facilitator can allow students to analyze their own errors, learn from their mistakes, and adapt their strategies (Markley, 1992). During e-mail activities, the teacher can be an observer or a mediator to be called upon when students need him/her. Students assume more responsibility for their own progress and move toward independence as writers. In e-mail projects, the teacher’s main role is to explain objectives, introduce materials and procedures, and then monitor each student’s progress while giving appropriate feedback on the student’s work. In the case of team-teaching projects, the teacher has another role of collaborating with other teachers of classes in different places so they can work together in sharing information and completing certain tasks.

CONCLUSION

This paper has described a study of collaborative e-mail exchanges between university students in two countries (i.e., Australia and Korea). The pilot project in the study seemed to promote language learning and cultural awareness in the two respective countries, improve language learning methods that included reading and writing practice in the target language and develop further collaborative work between those involved. The results of the study showed that the students enjoyed the e-mail exchange work and demonstrated a favourable attitude toward the use of e-mail for foreign language learning. It is recommended that future research needs to involve a greater number of students over longer periods to investigate students' improvement in the target language through the use of e-mail.

REFERENCES


“FROM SEA TO YOUNG BOYS” TO “FIREWORKS” (1908-1919): POEMS ON THE HORIZON OF KOREAN LITERARY MODERNITY

Ann Y Choi
Claremont McKenna College

"From Sea to Young Boys" by Ch’oe Namson (1890-1957) and “Fireworks” by Chu Yohan’s (1900-1979) are known as works contributing to the construction of twentieth century Korean poetry. The significance of these two works rests upon their respective positions in Korean literary history under the rubric of the ‘new.’ Both poems, the first dubbed sinch’esi (new-style poetry) and the latter known as the first chayusi (free verse) in Korean, fall under the larger category of sinsi (new poetry) appearing at the beginning of the twentieth century. As a code word for ‘modern,’ a concept fraught with cross-temporal and cross-cultural implications, the ‘new’ can be seen simply not as an aesthetic category based on the exclusive value of innovation and surprise but also a historical one responding to questions left behind by preceding works.

What were some of the questions to which these ‘new’ poems might be responding? What was the ‘horizon of expectation’? That is, what was expected of poetry and fulfilled for the works to be recognized as familiar enough to access them? What was denied in order for the works to be called ‘new’ and what were the terms of this difference? Much of this questioning regards the didactic function of literature and how this value of literature was continued, rejected, or renewed at varying moments of the period known as the enlightenment during which the poems were published. This paper explores how literary experience can be an awakening of the traces of earlier works which new texts can transform, correct, or, even, reenact in the ceaseless struggle between the familiar and the different. By tracing a chronology through such poetic forms as the aegukka (‘patriotic songs’; 1896-1899) to sahoeung kasa (‘society’s lantern’ kasa; 1907-1910) which preceded Ch’oe and Chu’s works, I aim to present some of the problems revealed in the view of a genetic development of something called ‘free verse’ as a marker for literary modernity.

Patriotic Songs to Society’s Lantern Kasa: 1896-1910

Freedom from prescribed rhythm manifested through metrics continues to be pointed out as the qualification for free verse in Korean. Before examining the significance and the ramifications of this ‘freedom,’ it may be useful to look at the ways in which the poems published at the end of the century might appear restrained; this examination would also test the position of the new-style poetry championed by Ch’oe Namson as both locked in metrics, as well as form in flux moving in the perceived evolutionary move toward new poetry.

The normative interpretation of nationalist literature points to the end of the nineteenth century when a “new literature movement” rose amidst the aggressive threat of foreign powers. As the Korean ports were opened to international demands, literature advocated a fervent sense of collective identity. This historical period of transition from “medieval” to “modern” is known as kaehwagi (literally, “period of opening and change” and commonly referred to as “enlightenment”). For the literary historian engaged in the narrative of

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1 This follows the precedent set by the first postliberational literary history in 1947 by Paek Ch’ol’s Choson sinmunhak sajosa [Trends in New Literature of Korea].

2 The term for the didactic in Korean is kyoosul, established by Cho Tongil as one of three basic genres of Korean literature including the lyric and the narrative. See Cho, volume 1. See also Kim Hunggyu, p. 34, which includes the dramatic in his division of types of literary works.

3 Kwon, Yongmin and Pihl, p.62. The catalysts are deemed socio-political: the inability of Choson dynasty to sustain its hermetic preservation of tradition instigating the coup d’etat of 1884; the Eastern Learning peasant uprising in the spring of 1894; Sino-Japanese war on Korean soil during the summer of 1894 creating widespread destitution.

4 ibid., p. 62. Kwon writes: “From the end of the nineteenth century, literature no longer limited itself to the expression of individual sentiment.” That is, literature broke out of the privileged circle of the literati of Choson dynasty who wrote works predominantly celebrating nature and the tenets of Confucianism. For a list of recurring themes in traditional poetry, see p. 317.

5 The terms ‘medieval’ and ‘modern’ are used loosely by Kwon Yongmin in the above work to indicate a widening of the sphere of influences from sino-centric Choson dynasty to the international context of twentieth century. Thus, the term kaehwagi is generally used by literary historians as a periodizing term to indicate the period of transition (1861-1919): See Oh, p. 30. Politically, this is the period of increasing international interest in Korea, a fin de siecle marked by
a nation maturing, thus, becoming increasingly aware of itself (because of the dangers to its subjectivity imposed by outside forces), the story of early modern Korean poetry begins with poems published in the newspapers at the end of the century.

The physical parameters of these poems lay in the traditional tetrameter. As has been noted, tetrameter was the most prevalent form found in traditional narrative poetry, its evenness suitable for evocative recitation. Poetry at the end of the century were based uniformly on the sound unit of four beats, and they contained clear messages. The metrical regularity served as a tool for mnemonics. Numbering twenty-seven and published under “foreign reports” or “miscellaneous news,” the content of these patriotic songs appearing in the Independent Daily (1896.4.7-1899.12.4) reflects the concern with the autonomy and the protection of the nation. Line samples from five of these songs indicate their idealistic nature:

<table>
<thead>
<tr>
<th>Song Title</th>
<th>English Translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tongnipjaejulgoptoda</td>
<td>Rejoicing in independence and self-reliance</td>
</tr>
<tr>
<td>Chajudongnipbinnadoda</td>
<td>Self-reliance and independence shines bright</td>
</tr>
<tr>
<td>Chajudongnipjyohulsigo</td>
<td>How delightful self-reliance and independence</td>
</tr>
<tr>
<td>Chajudongnipbuunmyonghada</td>
<td>Self-reliance and independence is clear</td>
</tr>
<tr>
<td>Chajudongniphayobose</td>
<td>Let’s rely on ourselves and be independent</td>
</tr>
</tbody>
</table>

Undoubtedly, the set phrase chaju tongnip (sovereign independence) becomes the common denominator in many of these songs of praise echoing each other, along with the celebration of education by way of munmyong kaehwa (civilization and enlightenment):

<table>
<thead>
<tr>
<th>Song Title</th>
<th>English Translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munmyonggaehwayollinsesang</td>
<td>This world with civilization and enlightenment</td>
</tr>
<tr>
<td>Munmyongryeuilwobose</td>
<td>Let’s construct rituals of enlightenment</td>
</tr>
<tr>
<td>Tongp’ohyanggye愈kumulkkaeyo</td>
<td>Fellow brothers, awake from your dreams</td>
</tr>
<tr>
<td>Munmyongjinboilsimhasye</td>
<td>One heart toward progress of enlightenment</td>
</tr>
<tr>
<td>Munmyonggaehwajollodweg0</td>
<td>Enlightenment will happen naturally</td>
</tr>
</tbody>
</table>

Moving forward in a marching rhythm, the songs carry an undaunted tone proclaiming triumphantly that an age of education and cultural advancement is dawning. Mostly written by students looking forward to a bright future for their country in all expediency renamed Taehan cheguk (Empire of the Great Han), these songs are generally considered to present easy-going view of the state of affairs, along with a happy, optimistic view of reality.

The tone of credulity and belief changes to that of suspicion and sarcasm in the poems appearing in the Taehan Daily: the society’s lantern kasa (1907-1910). Published both in the mixed and the phonetic script, the mood of these kasa was satire (harsh parody) and traversed through sarcasm, cynicism, and even invective. These were not lyrical songs of individualism but rather songs of “resistance of the class of intellectuals awakening to nationalism.” And yet, the utilitarian function of song led to an aesthetic problem, because it did not cost labor: song became the “easy thing to do.”

The introduction of Japanized Western thought and literature; its carriers were mainly young Korean men who had studied in Japan, or as in the more rare case of So Chaep’il, who had studied in the States.

6 Kim Hunggyu, p.150. Kim’s discussion on the theory of the Korean meter as segmental, rather than simply numeric, presents a compelling perspective on the link between meter and syntax in Korean.

7 Pak p. 49: Pak provides a chart including a list of the titles of the twenty-seven songs and the authors’ names, three of which are anonymous collectives associated with schools or churches.

8 Pak Ulsu, p. 50.
9 Pak Ulsu, p. 51.
10 Kwon Oman, p. 246. Kwon attributes such optimism to a lingering reliance on China, as well as the young students’ faith in the Kabo reforms.
11 Kim Haktong observes that the name now referring to some 600 song-words was first attached to a song in the 1,243rd issue of the paper (1909.11.17). See his Han’guk kaehwagi siga yon’gu [Study of Korean Enlightenment Verse], p. 72.
12 According to Kwon (p. 51), the breakdown of repeating phrases is follows: satiric 83%; advice or remonstration 19%; despair 3.5%. Depiction of diseased reality.
13 Chong Hanmo, p. 131.
14 Kwon, p. 165.
Debate Over Songs and New-Style Poetry

The perceived genealogy of new poetry, from songs (ch’angga) to new-style poetry to new poetry presents a linear movement progressively turning away from the traditional rhythm based on the tetrameter. The genealogy becomes a scheme leaving out patriotic songs and kasa as ephemerally serving their purpose and vanishing, being locked in their own form as didactic songs “in the midst of circumstances to sing the circumstances of the times.” While impeding aesthetic experience and lying on a different track from the ‘new,’ their formal structure is deemed to relate in praxis to, at least the possibility of, social change. The evaluation, yet, appears at once to praise the form for its participatory function as well as to point out its problem as being deprived of aesthetic value, therefore, lacking an essential element of the ‘new.’ Both in the selection of language (practical) and in the primacy of content (didactic), these songs met a particular horizon of expectation for the readers at the end of the century: they observed the neo-Confucian dictum that literature teach, serving the primary function of transporting knowledge.

New-style poetry is thought to combine elements of both prose and formal poetry, a sign of modernization inevitably coming from Japan. Yet this acceptance of what is deemed a fait accompli generates criticism of what is perceived to be Ch’oe’s lack of poetic consciousness. At the same time, the critics’ focus on the syllabic measure of Ch’oe’s poetry bespeaks their own concern with metrics as the testing ground for literary modernity. Cho Tongil, privileging the poem with versatility, describes “From Sea to Young Boys” as both free verse and formal poetry. His logic is as follows: reading a stanza of varying line length, one discovers free verse; reading all six stanzas and noting the inter-stanzaic symmetry, one discovers a set poetic form. New-style poetry, then, is seen as something caught in the middle ground between form and freedom. What has been left out in this discussion centered around meter is the larger interpretation of rhythm as determined by an individual’s breath; such is the definition of rhythm associated with verse that is ‘free.’ The uneven line length in a given stanza of either of both “From Sea to Young Boys” to “Flowers” by Ch’oe Namson imagines such an end, but the actual practice of symmetry of the stanzas, represents a formal in-betweeness, between poetry that is bound by meter and one that resembles free verse.

Close Reading

From Sea to Young Boys (stanzas one, three, and six)

I.
*T’yolssok, t’yolssok, t’yok, sswa.*
Is it a boulder like a high mound atop a great mountain?
What is this thing, what is it.
Do you not know my strength, shouting like this
*T’yolssok, t’yolssok, t’yok, t’yururung, k’wak.*

III.
*T’yolssok, t’yolssok, t’yok, sswa.*
If there are still those not being before me
Let yourselves be known and we shall see.
First Emperor of Ch’in, Napoleon, is that you.
Who who who who are you, do you, likewise bend?
If there is anyone to contend with me, come.
*T’yolssok, t’yolssok, t’yok, t’yururung, k’wak.*

VI.

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15 Cho Yonhyon, following Paek Ch’ol, establishes this lineage. See Cho Yonhyon, pp. 50; 117-118.
16 Kwon, p. 274.
17 Kim Pusik, for instance, designates the function of poetry to edification, transmission, and observance of formal rules set by the classics. See Cho Tongil, end of volume one.
18 Cho Yonhyon, p. 118.
19 Chong Hanmo, p. 194. What Chong notes is the poet-historian’s lack of consciousness of rhythm and his concern for numbers.
20 Cho Tongil, 4:404.
T'yołssok, t'yołssok, t'yoł, sswa.
That world, those people, all are hateful
But there is one thing loved among them
Brave and innocent throng of young boys
Come to my arms and be held
Come, young boys, I will kiss you.
T'yołssok, t'yołssok, t'yoł, t'yołurung, k'wak.

Driven by onomatopoeia and the narrative form, sound insists on becoming meaning and telling a story. In the first stanza, the first line is followed (and the last line preceded) by three active verbs (hit, break, demolish) which come close to semantically rendering the first line. The stress on sound becoming sense underlines the self-sufficiency of the language that the poet exhibits with redoubtable aplomb and energy; it is a language which at once releases itself as direct speech and supports itself as a voice of witness, both declaring and commenting on the declaration (“even shouting like this”). Such a self-sufficient, monologic voice at the commanding post demands affirmation of its own power from the listener.

The voice becomes individuated in the poem, creating a gap between perception based on practical language and one based on interpretation, on meaning behind the sign. What appears to be new about this poem, how it differs from ch'angga with its practical use of language to convey information and message, is that the speaker uses language in a way that refers to another realm. This is a form of what might be called the allegorical, as supported by Kim Yunsik’s use of paeyok (character) poetry in which there exists a representational relationship between speaker and poet.

The authoritative voice in Ch’oe Namson’s “From Sea to Young Boys,” subsumed under the value of telling, rather than speaking, is unquestionably a didactic one that diminishes the need for a persona, the figure though which voice comes, and becomes pure voice of rhetorical subjectivity. A persona would invite a dialogue, but the sea, more of an allegorical mouthpiece than a dramatic persona or mask, becomes the substitute for the poet demanding that the addressee, clear in the title, respond to the call for active duty. This keeps the poem fully narrative, the voice of the speaker intervening to direct a story which has not yet unfolded.

The message of the poem seems to push for the destruction of the old and the embrace of the new. The anti-past rhetoric common during the period of enlightenment, from the linguist Chu Sigyong’s call to abandon the impractical, sino-centric use of the Chinese script to Yu Kilchun’s call for new learning (tempered by reference to past accomplishments but certainly privileging the present),22 the emphatic tone of the poem speaks for an unambiguous break from the past. The strange, self-generated authority of the speaker as sea invites no response of freedom but submission to a cause sanctified by tradition. The rhetoric of severance from the past emphasized by the cacophonous onomatopoeia employs the traditional device of moral teaching. The voice undeniably carries the residue of Confucian virtue of master to disciple instruction; it is not a dialogic voice to contend with. Devoid of metaphysical authority, e.g., as that found in the voice of the whirlwind in the Book of Job, the all consuming voice of the sea, which is not that of a professional poet but a self-professing historian, instructs the listeners to comply with its demands to crush the old and embrace the new.

The image of the sea, a leitmotif in Ch’oe’s early works, breaks a certain horizon of expectation of literary convention familiar to readers of traditional Korean poetry. During the Choson dynasty, water imagery was generally limited to that of the river and often used by scholar-official poets dreaming of utopia. The poem would have surprised the reader with, not simply an image, but, a voice of the sea as agent of active participation and change, displacing the peaceful riverscape of a fisherman singing that “roaring waves” “drown out the clamor of this world.”23

Allowing for an escape away from the corruption endemic to political life, the river, often portrayed as the habitat of the wise fisherman free from worldly cares, was seen as a place of refuge. As a sharp turn

21 Kim Yunsik, p. 245.


23 Here, I refer to one of most well-known traditional poems in Korea, Yun Sondo’s (1587-1671) sijo cycle Obu sasisa (The Angler’s Calendar): See Peter H. Lee’s translation in Pine River and Lone Peak, p. 167.
away from the eremitism of traditional poetry, the activism advocated by Ch’oe’s poem, the going-out-into-the-world demand made by the voice of violent waters, would have invited curiosity. What would have been evoked by the poem would be a curiosity about what lies across the sea: Japan across the Eastern Sea and the United States across the Pacific. As its readers, the title leaves no room to doubt, were generally young boys hungry for education not available in Korea, the image of the sea would have encouraged dreams of travelling across the aggressive yet promising waters.24

In addition, “From Sea to Young Boys” contributes to the change in the reader’s attitude toward poetry by imposing the visual over the orality of song. It is incontrovertible that poetry starts to become fixed in print as visual matter, its form regulated by stanzas, to be seen and read, rather than to be heard and sung. This visible separation of poetry from song (never made fully, it must be added) becomes the test of modernity for critics trying to locate the moment of the break between the communal act of listening to song and the private act of reading poetry and finding Ch’oe’s lack of clear distinction between song and poetry to be wanting. Noting the genre names for song and poetry attached randomly throughout the pages of Ch’oe’s journal Youth, one postliberational literary critic of enlightenment verse reflects on Ch’oe’s “immature genre consciousness.”25

Why would a poet necessarily be concerned with “genre” when he has already explicitly stated that he is experimenting with yet without having set parameters for what he simply perceived to be new poetry? What is in question here, is not Ch’oe’s perceived lack of distinction between two “genres,” but the critic’s perceived need to isolate song from poetry in an attempt to place the two in a successive line of development. The anxiety over this blurring of boundaries, over the difficulty of isolating song from poem, reflects a desire to produce a steady and observable, cumulative development of what can be readily discerned as modern poetry; this would be poetry moving toward an expression of freedom that was separate from song, i.e., prose poetry.26

Not surprisingly, this language of progress becomes implicated in the identification of specific poems under spotlight. “From Sea to Young Boys” is dubbed chun chayusi (pre-free verse),27 implicitly a poem looking forward to “Fireworks.” Meanwhile, Ch’oe’s “Three Old Poems” is described in turn as ch’angga and sinch’esr : the first a sung form and the other not. Such attempt at delineating new-style poetry as a form free from song differs among critics themselves. The notion of the song—new-style poetry sequence also precipitates claims that the latter is a more “professionalized” form which contains premonitions of free verse.29

The break away from the 7.5 meter and the uneven line lengths engendered by the break allows for the poem to appear to be in a freer form. At the same time, each line of the subsequent stanzas echoes and symmetrically complements the corresponding line of the first, resembling the physical correspondences of the ch’angga form. The use of the Chinese transcription of Napoleon into the tri-syllabic Nap’allyun in the third stanza gives an example of the adjustment made on content to fit the form. The form cannot be called ‘free.’ What is most notable is that a personification of the sea as a speaker has occurred. The conceit of the sea as a righteous person, combining moral purity with unbeatable strength leads to a moralization of the landscape.

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24 This was the age of studies abroad to Japan and to a rarer extent, to the United States. The first group of students to study in Japan, including Ch’oe Namsung, left Korea in 1904, sponsored by a government scholarship. See Kim Yunsik’s Yi Kwangsu wa kuui sidae, p. 461: The youth stands at the shore. Enlightenment lies across the sea. . . . there is no poem before or after ‘From Sea to Young Boys’ that symbolizes the fact that new knowledge had to be acquired.”
26 The terms free verse and prose poetry are often used interchangeably: Kim Yunsik chooses not to distinguish one from the other in his description of “Fireworks” by simply creating a hybrid of the two through the use of hypenation, i.e., chayusi-samnunti. See his Han’guk munhaksa (History of Korean Literature), p. 132.
28 Kim Yongjik, p. 93, relegate the poem to ch’angga, based on the 7.5 meter. Cho Chihun differs in his assessment: departing from the precedent set by Paek Ch’il and Cho Yonhyon, he calls “Three Old Poems” as the first new-style poetry.
29 Kim Yongjik, Han’guk kundae sisa, 1: 97.
Power and size are defined in moral terms. Moralization begins with a methodic denial of the subjectivity of all creatures who are deemed inferior. In stanza five, the sea declares that sky is his only worthy partner, its size, length and width being as large and morally pure as itself; the moral authority of nature is contrasted with its absence in man. As the young boys are evoked in the final stanza, they take on a residual subjectivity as the only object of the sea's approval and affection. The youth of the boys is emphasized for their perceived innocence and moral purity, as well as the imminence of physical strength to come in manhood. At the same time, the personification of the sea through an amplified subjectivity depersonalizes the young boys.

Ch'oe Namson's *Kujak samp 'yon* [Three Old Poems] (Also titled by its first line, *Anunya nega;* “Do You Know,” 1909.4.1) can be read as metapoetry, a summons to moral reflection about poetry as a document of history, rather than a creative work of inspiration. The term *ku* “old” presents an ironic juxtaposition to the poet's conscious use of the novel for his project of “experimenting with new poetry by using our language.” Followed by a lengthy disclaimer that he is not really a poet, the speaker projects the voice of the first person plural *uri:* the first line which is repeated in slight variations through each of the three stanzas builds up the momentum of “our” poverty of weapons, followed by the contrastive turn in each stanza which indicates that “we” are still those who will “take up what is right and walk but rectified follows the wide road.” The voice of the collective as the materially dispossessed, yet with moral leverage, leaves no space for the lyrical. So where does the lyrical energy go?

Even when the speaker seems to be at the verge of capturing the lyrical as in the poem “To Flowers” written in two symmetrical stanzas of varying lines, contemplation of beauty leads to the primacy of the ethical. In “To Flowers,” the admiration which the individualized subject gives to the conventional object of beauty lies in the flower’s ability to protect its seed. The speaker, individualized this time, insists that his attraction to the flowers is not a response to their physical appearance or fragrance. There is no lyrical transport. This deliberate turning away from feeling for the sake of a moral lesson is indicative of Ch’oe’s position on poetry. Whether he is writing of travelling around the world in “Around the World” placed under *ch’angga* and offering a geography as well as a history lesson on the various countries of Europe or commanding that the youth of the nation embrace the knowledge and experience to be gained across the seas, or contemplating the fortitude of spring flowers, the focus of the poet is on the practical, utilitarian function of poetry as vehicle for knowledge and moral encouragement. So, again, where does the lyrical energy go in the light of instruction?

Yi Kwangsu, Ch’oe’s most well known contemporary, has also written poems set in untraditional meter that have been classified under new-style poetry. His “Maldukkora” (Listen) published in *Saeb yol* (New Star) in September of 1919 is a salient example:

Mountains, listen. Why do you laugh?
Weren’t you touched by the beloved
when you think of love why wouldn’t you cry
You may not have any intent, but how I miss...

Rivers, listen. Why do you sing?
Didn’t you wash the beloved’s feet?
If you think of love, why wouldn’t you feel
You may have no mind but weep.

In the above two stanzas out of the three making up the poem, one can clearly detect the resemblance of the last line of each stanza to a song’s refrain; the line-to-line correspondence of the stanzas provide the terms of the regularity of the poem. The direct form of address to the second person, the voice of command and the rhetorical questions become conventions in the internal coherence of the poem with its close ties to mnemonic song.

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30 Kim Yunsik, *Yi Kwansu wa kuui sidae,* p. 461: “The youth stands at the shore. This youth symbolized new strength and innocence.”
While most critics paraphrase the content of Ch’oe’s poems and emphasize his adherence to measured meter, Chu Yohan’s poem “Fireworks” is evaluated somewhat differently. Immediately placed under the rubric of ‘romantic-symbolist’ mode, the work elicited tremendous response by its contemporary readers. From Chon Yong’taek’s “filled with symbolic suggestiveness, its first characteristic is ambiguity” to the novelist Kim Tongin’s “like spring mist, it makes the heart cry,” the appearance of Chu’s poem in the inaugural issue of Creation created a sensation. Why such immediate appeal of “Fireworks” to its readers in 1919? What happened during the decade after the publication of “From Sea to Young Boys” that prepared the way for a poem like “Fireworks” to be written and acclaimed without reservation?

The teens was a decade of coterie magazines and journals. Sonyon (1908-1911) was followed by Ch’ongch’un, Hakchigwang (1915), and others carrying works by young poets and writers. Among them, T’aeso munye sinbo (Western Arts News) in 1918 carried translation of Western literature, most notably that of selected French symbolist poetry. The first section of Verlaine’s “Ariettes Oubliees” (Songs Forgotten) from Romances sans Paroles (1874) appeared as Korie narinun pi (Rain Falling On the Streets) in its first issue. What has been called sunsu (pure) literature published in the journal, became a signal to some, as the departure from didacticism. The new value of suggestiveness over righteousness, the latter the long-held Confucian mandate for all poets, and the amoral tone implicit in the value notably created a stir. The appeal of “Fireworks” can be attributed to its immediate ability to evoke feeling. While other contemporary poems used the language of subjectivity in the form of the first person singular na, Chu Yohan’s poem was different in that it employed both vocabulary and form regarded as departing from contemporary didacticism as well as the traditional lyricism of sijo, an elastic lyrical form still bound by the three line structure of varying three and four beats.

Written in sentences without regard to line or stanza, the poem was dubbed ‘free verse’ from its inception. Though subsequently corrected as prose poetry (sanmunsi), the steadfast emphasis placed on this work is that it is free from measured meter. What it does embody is the rhythm based on breath, in short spasms of angst and longing to long, drawn out grammar of introspection, signaling the expression of one person’s soul in dynamic tension with the outside world. Whether or not the poet had come across Kim Ok’s “Sihyongui umyulgwa hohup” (The Rhythm and Breath of Poetry) published months earlier, Chu’s poem embodies the idea that breath represents the integration of the poet’s soul and body.

Receiving kudos for its newness in 1919, “Fireworks” became a canonical marker as “fully modern poetry” in the postwar fifties, following the discontinuation theory of literary history first set in the early thirties. Evaluation of “Fireworks” and its poet begins to take a critical turn by the 1970s. With the rise of nationalist criticism and the concerted effort to link individual subjectivity found in literary works with that of the nation, literary history takes on a sharper tone in its evaluation of Chu Yohan. Under such chapter headings as “The Discovery of the Individual and Nation,” the poet receives credit for the breaking of form as a conscious move toward the masses (minjung). The “free verse-prose poetry” form (the critic does not distinguish one from the other), as a product of a deliberate move against versification, is deemed to

31 Paek Ch’ol, p. 141.
32 Kim Pyongch’ol, p. 175.
33 Chong Hanmo, pp. 256-7: Chong states that the confusion between free verse and prose poetry occurred in the presentation of poems published in Western Art News (1918). He conjectures that what appeared to be free verse with a narrative content arranged in lines came to be called prose poetry, that the term prose poetry was used contrastively against formal poetry.
36 Im Hwa is the author of what is considered the first Korean literary history. Published in 1935 as Choson sinmunhahoon sosol (Introduction to the Treatise on New Literature of Korea), Im’s work concurs with Yi Kwangsú’s “severance from the past” theory (chont’ong tanjollon). He posits ‘new’ literature as modern literature combining the spoken with the written Korean language, along with freedom from didacticism. In this context, ‘modern consciousness’ requires Korean content in a Western form:

The subject of new literature is, of course, modern literature of Korea.
Modern literature of Korea is, of course, literature in the Korean language which makes modern consciousness the content and Western genres the form (p. 373).
37 Kim Yun-sik and Kim Hyon.
embody a “fighting consciousness for the sake of the individual and the nation.” Yet, what is reproved is the very feature of the “Fireworks” that set this consciousness in motion: expression of individual feeling and undesignated rhythm. Without a detailed analysis, Kim Yunsik criticizes the rhythm of “Fireworks” as exaggerated and its embodiment of individuality excessive.  

Upon a close reading of the poem, this argument against overt individualism is an interesting one in the light of the project that the work is engaged in. The poem moves through a series of sense evocation leading to a descent into interiority. If the movement of “From Sea to Young Boys” is an outward projection of the didactic “I” toward the depersonalized landscape, the movement of “Fireworks” can be seen as a centripetal one starting from the landscape and moving inward toward the lyrical “I.” Structurally, the poem moves between description and introspection, between the appearance of the outside world and the state of the speaker’s soul:

The day wanes. The evening-glow sinks into the lonely river, crimsoning the western sky. With sunset comes another night when I must cry my heart out in the shade of an apricot tree. Today is Buddha’s birthday, the eighth of the fourth month, and crowds of people throng about the streets, all soaked in a festive mood. But why should I be left alone in sorrow amidst the stir and bustle of the celebration? 

The rhetorical question sets the melancholy speaker apart as a subject alienated from the anonymous, festive crowd, the subjectivity of the speaker emerging readily as one brooding over his solitary condition. The transition from outward description to introspection becomes intensified through the juxtaposition of senses in the section that follows:

Ever so many balls of fire are dancing madly. As I watch them from the gate of the city wall, the smell of water and sandy flats assails my nostrils, fulgent torches swaying and scraping the sky. And then unsatisfied, they go on consuming themselves. A youth, with darkness cutting into his heart, tries to toss his purple dreams of the past into the waters of the river. Can the heartless flow of the river stop his thin shadow? How can flowers stay fresh when plucked off? As good as dead in life, lost in the thought of my beloved, shall I let this flame burn out my heart, burn down my sorrow?

The amalgamation of sensory images creates a cumulative effect of intense feeling, the sight (and heat) of rising flames followed by the smell of water and back to the image of flames now becoming “fulgent torches” in physical contact “scraping the sky.” The sensory overload, filled with both unexplained reference (what is the smell of water?) and clearly insinuated potential for destruction (flames), then, sets the tone for the drama unfolding inside the person. What is interesting to note here is that the voice now becomes that of a detached third person: the speaker describes a youth trying to “toss his purple dreams of the past into the water.” Removed from the interiority of the “I,” the effect created by the third-person perspective is something that comes close to both pathos and deflation, the speaker standing beside himself to sympathetically observe the vulnerability of “his thin shadow,” and, at the same time, to notice that he is young, a youth whose dreams will lose their intensity in time. But the possibility of such rationale recedes in the return of the dramatic first person: “I would rather put an end to it all, plunging into the water.”

The thought of suicide by drowning is halted by the intervention from without. The sound of firecrackers awaken the speaker from his reverie and stimulates the desire to live: “Would that I lived a more passionate life, a flaming life, like those fireworks that leap up their tongues. . . “ Thus, the outside world, through the awakening of the sensorial, interrupts the inner workings of the mind and rechannels thought from desire for death into that for life. It aids in the self-correction of the speaker who, just prior to hearing the crackling of the fireworks, wonders about the worth of such an act were he to pursue it: “Yet, who will ever pity me, lament over my loss?”

38 Kim and Kim, p. 130.
39 Ibid., p. 132.
40 The translation used here is by Jaihiun Kim: See his Contemporary Korean Poetry, pp. 5-6.
It is also through the auditory sense that the speaker is taken further downward into a realm of thought in which the barrier between the outside and the inner world breaks down. The latter half of the poem moves quickly through a labyrinth of sounds, particularly that of laughter:

When the warm April breeze strokes across the river, the crowds in white start to mill about on Peony Hill by the clear river. And at the touch of wind, the fiery wavelets laugh a lunatic laugh and the fish dart, scared, into the sand-bed for shelter. Aboard the boat sliding down the currents, figures of men rock to the sleepy dancing rhythms, shadows flickering in a peal of laughter, and then a youthful courtesan chants in a drawn-out voice under a lantern hanging overhead. And the oarlocks alone squeak as if to give some meaning; they weigh down my heart.

Look how the river laughs. A weird laugh. The chill waters laugh looking up to the blackening sky. The boat comes into view gliding down the waves, oarlocks squeaking, accompanied by the sorrow in every gust of wind. . .

The laughter of the crowd in celebration which represented the speaker’s alienation and envy mutates into the “lunatic” laughter of night waters and the laughter of drunken revelry. This transformation of jovial laughter into an expression of lunacy and loss of consciousness, looked askance at by the nationalist literary historian as a deviation into a dark and excessive solecism, initiates the descent into an unexplored territory, both in the context of the persona’s physical trajectory and the implied journey into the psychology of the youth in search of a meaningful life: “And the oarlocks alone squeak [my emphasis] as if to give some meaning; they weigh down my heart.”

Defamiliarization occurs through the falsification of an assumption established by “From Sea to Young Boys.” That is, in “Fireworks,” the reader is pushed up against the possibility that sound does not equal meaning. This distance between language and referent increases, as the speaker loses interest in the dissipated laughter of others, “sick of the incessant dinning of the drum.” In a sharp departure from Ch’oe Namson’s onomatopoeic rendering of sense already noted, the gradual disappearance of the correlation between practical and poetic language causes a burden for the speaker who finds himself further alienated inside a boat of merrymakers: the squeaking oarlocks corroborate the failed attempt of sounds to convey meaning.

Yet, one also notes that this separation between sound and sense is sublimated by the dramatic movement of the poem in which the voice of the poet takes over that of the persona and dominates the landscape. As description gives way to the command form in the final section of the poem, the persona recedes, and the poet emerges from the background, addressing the persona in the second person: “Row the boat against the rapid currents of the Taedong River all the way down to the Nungna Isle, where your sweetheart awaits standing barefoot on the bank.”

As the poem ends with the call to carpe diem, the voice takes on the familiar didactic tone of the earlier poem: “Seize the day. That is the only certitude. Boys, live today, enjoy tonight, delight in your own red-flaming torch…” In the sweeping gesture of instruction, the poet escapes the persona he has created and comes to share Ch’oe’s posture of authorial intent. The poem ultimately crystallizes in the message to seize the day. Its culmination in the classical Western credo of living in the moment avers the message of the earlier poem calling for action; both are addressed to the young male readers of coterie magazines. As both the audience and the recurring object of affection and repository for hope, the boys represent the future that the young poets themselves are part of; thus, the self-reflexivity implicit in the command which remains its lyricism blurs the distinction between subject and object in Chu’s poem. This is a notable contrast to the subject-object dichotomy in “From Sea to Young Boys” which, for its obvious limitations, cannot be fully
lyrical. If the poets are seers they are also young intellectuals whose visions, from the beginning for Ch’oe and in the end for Chu, are intensely practical and outward bound, embracing a collective by which they themselves are sustained.

What Chu Yohan has achieved is a lyrical poem of solitude with the potential for privatization of language, that, in the end, turns away from the downward direction of interiority out toward the world; when the speaker who has moved from the first to the second person vanishes, the voice of the poet emerges as if out of a loudspeaker, addressing a generation of young men to live a passionate life. As the lyrical voice derails into, as they say in Korean, the Port of Samch’ön, instruction rears its head onto what had heretofore been a landscape of feeling; it arrives at the station of didacticism. In contrast, “From Sea to Young Boys” is didactic from the beginning and clearly emerges from a traditional milieu of literature’s kin to practical learning. “Fireworks,” the first so-called “free verse” in Korean, with its value of defamiliarization and freedom from conventional form, in the end returns to literature as the familiar place of learning.

This final destination of the poem raises a question concerning the immanence of ethics in Korean poetry. If a decrease of didacticism, along with the privileging of symbolic use of language, becomes a recognizable sign of modern literature, and if, for a moment, we posit the persistence of didacticism as a problem in Korean literary modernity as exemplified by its presence in a poem which has been long valorized as modern for its aforementioned differences from the premodern, an answer to this question can be said to lie in the poet’s own ambivalent stance regarding the promises of the ‘new’, i.e., the ideology of French symbolist poetry which he can be surmised to have been in contact with in Japan.

The middle school education that Chu received at Meiji Academy from which he graduated in 1918, one can assume, offered the young poet a more substantial grounding in literary studies than had Ch’oe Namson who spent several months total during his trips to Japan in 1904 and 1907. In addition, the latter was a student of history and geography, and his literary interests, it can be said, served his passion for geography and history, as can be clearly attested by his “Around the World.” Also, ten years Chu’s senior, Ch’oe Namson belonged to an earlier generation, the first to experience the otherness of Japan through a national scholarship founded before Korea’s annexation by its neighbor, and the eighteen-year-old’s optimism which can be witnessed through the reading of “From Sea to Young Boys” reaches that of a vision of utopia, a happy world of learning for young men.

The longest of the five poems in unfixed meter published in the first issue of Creation, and the only one in which the rhythm resembles that of prose, Chu Yohan’s “Fireworks” is a work which knits feeling into a new form that prepares for the content of a new experience brought to light by the poem. This is where lived experience meets poetry and where the latter exerts the possibility of having an effect on social praxis. The new form accommodates both an intensely lyrical and sequential narrative. That is, the alienation and melancholy expressed for most of the poem through the languor of the rhythm running on sentences at the same time tells the story of a young man’s overcoming his obsession with love and death through an ethical leap out of its consciousness: “What of the chill gust rising in the wake of the boat? What of the weird laughter? What of the dark and depressed heart of a love-torn youth?”

This wake-up call is something that the ‘new’ mode of expression, i.e., the fall into feeling via ‘romanticism’ (or its successor ‘symbolism’), did not promote. The same issue of magazine carrying “Fireworks” also introduced the works of several Japanese poets of “new poetry,” e.g., Shimazaki Toson.

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41 Here, I turn to Kim Yunsik for collaboration: Kim adduces that “From Sea to Young Boys” is not lyrical for its explicit purpose and intent.

42 Cho Tongil, 1:282. The neo-Confucian belief emphasized that literature is that which delivers truth.

43 One need only to glean through the pages of his journal, Sonyon, to discover the extent to which the teenage intellectual gathered knowledge and was an exponent of sharing it. The first issue (1918.11) headed by three photographs (of the emperor’s son and the Japanese minister of culture, of Niagara Falls, and a portrait of Peter the Great), Ch’oe most well known poem is followed by various educational forums, such as aphorisms ranging from sayings of Confucius to British folk sayings, Aesop’s fables, reading lessons in Chinese, and biographies of famous figures.

44 Here, I refer to Jauss’s stance against the idea that a new form simply serves to give shape to a pregiven content. p. 41: “It can also make possible a new perception of things by preforming the content of a new experience first brought to light in the form of literature. The relationship between literature and reader can actualize itself in the sensorial realm as an incitement to aesthetic perception as well as in the ethical realm as a summons to moral reflection.”
in the mode of the two “isms” mentioned above. Through the vehicle of the didactic, the poem driven by the burden of an internalization of the world realizes a self externalized onto the world, i.e., the audience outside the text. Yet, it was also the new which allowed the poet to question its difference from the old as a solution to the problem of the present: the absence of political freedom. Can interiority become the solution to the loss of sovereign identity? What “Fireworks” teaches in the name of “seize the day,” is passion without a prescriptive national purpose: one can find no leverage to give it a political reading. And it can be said that the political problem becomes sublimated, leaving no trace in the text in order to pose the literary solution itself as the problem to be overcome.

Many of the poems which appear in the collection with “Fireworks” are poems that are self-referential, looking back on itself as a song that will break through sound to become meaning:

To Song

Song my song, come out.
Out of the needless sigh and sick noises
Out of clumsy imitations tears gone cold
Throw away the black coat like malaria, come out.

The voice calls out to claim the power of words to break through the barriers of surroundings and to “come out.” “To Song” invites language, the material of the poem itself to “come out” from the coverings of imitative style and melancholy mood, as if the language of invocation itself will strip the language of contemporary poetry of affect and perform an act of purification and healing. The poem becomes a struggle against itself to be free of the ‘new’ literary forces coming into Korea via Japan; its insistence on genuine meaning reflects back on the belief that poetry is meaning before language.

In “Alone Beneath the Stars,” song produces meaning for the speaker: “Song coming from the squeaking of the oars/ the song that I sing alone, alone beneath the stars.” Speaking to “Fireworks,” this poem contains an intertextuality that weaves the two poems together in a question and answer form. If the speaker of the earlier poem has asked the question, “how is it that I can make meaning?” and posing the definitive but vague answer, “seize the day,” then, the speaker of “My Song” answers more concretely, “by singing.” The value of sounds connected to meaning has been reestablished. The speaker of the later poem has made meaning of the cacophony of aimless rowing of the earlier poem: the sounds of the oars, which had left the speaker in “Fireworks” with frustration and lack of understanding, now becomes the song of the speaker himself performed under the night stars in solitude. So, how does this aloneness, which appears to be the environment in which genuine meaning is created, relate to the audience, the crowd at large, and how is meaning to be delivered to them?

Chu Yohan’s commitment to national literature is made clear by 1924, the year of the publication of his first collection of poems, Arumdaun saebyok (Beautiful Dawn). In the introduction to his poems, he conveys his thoughts on the need for an anti-concept poetry that all can read:

I have no interest in “people’s poetry” (minjungsi) made with “concepts,”
but I believe that poetry by nature is something that can draw near to the people
and in order for it to become that way the thoughts, emotions, and language
contained must blend with the mind with the people.

This idea of blending, literally “to roll together” in the original, seems to point toward the meeting of form and content that does not lay bare an ideology of nation. The mass appeal that the poet instinctively encourages is, for his purposes, apolitical, and though the “mind of people” that Chu is interested in coincides with Ch’oe Namson’s articulation of the “mind of Choson” which the latter finds eventually in the sijo form, Chu will arrive at the same conclusion much later, and without the same force of conviction and power that Ch’oe Namson, in some ways a lesser poet, comes to articulate through the construction of “Choson chuui” (Chosonism) through his rediscovery of the sijo form.

45 Here, I turn to Cho Tongil’s distinction between didactic poetry as “externalization of the self” and lyrical poetry sijo as “internalization of the world.” For example, see Cho,1:22.
46 Yi Kyubo (1168-1241) defines the essence of poetry as the establishment of meaning (ui) before words (sa), these two aspects of poetry are preceded in his theory found in Paegun sosol (Small Talk on White Cloud) by heaven (ch’on) and material force (kt). Cho Tongil, 2: 42.
Revival of *Sijo*

In the preface to Ch’oe Namson’s collection of *sijo*, *Paek’al pommoe* (One Hundred and Eight Afflictions) published in 1926, the intellectual and writer Yi Kwangsu recollects the words of the poet who turns from “new poetry” to revitalize an old lyrical form:

> “Sijo beyond pleasure,” Yuktang told me once that this was the purpose. It is true that the majority of ordinary *sijo* possesses the air of amusement and certain that Yuktang’s *sijo* goes beyond it. I surmise that he spent three, four days agonizing over one poem... He found in *sijo* the best vessel to express his anguish. So that is the kind of poem he writes. *One Hundred and Eight Afflictions* is a collection of such *sijo*.

From such commentary, one can detect two impressions made by *sijo* at this time: that of labor-intensive workmanship and of pliability of form. The former pronounced the act of creation to be difficult, and the latter appraised its elastic form a “vessel” which can hold anguish. How did the *sijo* form, which took a back seat to the experimental ‘new’ poetry in the spirit of enlightenment become Ch’oe’s chosen mode of expression by the mid-twenties?

*Sijo* had continued to be written and published throughout the 1900s and 1910s with certain notable changes: punctuation of lines, truncation of the third and final line, and the addition of satiric exclamations found in folk songs. Published in *Youth* two months before the Japanese annexation of Korea, Ch’oe Namson’s *sijo* series “Taedong River” embodies the tension marked by these changes. The following are the second and fourth in the sequence of six:

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Mountains and rivers are lovely
But who is the one with character?
Pointing to the mountain full of stones
My thoughts grow deep,
The children kicking “ball”
Do not have much feeling for it.

Fold the sail, let’s get off
The Yellow Sea is over there,
For sight seeing
As our beloved departs,
The sunlight appears
Evil wind and waves.
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In each example, the tone conveys an anxiety accentuated by the final line (divided into two lines in the translation), two to three syllables short of the convention of *sijo*’s final line. In the first case, children are playing ball, in contrast to the speaker’s own act of contemplation; in the latter, the wind and the waves do not cooperate with the speaker’s plans to land his boat. The ending of the poems does not provide a resolution to the situation. The truncation of the final line, often interpreted as a radical break from the past, provided the opportunity for doubt and vulnerability expressed in the form whose much praised elasticity became more apparent through this transformation. Different from the enlightenment verse in which the tone of optimism (patriotic songs) or that of sarcasm (society’s lantern kasa) and also different from the tone of confidence and authority in the new-style poems, the *sijo* form is accompanied by lyrical possibilities that are not connected to leisure (yoyu) as it had been in the past.

In the end, the ‘new’ was as much about revitalizing the ‘old’ than it was about breaking away from it. The rhetoric of moral goodness attached to the ‘new’ and invariably linked to the utopian vision of enlightenment thinkers would become shattered by the colonization of Korea. Japan was both the medium of the ‘new’ and the oppressor of a nation learning the specious terms under which its nation and literature...
could be made 'new.' With this moral bankruptcy ended the illusion that the 'new' had the power to save a nation from its 'evil' past: it was bringing on evils of its own. If "From Sea to Young Boys" fulfills the moral authority of the 'new' with an austere didacticism, then "Fireworks" questions it through both indulging in feeling, the amoral manifestation of the 'new,' only to awake from it. It is also important to be reminded that the latter was written from the perspective of one already colonized.

Thus, the project of modernity takes on a complex and morally ambiguous turn. This turn leads to Ch’oe Namson’s eventual embrace of sijo as his chosen form for poetry and to Chu Yohan’s ambivalent engagement with romantic-symbolist literature already shown in "Fireworks." Chu Yohan also returns to the sijo form by the late twenties, after pointing out its perceived sinophilic limitations earlier, and the return to the familiar energy of sijo becomes a stronger force than defamiliarization for these poets. At the same time, this act of returning attests to the power of cultural essentialism which would redirect literary history to tell the story of the ‘new’ we, the national collective, whose reappropriation of the past became the key to the development of modern literature.
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GENDER, POLITICS AND THE HOUSEHOLD IN THE SHORT STORIES OF PAK WAN-SÔ

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Introduction

Pak Wan-sô (1931- ), though little known in the West, is perhaps the most notable female author currently writing in South Korea. Her works have not only received prestigious literary awards but have topped best-seller lists, and, like Yi Ch'ông-jun and Yi Mun-yôl, writers who similarly enjoy both recognition for their literary skills and a mass following, Pak has seen her fiction successfully adapted for screen productions. In Pak's case, however, wide popularity (especially among a female audience), taken in combination with the author's own gender, has produced controversy in the critical reception of her work. If we grant that there exists a hegemonic ideology for women in Korea, and if, with Dianne Hoffman, who writes on blurred gender roles in Korea, we take it as axiomatic that "wherever there exists a dominant ideology for women, one finds a popular culture that shapes everyday life in ways that subvert or even contradict the dominant ethos," it comes as little surprise that Pak's works have at times been regarded as mildly threatening.

In this essay I have two main goals: 1) to bring the writing of Pak Wan-sô to the attention of a larger audience; and 2) to offer a close reading of several of her short stories from the 1970s and discuss a dominant pattern that emerges within them: one of the most remarkable features of her works is their melding of domestic and political concerns and the way the latter sphere impinges on the former. For example, in "Chippogimîn kûrôhke kkûmmattada" (Thus Ended My Days of Watching Over the House, 1978), an ominous opening encounter with the authorities raises expectations of a story of externally-directed political protest, but leads instead to an incisive examination of politics within the household itself. A similar narrative strategy is employed frequently in Pak's work: what may seem initially to be a story with public concerns then turns to center upon family relationships or vice-versa, as personal drama suddenly takes on wider implications.

iPak won the Korean Writers Award in 1980 for "Kû kaûrûi sahûldong'an", the Yi Sang Literature Prize in 1981 for Ômma ūi maultuk, and the Isan Literature Prize for Mimang in 1991. Her novel Sô itnûn yôja became a highly-rated television drama, while the film version of Kû hae kyôurûn ttattûthae tte starred An Sônggi, arguably South Korea's most prominent actor.

iiCho Hae-joang, "Pak wansô munhak-e issô pip'yôngûn muôsin'ga" in Pak Wansôron, ed. Kwon Youngmin (Seoul: Saminhaeng, 1991): 127-178 provides a useful overview of scholarly writings on Pak. Here Cho examines the interpretations—or, in her view, misinterpretations—of male critics who, as she argues, habitually misread Pak's fiction, either because the practice of literary criticism privileges the world view of the critic over that of the writer or because Pak becomes for her critics simply the representative writer of the literature of women's liberation; in fact, she notes, these two reasons are likely inseparable from one another. Cho goes on to identify three basic categories of response to Pak Wan-sô: first, a group of critics who, after classifying Pak's work from an elitist position as "popular literature," have treated it in a manner that Cho sees as not only insincere and unbecoming of specialists ("mûsûngûlhago pipjômunjôgûro"), but as betraying flashes of misogyny; secondly, scholars who appreciate Pak's work and attempt to elucidate its meaning, a group largely composed of older, respected male critics, but whose analysis suffers from an insufficient recognition that masculine reality is not all reality; and third, female critics themselves, who, Cho argues, are constrained by the competitive exigencies of publication in Korean literary journals, and thus have had little alternative but to imitate male critics in order to survive.

Pak's fiction is built on a series of antinomies that includes traditional structural opposites such as female/male; inside/outside; domestic/political; and private/public,\textsuperscript{iv} but these various antitheses interact in such a way that the boundaries between these spheres begin to fray. And although I would argue that this feature runs throughout Pak's short stories, in this essay I restrict my focus to four texts that share several characteristics: the aforementioned "Thus Ended My Days...," "Chogŭman ch'ehŏmgī" (A Small Experience, 1976), "Chirŏngi urŭmsori" (The Crying of An Earthworm, 1973), and "P'omarŭi chip" (House of Bubbles, 1976).\textsuperscript{v} I will first set out basic story-lines and explain how each piece relates to my main thesis, then I wish to consider them as a unit and examine some significant themes that emerge. While not composed as a unit by any means, similarities in the stories encourage examination as a group: each is narrated in first person by a woman in middle age or approaching it, all of whom are married and have children in early adolescence. Each story was published during the '70s, and is set in contemporary Seoul. Moreover, all four texts, though centered within domestic spaces, reach out to comment on larger social issues, but in such a way as to make the most meaningful aspect of the public sphere its impact upon private lives; the primary meaning of Pak's oeuvre, I argue, resides not in its examination of the domestic or political but in its provocative handling of the intersection of the two.

**Men in Custody, Women in Consternation**

"Thus Ended My Days..." recounts the travails of a woman who finds one morning that an unusual guest has arrived at her home. Though ordinary-looking, this guest, whose gentle voice is charged with a strange force that inhibits the slightest objection, is vaguely sinister and the narrator finds herself instinctually shying away from him, like a baby. The first few pages of the story are tensely drawn, and grim foreboding pervades the opening; the narrator's husband, a university professor, is soon taken into custody by this visitor from the authorities, simply because, as the guest notes, some of the professor's students are "troublemakers who have been disrupting the social order" (4). The text, taut and mysterious, is noteworthy not simply for a dramatic narrative technique, which draws the reader in, but precisely for why it is able to remain mysterious. As readers we inevitably rely on our narrator for information and it becomes clear that her husband moves in a realm that does not include her: 'I had no idea what the two of them were getting at or how well they knew each other. I grew a little more afraid' (2), she says upon hearing snippets of their conversation. The inability of the wife to interpret the words that pass between the two men suggests her alienation from the world in which her husband participates. Her fearful reaction to this intrusion is important as well: "I had no idea why this man had suddenly appeared here and was bossing us around, but it certainly seemed his primary goal was to take our happiness hostage." The external, male-dominated public sphere has the power not only to invade and take over domestic space outright, but to control the emotional responses of those within. Still, the pattern of opposition Pak portrays is noteworthy

\textsuperscript{iv}Pak's works are also very much concerned with such dichotomies as young/old; rich/poor; and Korean/non-Korean, although I do not focus on these particular antitheses in this essay. The dynamic manner in which opposite spheres are depicted as continually yielding to one another is reminiscent of the philosophies underlying the yin/yang symbol.

\textsuperscript{v}For these stories I refer to the following versions respectively: for Korean texts, from Yi sang munhaksang susangchakka taep'yo chak'umsŏn (Seoul: Munhak sasangsa, 1987): "Chippoginun kŭrôhke kkûnmattda" (pp. 164-180) and "P'omarŭi chip" (pp. 114-129); from Kŭ kaŭrŭi sahūldong'an (Seoul: Nanam, 1985) "Chogŭman ch'ehŏmgī", (pp. 313-332). I had no Korean text of "The Crying of An Earthworm" available to me in New Zealand during the writing of this paper. For English texts, see ""Thus Ended My Days My Days of Watching over the House" tr. Stephen Epstein (forthcoming in My Very Last Possession, ed. by Kyung-Ja Chun); "A Small Experience," tr. Pak Hui-jin, in The Cruel City and other Korean Short Stories, Korean National Commission for Unesco, ed., (Seoul: Si-sa-yong-o-sa, 1983), pp. 57-70, "The Crying of An Earthworm," tr. Kim Hwa Ja, in Chung Chong-hwa, Modern Korean Short Stories, (Hong Kong: Heinemann, 1980), pp. 156-175. For "P'omarŭi chip" no English translation yet exists, and I have used my own renderings for the passages cited. An alternate translation of "Chippoginun kŭrôhke kkûnmattda" exists as "How I Kept Our House While My Husband Was Away" by Sol Sun-bong in Hospital Room 205 and other Korean Short Stories, Korean National Commission for Unesco, ed. (Seoul: Si-sa-yong-o-sa, 1983). Page numbers that appear in the body of this essay refer to the English language versions for the stories which have them, and to the Korean text for "P'omarŭi chip."
(and I will return to this point later): although the wife attempts objections to this irruption of politics into her home, the husband leaves meekly with the visitor, offering little resistance and little expression of love for his wife, as he tells her not to worry, to take care of his convalescing mother, and to be sure to water his bonsai trees carefully.

But once the husband has left, almost exactly halfway through the story, a striking change occurs. The political plot and protest one might have been led to expect turns out to be a narrative blind alley; the text now moves in a radically different direction, and the rest of the tale focuses not on the husband and his conflict with an intrusive and oppressive government, but rather how his absence effects dramatic changes within the household, most notably in the narrator's interaction with her senile mother-in-law. Pak here now gives us an incisive look at domestic politics, and examines unblinkingly the dynamics of the triangulated relationship between wife, husband, and husband's mother. And although there is certainly an entire article to be written on the mother-in-law/daughter-in-law relationship in the stories of Pak Wan-sō, that is not my focus. Rather, I want to emphasize how, with the crumbling of the illusory boundary that had seemed to keep the political sphere from intruding into the household, the domestic realm itself now becomes politicized and becomes the site of power struggles that overwhelm in importance the government's intervention.

The narrator finds her attempts to maintain her equilibrium after her husband's departure suddenly interrupted by an outburst from her mother-in-law, who is senile, suffers from diabetes, and is chronically famished: "Hey you, bring me some food! I'm starving to death. I feel like I've got lye in my tummy. What are you so busy with that you haven't brought me food yet?" (5). While the narrator previously had never found her mother-in-law's shrieks "incompatible with the daily rhythm of our respectable, peaceful household," she increasingly comes to question the unnatural level of peace that has long prevailed and has now been thrown into turmoil by the dramatic intrusion of public concerns into their private lives. Pak develops this notion of cultivated middle-class respectability and a filial piety kept up for appearance's sake through a sustained metaphor involving the bonsai trees the protagonist's husband keeps as a hobby. In a key passage, the narrator makes the connection explicit for us: (7)

In spite of all this, every morning I opened the curtains in the living room to make sure my husband's beloved bonsai trees were getting their ration of warm sunlight. I watered them the way he showed me. I even got up in the middle of the night to make sure the charcoal stove was still burning and keeping the living room warm. I felt no love for these tasks, however. My husband may have been satisfied with having reduced Mother Nature in a flowerpot, but I had no interest in these forcibly stunted trees beyond a touch of pity.

One day, though, I received a strange jolt as I examined the pot containing my husband's most prized pine. The tree's branches spread above as gracefully as those of a lone pine standing on a cliff, but the trunk had coiled around itself like a snake. These agonized twists and turns were almost certainly the result of the tree's being constrained to grow artificially. Had my husband also been grooming his family into a showpiece of calm and respectability as nothing more than a hobby? (7-8)

The female narrator suddenly becomes aware how the patriarch, whose life moves in public space, treats the domestic sphere much as he would an item cultivated for the aesthetic consumption of those outside the household, with little regard to the unnatural twisting and turning it causes psychically within his family.

At the same time, the narrator has been growing more and more weary of her mother-in-law's tirades and her enormous appetite: "Gradually I began to consider her an outsider...an enemy. What was hard to put up with now was...the idea of harboring an alien in our midst" (7). Under external pressures, the household

vi This diptych structure, frequent in Pak's stories, is a feature to watch for; the narrative focus often undergoes sudden shifts.

vii This relationship also features prominently in, e.g., "Pomaruĩ chip," "Haesan pagaji," "Kyōul nadūri," and "Nā ūi kajang najong chiniin kōt."
itself begins to break apart. Meanwhile, the senile mother-in-law shouts out raucous complaints for the neighbors to hear about the inadequate meals and general mistreatment she is experiencing at the hands of her daughter-in-law. Just as the public has inevitably become private, so we see a desire to make the private public. In a climactic argument the narrator gleefully reveals to her mother-in-law that her beloved son has been taken into custody, going so far as to suggest that he has been led away in handcuffs. Returning implicitly to the metaphor of the bonsai trees, the narrator describes how she gives vent to stunted, horribly twisted feelings. The old hatred I had felt since I had married the only son of a widow was now allowed to strut and swagger; I trembled with this energizing sense of joy....My days, which had been empty without my husband, were now burgeoning with fulfillment. (10)

The vacuum produced by the absence of the male is filled by a growing sense of empowerment for the wife and a willingness to allow repressed feelings come to the surface. Meanwhile the bonsai trees have shriveled and become unrecognizably withered; one cold morning the narrator tosses them out of the house. Every day the narrator finds herself "peeling off another layer of the wrapping that enveloped [the family's] former peace and respectability," (10). Eventually the husband is released from custody and returns, but it is apparent to the reader that a fundamental change has occurred within the household. The extended absence of the husband has produced an awakening in the wife, and the status quo has been irrevocably altered.

Pak's 1976 story "Chogûman ch'ehômgì" (A Small Experience) begins with a pointed question: "What do wives usually worry about when they are waiting for their husbands who do not come home even after the curfew hour?" This opening sentence succinctly puts important ideas before us: we see in the curfew a political situation that not only controls the movement of the populace, but also affects the domestic relationship between a husband and wife. In other words, the text immediately asks how what transpires in the public arena affects private lives. Implicit too is the gendered nature of this effect: we have a man located on the outside, unable to return to an interior space, and a wife waiting within this private setting, not venturing out. The two realms are kept separate. As in "Thus Ended My Days..." we soon discover that the narrator's husband (here not a professor, but a small-scale businessman) has run afoul of the authorities, and is taken in for questioning. And again, as in that story~

"A Small Experience" focuses, then, not so much on political issues, though these are present, as the effects upon the wife when her husband is singled out and made a scapegoat for unknowingly selling fluorescent lamps that have failed inspection. Once more, as in "Thus Ended My Days...," middle-class respectability is shredded and the husband's absence from the household forces an awakening in the narrator. However, while the two stories exhibit many similarities, and are profitably read as a pair, a significant difference exists between them: in "Thus Ended My Days...," the intrusion of politics into personal lives had led to the narrator's re-evaluation of her relationships within the private sphere and to a revolution of sorts at home; the story concentrates upon a woman who remains entirely within domestic space throughout the story. Here, on the other hand, the collapse of boundaries between political and domestic spheres forces the narrator to travel outside her home and we observe her interacting in a public setting. "A Small Experience" portrays the narrator's reassessment of her relationship as a private citizen to the larger sociopolitical arena, a relationship she had previously regarded as less precarious.

The narrator's trips to the public prosecutor's building, where her husband is being held, and her attempts to see him are extremely dispiriting. What most catches her attention, however, is the other women who are waiting to see husbands, brothers or sons who have been imprisoned. These women squat on the ground outside, "exhausted and crestfallen" (58), seemingly desiccated by the blazing SUD. As soon as a bus with prisoners passes, though, they suddenly become filled with energy, waving eagerly or crying out loudly. Despite the narrator's initial perception of a class difference with the women she meets, she feels a growing sense of solidarity with them, and her repulsion at seeing the blue clothes of the prisoner's gives way to a realization that she too is the wife of a prisoner. The portrayal vividly suggests the consequences and impact of masculine engagement with the public sphere upon women as representatives of the household.

The narrator, considering the openness of these women about the potential stigma of having a family member in prison, later notes that "as no one is ashamed of her body in the bathroom, so nobody hid the
offenses of her husband or sons" (75). This striking analogy demonstrates how resolutely personal "A Small Experience" remains despite apparent political concerns: for the narrator, the manner in which the domestic troubles of these women as mothers, sisters or wives have been forced into public exposure is related to the intimate experience of bathing. The interior of the household is laid bare, as the autonomy of the female, and even the female body, is linked to the public actions and crimes of the male. Connected, however, with this exposure is an ironic reversal: the husbands have now been rendered immobile and confined to a small physical space outside the home; removal of the male from the household forces these women to interact with the political sphere and they are seen to move about not within the home, but in an external setting. As in "Thus Ended My Days...," exposure and the renegotiation of hierarchies of power go hand in hand, though differently.

Eventually the narrator's husband is released and returns home, seemingly to allow a return to the status quo. He resumes his daily routine and the narrator soon finds herself picking quarrels with him again. "Nothing was changed" (78), she states. Nonetheless, the name of the story fits in with Pak's pattern of slightly unusual, riddling or ironic titles: the "small experience" has had significant ramifications, and it is no longer possible for the protagonist to regard her world in the same way again; what has occurred has resulted in an important transformation within her. The narrator, herself a writer, notes that her concerns with freedom of speech have yielded to a realization that "the freedom that really matters is that the husband can come back home from work in the evening where his wife waits, welcomes him and yaps at him from time to time" (69). Her encounter with a government perceived as tyrannical in some sense causes her to reaffirm traditional values: once thrown into a situation where her household collapses, she comes to feel that "under every roof in the world, it is the basic pattern of living that wife and husband meet and bear children" (69). In essence, however, the story presents a viewpoint that is both traditional and subversive at the same time, since the "basic pattern of living" represents for her the primacy of private, domestic life over political intrusions. Pak's critique here lies in portraying with devastating effect what happens to the family in a society in which an authoritarian government can send the innocent to jail as scapegoats. It is not only because the husband and wife function as a complementary unit, but because the division of public and private and male and female is, in fact, not rigid that those on the inside necessarily are concerned with the outside; the narrator's experience in supplanting her husband as mediator between inside and outside and fully legitimizes the female voice as political critic.

Breaking Away?

In the foregoing two stories, contact with the public sphere turns particularly toward its governmental guise. The next two texts that I examine, "Chirongi urumsoiri" (Crying of an Earthworm) and P'omuri chip ("House of Bubbles") focus more specifically on the outside as represented by social trends. Both stories analyze changes in a woman's position within, and attitude towards, the household as a result of various aspects of modernization in Korea, such as alienation, consumerism, emigration, and the disintegration of the family, but the mood differs considerably in each text. In the 1975 tale "Crying of an Earthworm," Pak displays a satirical wit reminiscent of the noted colonial period author Ch'ae Man-shik who lampooned the mores of the day. The tale begins as the narrator offers a well-drawn portrait of her husband, a man who enjoys watching soap operas while gorging himself on sweets, and luxuriates in the trappings of late twentieth-century civilization. For her husband, contemporary life is a wonderful thing. Imagining society from his perspective, she exclaims "How convenient the modern world is! Are there any worries or problems that this world cannot take care of?" (157). The narrator, however, cannot share his enthusiasm, and the text indicates a gendered response to social change:

He has some property that brings income regularly and has healthy children and a beautiful wife. He is, I repeat, comfortably settled and a very happy man. But I, the beautiful wife of this happy man, do not share my husband's taste in cheap shows or sweet chewy snacks (158).

In an ironic recapitulation of her husband's viewpoint, she soon states "how horrible it is to live in this modern world," as she contemplates such contemporary ills as "contaminated food, illegal drugs, killer gases." Nonetheless she calls herself back from these negative thoughts, exclaiming "But how can I even let myself be suspicious of being unhappy! I have a husband who comes home from work on time every day with a choice of cakes and cookies. He is healthy and is socially respected as a manager of a bank" (158). In part these satirical jibes represent the traditional position of the wife/mother in Korea as "preserving and
strengthening the society as a whole against the unwelcome incursion of the ‘low morality’ commonly associated with developed western societies,” but they also express a challenge to normative standards of behavior: the narrator desires to break free as a woman from the trap of a stifling middle-class respectability and an unfulfilling marital relationship.

After a particularly uncultured comment from her husband about the superiority and economy of artificial over natural flowers, the narrator experiences the urge to visit the Namdaemun flower market. Here she finds that the heady scents make ‘you...feel as if you could get involved in a passionate adulterous love affair without any mixed feelings whatsoever, or as if you’ve become twenty years younger, back to the pure and carefree days of your teens, those days of freedom without binding” (162). Her longing to break free from the "cage" of her life (159), well-emphasized here, soon leads her in fact back to precisely those carefree days and the understated possibility of an affair, after she runs into her former high school teacher Mr. Lee in a tea shop. This teacher, who had earned the nickname "Dirty Mouth" from his students because of his intemperate attacks on the corruption of the post-Liberation period, represents for the narrator the casting off of social constraints. She fondly remembers the verve and power of his angry outbursts, which had the ability to touch the heart of the listener, and how he "spoke of freedom and democracy as if he were a shaman revering his own guardian spirit" (167). Pak’s work again shows a surprising intersection of domestic and political, as the narrator’s longing for domestic escape now resonates with the teacher’s erstwhile desires for freedom and democracy. A woman’s emancipation from a confining domestic situation and a people’s emancipation from governmental domination are implicitly presented as analogous.

But this meeting with Mr. Lee proves extremely disappointing to the narrator. No longer the dashing and blasphemous young teacher, he is now simply an aging, unsuccessful businessman. Most stunning of all is his use of Japanese slang in conversation with her; as a teacher he had strictly forbidden his students to use Japanese, dismayed at the lack of pride such linguistic indifference showed. After this disheartening encounter, which leaves the narrator feeling betrayed, she continues to seek Mr. Lee out again and again, virtually chasing after him, desperate to reawaken in him the man whose passionate attacks and curse-filled denunciations aimed a dagger at the rotten fabric of society and government. "Dirty Mouth," however, proves, a reluctant subject for rejuvenation. Although the text encourages the reader to perceive an unrealized sexual tension here, adulterous desire is sublimated in and overwhelmed by social malaise: "I wanted his swearing to get into my life and interfere with my 'happiness.' I wanted to slash out at the effete and degenerate contemporary society and show the clean side of it” (169). Ostensibly the private story of a woman's attempt to assuage her personal unhappiness, her exertions nevertheless become more and more obviously bound up with issues of larger import, as the significance of the narrator's struggle moves beyond her immediate situation to offer an indictment of an increasingly materialist and alienating world. Once more public and private are inextricably intertwined.

Perhaps the bleakest of the four stories under consideration is "House of Bubbles." Again we find a woman cast adrift and estranged as a result of contemporary social trends, but the sense of loneliness within her far exceeds that of the other narrators. The story begins as she recollects what her son had told her upon returning from school the day before: his teacher has announced that he will denounce to the authorities the parents of any student whose honshik (a form of rice mixed with other grains) is made improperly, so from now on she had better mix more barley into the rice. The remark is certainly meant to be humorous, but it is also unsettling, not simply because of even an ironic suggestion that a teacher would accuse parents for an utterly trivial offense, but because the narrator notes that these are the first words her son has said to her in an entire week. The opening, then, immediately portrays considerable strains both in public life and within the home: for the teacher's joke to have any meaning there must be a hint of truth in the fear of unjust denunciations (we should note that the story was written during the especially repressive Yushin years of the Park Chung Hee era); communication between son and mother has clearly undergone a severe breakdown.

Accordingly, the narrator leaves her apartment at five thirty in the morning in search of barley to add to her son's rice, but, of course, she finds no stores open at that hour. She wanders in the dim twilight among deserted streets and anonymous apartment blocks, pressing valiantly onward, though the headlights of oncoming cars seem to her like the glare of monsters that wish to attack her. The impersonal and vaguely

viiiHoffman, p. 118.
nightmarish character of this new urban life becomes further emphasized when the narrator mistakenly goes into the wrong entryway upon returning home, and presses the doorbell to someone else's apartment before realizing her error. The outside, then, is aloof and unwelcoming, but the narrator's home scarcely offers more comfort: her relationship with her son is distant in the extreme, her husband is absent, having gone off to the United States two years ago to work, and her mother-in-law is senile (cf. "Thus Ended My Days..."). Poignant humor indicating the characters' difficulty in adapting to a modern, impersonal lifestyle fills the text. The mother-in-law, for example, believes that the water in the the "yangbyon'gi" (lit. "Western toilet") is cold. The black humor does more than point to the elderly woman's senility here: the mother-in-law is incapable of coping with or understanding the rapid social change and Westernization that South Korea of the 1970s is experiencing. The prefix "yang" (western) in "yangbyon'gi" deserves notice--it is a specifically foreign device that confuses her. Life within the home has yet to adjust to external changes thrust upon it.

The narrator will soon, however, have the opportunity to fulfill this desire: she describes in flashback how the previous week at an architecture exhibition she had struck up conversation with an attractive student who stood beside his model home of the future, entitled the "bubble house" (p'omari chip) because of its round rooms, and invited him back to her apartment. When in the course of conversation he reveals his deepest desire to serve as gigolo to a rich widow, the narrator immediately drops hints that she might be exactly the rich widow he seeks, and soon offers him a glass of Johnny Walker whiskey from her husband's supply. Her behavior is purposefully transgressive: the narrator uses precisely this signal of affluence and Americanization that has been brought into the home by her now absent husband to reject him symbolically. Her utter lack of fulfillment in her marriage, sexual and otherwise, is further highlighted by her musings as she kisses the youth: "I wondered how warm and fragrant a man's breath would be after a few glasses of Johnny Walker." (126). Before, however, the intimacy proceeds too far, something startling occurs: the erotic interlude is interrupted by her son's arrival home from school. The reader is jolted anew into an awareness of how striking and deliberately provocative her action is to normative standards of behavior for women.

The narrator arranges for the young man to return the next week. Before his arrival she changes into a low-cut dress, applies lipstick conspicuously and perfumes herself, she tells us, "at all the strategic points." But this week, in mockery of her plans, everything seems to go wrong: the young man, despite her urging to take his time, rushes clumsily; nor does he exude the same sweet smell as the previous week. The narrator portrays the encounter in a tawdry light, and when the student's nervous attempts to consummate the act with her meet with failure, she mocks his impotence bitterly: "how do you expect to snag a rich widow that way?" The youth soon departs, humiliated. As she watches him leave from her apartment window, she notes that he, no less than the house he has designed, seems like a bubble that would burst. The reader is encouraged to see in this realization the metaphorical significance of the story's name, but the narrator then experiences a sudden epiphany as she watches her would-be lover walk away. We now encounter a dramatic metamorphosis in the meaning of the word "chip" (house) in the story's title that transforms its connotations from an actual physical structure to the household in the larger sense: she realizes that the model "bubble house" drawn by the student refers not to a building ("konmul") but to the family ("kajok") of the future. The familial units of society are envisioned as being as evanescent, fragile and ephemeral as bubbles, and the bonds linking individuals no less tenuous; the story takes a turn that shows we should not read this unfortunate woman's life as an atypical case study, but as representative of alarming trends. Rampant social change outside the home has its most dramatic effects within the home. The story closes with the family eating dinner together in silence, and then retiring one by one to private bedrooms and locking the door. At night the senile and lonely mother-in-law shrieks like a ghost ("kwishin ch'orom") to be let into the rooms of her daughter-in-law and grandson. She is depicted as a demon, a wailing spirit from a
bygone era that, instead of peacefully dying away, haunts the current world with unsettling reminders of the past. One cannot help but pity this elderly woman crying out unheeded, as we see the responses of the younger generations: her son is absent, having virtually fled to another continent; her daughter-in-law, addicted to sleeping pills, is anaesthetized; and her grandson, willfully oblivious, is deaf to her. A profound pessimism infiltrates the ending of the text: not only is the household incapable of successful adjustment to social upheavals, but the state of affairs, it seems, will only continue to become worse.

Home and Away. In and Out. Women and Men

The dynamic dualism between the sociopolitical and the domestic that has been the focus of my analysis often corresponds, as we have seen, to a division of masculine and feminine, and the "pakkat yangban" and "chipsaram" (lit. "outside gentleman" and "houseperson") seemingly preside over their respective spheres. Occasionally Pak makes this distinction explicit. For example, the narrator of "Thus Ended My Days..." states:

my husband and I had a good relationship, but there was a line between us that was not to be crossed. He didn't care what I did for the house once he turned over his salary to me. Likewise, I pretended not to know anything about his field of sociology or what he was thinking. (6)

A clear division of labor exists between the two, and one should note that the husband is specifically marked as a professor of sociology; his field of study, concerned with the analysis of larger social processes, makes the disjunction between the two as sharp as possible. Similarly, he chooses not to concern himself too deeply with what occurs within the anch'ae (the interior, feminine sphere); as the narrator notes, her husband even makes "disparaging remarks about men who wanted to know every last detail about what their wives did at home" (7). Pak, however, subjects this inherited, traditional dichotomy to an intense scrutiny that lays bare tensions and ambiguities in this distinction, and the eventual blurrings that occur within the text become all the more striking for the stark portrayal of antithesis here.

In no case do Pak's female protagonists become passive prisoners of the home. If they remain essentially confined within the anch'ae, then the anch'ae itself becomes the site of conflict, and the site of transgression, from which the women step across boundaries. We should note that the narrator of "Thus Ended My Days..." never in fact leaves the home. Indeed, her one attempt to accompany her husband outside and to move beyond the confines of domestic space is explicitly stifled:

I intended to see the two of them off, but at the front gate the visitor stopped short.

In a businesslike voice that seemed to belong to someone else, he said, "Please go back."

"But when my husband is leaving on a trip I always see him to the end of the alley."

"Your husband is not leaving on a trip." His voice was low but clear; his expression, stiff and icy. I might as well have been shoved violently aside. (5)

ixCf. the situation in Ömma üi malttuk (Mother's Stake I), which involves further play on the trope of penetration coming from a female character. In this novella Ömma (Mother) wishes to move from countryside to city, and, in essence, to penetrate the gates of Seoul. As Kyeong-Hee Choi writes in "Gendered but neither Colonial nor National: The Making of the 'New Woman' in Pak Wansø's 'Mother Stake I' " (unpublished manuscript), p. 26, her action "can be viewed as a feminist transgression which aims to rescue a girl from the possible imprisonment within the inner section of the house, anch'ae (the female sphere). In spatial terms it is a project geared to transform Na's female status as an insider within the private sphere into an occupant of the center of civilization." To follow Choi's perceptive line of argument, which relates Ömma's (Mother) concerns with "inside the gates" of Seoul to colonialist distinctions between center and periphery, I would note an irony in the reversal of the associations of inside and outside to correspond with male and female, respectively. It is precisely in becoming self-actualized and penetrating the inside from without that Ömma becomes masculine. As Choi later notes, p. 29, "Ömma's New Woman endeavor runs the risk of suppressing the gender difference itself."
As a result she uses the home as a setting from which to stage a one-woman revolution against the oppressive respectability that has she lived with all her life. Revolts from the inside can take on even starker contours: although the narrator of "House of Bubbles" first steps outside domestic space to find her lover, she then invites him into the home, which becomes the location of her intended adultery. In doing so, she issues a challenge to the sanctity of a marital partnership that is physically centered upon the anch'ae.

Pak's female protagonists frequently express a longing to break away from the confines of the life they are leading. The narrator of "The Crying of an Earthworm" laments that various people around her act as "fences that shut me in, in this land of 'happiness', and bind me from moving one inch from this cage" (159). Boredom is one of the dominant features of her existence and she longs simply to "take an express bus to some unknown places." But in the end how successfully does she, or Pak's other protagonists, fulfill her desire to escape? She goes on excursions to assuage her sense of alienation, but somehow "always wind[s] up being disappointed when [she is] actually there" (162). Pak's "Kyŏul nadũri" (Winter Outing) presents us with a protagonist who expresses similar longings: she tells us that she "wanted to cast aside like worn-out shoes this life [she] had fashioned so perseveringly and to live free and unfettered." Nonetheless, after leaving Seoul and heading off to a resort town on her own, she finds that her "mood of unfettered freedom was no match for the alien and unwelcoming streets of the hot springs,"X and she soon winds up returning home. The reader can perceive these uncertain and tentative wishes to cast off constraints in the younger generation as well: the daughter in "Thus Ended My Days..." reveals to her mother in a heart to heart conversation that she "had long thought how wonderful it would be if she could get married three different times during the course of her life." Nonetheless, she cannot turn her back fully on social propriety and remains concerned with what others think: " 'Would this really be so immoral that I wouldn't be forgiven?' " she asks (10). Likewise, her mother has stripped away the various layers of respectability that envelop the family's existence, but she notes at story's end that she might even be willing to help her husband with the task of repackaging it. Perhaps most tellingly, the adulterous desire of the protagonist in "House of Bubbles," despite its confrontational intensity, remains unconsummated.

But even if these women find themselves unable to negotiate a move from inside to outside and from a sense of constriction to a sense of freedom with complete success, no less do we encounter a series of crises involving male rule in Pak's stories.xi Here we meet with a significant reversal of traditional gender roles in her work. In contrast with the recalcitrant, indomitable spirit of the wives, the husbands capitulate submissively in the face of obstacles from the outside and act at times as meek, passive prisoners to external forces. Indeed, they find their masculinity or autonomy threatened in various ways before their spouses: the narrator of "Thus Ended My Days..." watches as her husband degrades himself on behalf of his mother, while the narrator of "A Small Experience" witnesses a policeman remove her husband's belt and handcuff him. An obvious spectacle of fragile masculine power also occurs in "House of Bubbles," in which the lover is rendered impotent and subjected to the narrator's mocking gaze. The blurring of gender boundaries in this set of stories can even lead to an overt feminization of the men, most strikingly and amusingly in "The Crying of an Earthworm:" "Ever since my husband started taking the hormone pills," the narrator worries, "I have been imagining grotesque things such as his breasts growing to be as big as ripe peaches from the side effects" (158).

But men are not simply weak in Pak's stories; they are quite frequently absent and it is precisely this absence of the male that motivates female awakening. Sol Sun Bong's translation of "Chippogin'n kūrŏhke kkūnattda" ("Thus Ended My Days...") as "How I Kept Our House While My Husband Was Away" brings the male figure into the English title and makes of his absence a crucial presence. As we have noted, the patriarch becomes all too literally imprisoned outside the home in both "Thus Ended My Days..." and "A Small Experience." The wife in the latter story becomes temporarily a "pakkat chipsaram" (an "outside houseperson"), if I may coin the term, and she must continually negotiate trips between the domestic and public sphere, while her husband finds himself temporarily confined to a jail cell. "House of Bubbles" also


xiCf. Choi, pp. 19-20, whose analysis of "Mother's Stake I" identifies a "crisis of the male order within this family" which is "symptomatic of the crisis and transformation of the traditional yangban literati system.
presents a missing husband: the narrator's spouse has even departed for a country that is distant both geographically and culturally. His abdication of responsibility is viewed as virtually complete, in his emigration and his indifferent treatment of his mother, and he experiences a revolt in absentia. Examples of absent men abound in Pak's works: perhaps the most striking example occurs in "Kô salbôlhettdón narti halmikkot" (A Pasque Flower on that Bleak Day), which represents an entire village from which the men have vanished, for one reason or another, during the Korean war. The one male who happily remains within domestic space in Pak's stories may be deemed the exception that proves the rule: the husband in "The Crying of an Earthworm" is portrayed as virtually a Korean Homer Simpson—a couch potato, who reclines on the sofa while snacking like a gluttonous slob. The narrator engages the reader's sympathies when she notes that "I felt sorry for myself having a fat middle-aged man as a husband who never gets tired of snacks and television soaps and takes hormone pills" (p.160).

The various collisions of public and domestic discussed above, given the traditional ideology of separation between these spheres, inevitably result to some extent in collisions arising from gender difference. After witnessing a vicious altercation between two women over a prisoner, the protagonist of "A Small Experience" sighs with resignation: "All of a sudden, I felt a fateful sadness about the fact that there were men and women in this world" (71). Tensions spill over into marital interactions as well. The narrator of "Thus Ended My Days..." finds an "invisible barrier" (7) in her relationship with her husband. Dismayed by his lack of attention towards her during a moment of great anxiety, she says—with a humor scarcely masking disdain—that, while helping him with his tie before he deports into custody, she "felt a sudden urge to strangle him with it until he cried out like a wounded beast...The thought of all the time he and I had lived together turned my stomach" (3). Not once does the narrator of "House of Bubbles" experience any sense of love or affection on the part of her husband. She notes with resignation and anger that in his letters to her from the United States, he addresses her simply by the non-intimate teknonymic "tongsõgī ômma" ("Tongsôk's mother"), and never begins a missive with "saranghanûn anae" ("my darling wife") or "saranghanûn ŭnyông" ("my darling ŭnyông"). He too seemingly displays more concern for his mother than his wife, although the narrator remarks with bitterness that her husband can hardly be regarded as a filial son (121). Possibly the happiest relationship between husband and wife in any Pak short story occurs in "Nae kajang najong chiniin köt" (My Very Last Possession). The narrator is able to assert to her sister-in-law: "we may have married through matchmakers, you and I, but we hooked up with pretty decent husbands, didn't we?" But there is a telling poignance here: both of these "pretty decent husbands" are dead.

As a result of this underlying tension between men and women, it perhaps comes as little surprise that we find little suggestion of sexual fulfillment, conjugal or otherwise, in Pak's short stories. Diane Hoffman, in the article cited earlier, had written that Korean society "traditionally tends to view sexual relations between healthy men and women as relatively unproblematic." Be that as it may, Pak's resolutely untraditional fiction problematizes these relations to a large extent. As the narrator of "Thus Ended My Days..." writes when her husband is on the point of being taken into custody:

I suddenly found myself hoping he would be affectionate toward me in front of the stranger. No chance of that, though: my husband, with his proper upbringing, never ever showed me physical affection outside the bedroom. Still, I thought he really should touch me lovingly. There was no other way for us to make a combined show of resistance as a couple against such tyranny. (3)

xiiYu Jong-ho, "Park Wan-suh: Psychological Trauma and a Noncomformist's Spirit" in Koreana, Summer 1996, p. 79, also cites this passage, but his attention is drawn rather to "Park's talent for drawing the reader into an unknown world, revealing the vicissitudes and dangers of ordinary lives," an observation that betrays a somewhat elitist bias.

xiii"Na ëui kajang najong chiniin köt" (My Very Last Possession, tr. Kyung-Ja Chun), pp. 9-10 (unpublished manuscript).

xivHoffman, p. 128.
Her longing is especially significant within the context of the story, because the power of union in the conjugal bond provides a means by which the domestic sphere can stand up to external pressures. The husband is able to express affection within the most private, inner sanctum, but the slightest move into the public realm causes this intimacy to dissolve, and it is deeply resented by the narrator. When we encounter husbands and wives actually making love elsewhere, the distance between them is extreme. Consider the following passage from "The Crying of an Earthworm":

On that Sunday morning in the bedroom, the minutes tick by as ennui sets in, and his relaxed body is overcome by lewd appetites. He takes me to his side in his habitual manner. He wants me to be his [Marilyn] Monroe. While in my husband's arms, being his Monroe, my mind is busy thinking about the groan that Mr. Lee might have given out when he killed himself. (175)

For the husband, the wife becomes another woman, an exotic fantasy image, while the wife's thoughts are elsewhere, focused on the moment of death of another man to whom she has been attracted. The narrator of "House of Bubbles," who so eagerly takes a lover, has done so upon considered reflection of her unsatisfying relationship with her husband. She privileges her audience with frank details about her relationship with her husband, and the text suggests she views her husband's refusal to ejaculate inside her ever again after the birth of their son not simply as a precaution in the name of birth control, but as a withholding of a part of himself (122). The sexual metaphor is a particularly powerful one here: the husband, representative of the outside, may penetrate the interior—in multiple senses, but he is unwilling to allow himself to become truly part of it, once he has fulfilled his responsibility in ensuring the continuance of the male line.xv

Conclusion

The foregoing analysis of the intersection of male and female and public and private in the short stories of Pak Wan-so corroborates Kyeong-Hee Choi's work on Mother's Stake I, in which she demonstrates that although in that novella Pak "appears to have little interest in depicting Japanese colonialism," she nonetheless "brings to light women's keen concerns about the emerging modernity and yields a guileless and therefore all the more penetrating critique of the ideology of modernization and colonialism."xvi Similar strategies appear in Pak's short fiction from the 1970s: although—or rather, because—she concerns herself here primarily with depicting the household and personal issues, she is able to offer a powerful analysis of not only contemporary Korean political life and authoritarianism but also a rapid economic development that incurs high social costs, for as well as any writer in Korea, Pak understands that the domestic ultimately is the social and the political. It is precisely because the main

xvThere are several other examples of unsatisfactory sexual relationships in Pak's fiction that the scope of this paper has prevented me from analyzing. To cite just a few more examples, the female narrator of "Todukmajun kanan" (Stolen Poverty) comments explicitly on her unfulfilling lovemaking with her male partner. Su-ja in "Kanun pi, isül pi" (The Passing Rain, The Drizzling Rain), experiences a disastrous honeymoon night with her husband, who suspects her of not having been a virgin, and her marriage never recovers from this sexual misunderstanding. In a different vein, the narrator of "Haesan pagaji" (translated simply as "Haesan Pagaji", calabash gourds used for preparing a meal for women after childbirth) has to put up with her senile mother-in-law peeping into the bedroom that she shares with her husband.

Nor does sexuality fare much better in general terms: the embittered narrator of "Kû kaûroi sahûldong'an" (Three Days in that Autumn), a rape victim during the war and now an obstetrician who specializes in abortion, states that she believes all men capable of rape. She views sexual relations as tawdry: in response to questions from her patients about how to avoid becoming pregnant again, she merely tells them "don't fuck" (195), and finds in the use of obscenity a sense of release akin to that in spitting. See also the American soldiers of "A Pasque-flower on that Bleak Day," who are portrayed as sexual marauders that are like "beasts in heat" (249).

xviChoi, p. 6.
concern of Pak's stories is not to launch an attack on the political arena in its official guise by arousing anger against government policy directly, but rather to expose domestic dynamics and the way they are inevitably determined by what occurs outside the home, that she portrays the public sphere so insightfully. All the stories discussed above resist allegorization; attempts to site them first and foremost as anti-governmental diatribes will go astray, but at the same time Pak's short fiction of the '70s remains too fully embedded in the historical moment, and too fully conscious of the historical particularities of the Korean situation for her work to be read in an ahistoricizing fashion. The manner in which the political and public domains impinge on the personal and private take a particular shape because of the repressive nature of the Park Chung Hee regime and because of the rapid socioeconomic changes Korea experienced during his rule. The private cannot escape the public, and the personal is always political; every household is simply one of many. In Pak's fiction what happens within the confines of the home is never insulated from what occurs outside.
“How many sons are real men?”

(Pi-yen lu, T 2003.48.211a)

Introduction

Among the one-hundred and sixty-five extant Chinese poems by Han Yongun (1879-1944), one deserves special attention. This is his enlightenment verse, or song of enlightenment (odosong). Through a mere twenty-eight syllables, Han gives his view of the world and his place within it.

Yet the verse also embodies a complex and fascinating story relating to poetry, Buddhism, and to a lesser degree, politics both within Korea and between Korea, China, and Japan spanning the twelfth through the nineteenth centuries. This story is neither self-evident, nor essential for understanding the verse. But if we accept this piece as his authentic statement of enlightenment, it is helpful to understand something of this story. It is a frame of reference which deepens and expands our understanding of the essential point of Han’s vision, and through this we see that what at first merely seems to be a short, lackluster piece of poetic writing is, in fact, a complex text with profound resonances in the larger context of East Asian Buddhist literature.

This article attempts to provide this frame of reference: Han’s verse is thus placed in the foreground, and as a consequence, the many relevant historical and religious/philosophical issues are discussed for the purpose of explaining the implications of the manner in which Han depicted his enlightenment. Accordingly, none of these issues can be treated as fully as they deserve, and this is especially true of the matter raised in the final portion of this article: the relationship between Han’s enlightenment verse and the death verses of T’ien-t’ung Ju-ching (1163-1228) and his student, Dōgen (1200-1253). The relationship between these three verses and in turn, their collective relationship to The Blue Cliff Record (Cleary and Cleary 1977; Pi-yen lu, T 2003.48.139a-225c) raise a variety of interesting questions which would require, however, detailed treatment beyond the scope of this article. The conclusion of this article thus may serve as the first step for such future work.

From a Gāthā to a Poem: Pak Hanyong’s Suggestion

In its earliest form, as found in his manuscripts, Han’s enlightenment verse was not a poem (C. shih; K. shi), but rather a gāthā: a Buddhist hymn (Ch’oe T’aeho 1992: 170). This is the only Buddhist hymn in the collection, and like many classical Chinese poems, its introduction sets the circumstance of composition:

1917, twelfth month, third day. Around ten o’clock at night, as I sat in Zen meditation, I heard the wind abruptly knock something over. In my doubt, I was suddenly enlightened. Thus I write this poem.

Anyplace a manly man (K. nama; J. danji) goes is home,
Yet some people spend so long longing for home.
A lone shout shatters the universe:
Peach blossoms afloat in the snow.

The problem with this piece was that it did not rhyme, and Han seems to have followed the advice of his friend and fellow priest Pak Hanyong (1870-1948) and later changed the final syllable from “afloat / fly” (pi) to “red” (hong): “Peach blossoms: red flecks in the snow” (Ch’oe T’aeho 1992: 170). With this simple alteration, the piece became an Ancient Style Poem: a koch ‘eshi.

Yet there can be little doubt that Han was aware of his prosodic fault. It is immediately apparent, and in spite of the subsequent change, it seems likely that he preferred the original: He did not alter his
manuscript and may have sent a copy of the original to his friend Song Man'gong (1871-1946) even as late as the end of the 1930s (MP 1983: 315-316). That he intended to write a poem (shih) and instead wrote a gāthā by default underscores the immediacy of his experience. In this instance, his prosodic mistake implicitly conveys the sense that he is writing artlessly, and thus conveying his experience without intellectual mediation.

The subsequent change was made on the basis of aesthetic requirements, and Ch'oe T'aeho proposes that Pak's suggestion was based on a line of poetry by the Koryo statesman Kim Pushik (1075-1151): "peach blossoms: spot upon spot of red" (Ch'oe T'aeho 1992: 9). On the face of it, the basis for Ch'oe's proposition seems flimsy insofar as the correction itself was obvious: Peach blossoms are red, and hong (red) is in the same rhyme category as chung (center), the final syllable of the second line. This is an obvious choice which is also tautological since red is implicit in "peach blossoms." However, the obviousness of the correction sheds light on Han's initial vision since we can infer that he chose "fly / float" (pi) because he wanted to emphasize movement.

Yet it would seem that movement per se was not what Han wanted to emphasize. Were this the case, he could have used p'ung (wind or blown by the wind) which is not only in the same rhyme category as chung (center), but moreover, rhymes in Korean pronunciation and so is strikingly obvious (Kim Talchin 1995: vol. 2, 1106-7, 1128, and 1143). "Peach blossoms: flecks blowing in the wind" would have from the start made this piece a poem (shih) and would seem at first glance a close approximation of his vision. On a deeper level, however, this line seems incorrect because it was rather unforced movement—the flowers floating among the snowflakes—that was integral to his vision. With or without the change, movement is the central motif, but this is more easily seen in the original in which the last line, despite its prosodic fault, provides a clear conceptual link to the first two lines. Like the redness of the peach blossoms, the blowing wind too is implicit in the poem, but Han de-emphasizes this. He simply takes it for granted.

Instead, he allows the blossoms a degree of autonomy. In this regard, hong (red) is better than p'ung since color, at least, emphasizes the blossoms as entities in themselves. His vision is not one of aimlessness; he does not see the blossoms as merely acted upon—blown—by the wind. This is a subtle and important distinction which is related to a striking oddity in the verse: How can the poet see "peach blossoms afloat in the snow" on the third day of the twelfth month? In 1917, this date in the lunar calendar fell on December 27: There could not have been any peach blossoms. The issue of autonomy and the question of what he saw are central to the verse and will be addressed later.

A Ghost Lends a Hand: Yi Kyubo's Tale of Poetic Conflict, and Justice

If the similarity between the altered line of Han's poem and Kim's line seems unremarkable, the putative origin of the line itself does suggest that Ch'oe's proposal has merit. For this we must turn to the Stories from the White Cloud (Paegun sosol), a thirteenth century collection of essays on poetry (K. shihwa; C. shih-hua) by the Koryo statesman, poet, and all-round bon vivant, Paegun (white cloud) Yi Kyubo (1168-1241).

Scattered among Yi's critical opinions and accounts of poetry is a story of personal conflict in which this line attributed to Kim Pushik is itself a point of contention (Yi Kyubo 1997 [reprint]: 79-81). Yi says that it was actually a correction offered to Kim by the vengeful ghost of Chong Chisang (?-1135) whom Kim had had assassinated out of political rivalry. Yet Yi suggests that an additional motive for this murder was Kim's envy of Chong's poetic skill, and in particular, the couplet: "in the temple: the recitation of the sutras ceases / the sky's radiance: bright as glass." Kim so admired the couplet that he asked to use it in one of his own poems. Chong refused.

After Chong's murder, Kim one evening decided to compose a poem on spring. He had just finished the parallel couplet:

The color of the willows: one thousand strands of green.
Peach blossoms: ten thousand spots of red.

when the ghost of Chong smacked his cheeks and mischievously inquired "who counted to see whether it was 'one thousand strands' and 'ten thousand spots'"? The ghost then suggested an improvement:

The color of the willows: strand after strand of green.
Peach blossoms: spot upon spot of red.
Chong’s ghost later exacted a humiliating revenge: While Kim was squatting in an outhouse at a Buddhist temple, Chong’s ghost grabbed Kim’s testicles and mockingly asked, “why is this leather sack so flaccid?” Kim retorted, “did your father have iron balls?” And Chong responded with a lethal tug.

The association of this line by Kim—or Chong, if Yi’s account is followed—with such a story makes this at first glance an unlikely source for Pak’s correction. Yet the recurrence of Buddhism in Yi’s tale is significant: The poem over which Kim and Chong come into conflict deals with Buddhism; Kim ultimately dies at a Buddhist temple, and moreover, by having his testicles crushed by a ghost while in the toilet. This death is at once ignominious and comical.

Moreover, it is appropriate to the overall situation in which Buddhism’s claim to truth—both religious and political—was hotly contested (Kim Chaeman 1972: 179-192; So Kyongbo 1972: 193-202). Chong’s execution was largely due to his political alliance with the Buddhist priest Myoch’ong (?-1135) whose role at the court of King Injong (r. 1122-1146) represented a serious threat to Kim’s political ambitions. During a time of great political instability, and in particular, weakness of the throne, Myoch’ong and his coterie of supporters insisted that the Koryo king refuse recognition of the Jurchen-Chin rulers in China. Kim, on the other hand, stood at the forefront of those counselling acquiescence. Myoch’ong’s attempts at maintaining the sovereignty of the Koryo court entailed a variety of complex plans which all, in one way or another, relied on Injong’s faith in Buddhism and especially, geomantic theories and prognostication.

Kim on the other hand represented the interests of the Confucian bureaucrats, and their legitimacy was undercut by Buddhists such as Myoch’ong. To no small degree, these Confucian court officials defined themselves in opposition to their Buddhist counterparts whom they painted as, above all, superstitious and thus dangerous. Kim’s eventual defeat of Myoch’ong and Chong Chisang ultimately was less a political or military than an intellectual victory whereby Buddhism was shown to have no legitimate claim to political or social authority.

This marked a fundamental intellectual shift with far-reaching consequences for Korean Buddhism. During the following seven centuries Buddhism was both physically and intellectually removed from the center of political power in Korea, and one of the running themes of Confucian attacks on Buddhism centered on superstition. It is thus significant that just before quoting the couplet so admired Kim, Yi Kyubo noted that the story of the conflict between Kim and Chong was widely known. Considering that these events occurred little more than a quarter century before Yi was born, it is possible that he heard this tale from those who had firsthand knowledge of the actual events.

Yet what is most interesting is that this tale does not merely focus on personal vengeance. In the background we sense that religious truth is also at stake, and through the hand of an otherworldly assassin, Buddhism’s claim to truth is re-asserted. Seen from this angle, it seems possible that Pak Hanyong (1870-1948) had in mind the line by Kim (or Chong) when he made his suggestion to Han, and considering the source, we can be quite sure that he did know the story associated with it (Pak Hanyong 1961 [reprint]: Songnimsup’il, 17a-20b). This allusion was at once a profound, subtle joke and nonetheless, fully apposite the purpose of Han’s verse: a tangible expression of Buddhist truth.

Yet Ch’oe’s other suggestion regarding the literary source of Han’s poem / gāthā is more significant. He gives a poem which bears a striking resemblance to Han’s verse in both meaning and structure, and he notes that it was “written by a Japanese” (Ch’oe T’aeho 1992: 9).

A Self-Portrait of a Priest as a Young Man: Gessho’s Poem and Han’s Response

The Japanese in question was, in fact, a Jedo Shin Sect priest named Gessho (1817-1858). He was born in Yamaguchi prefecture at Myeen temple which was a branch of the Nishi [West] Hongan Temple Sect located in Kyoto (Nakao and Imai 1976: 68-69). From the beginning, his “Poem Written on the Wall” (taiheki-shi or kabe ni daisu) served as the foundation for Han’s enlightenment verse (in italics, the portions borrowed by Han):

A manly man (danji) resolves to leave home,
And study: if he fails, he dies without returning.
Bury the bones: why think of the ancestral graves?
Anyplace he goes, green mountains are found (Arihara 1974: 133).
The quatrain was a magnificent Modern Style Poem (K. kfunch’eshi; J. kintaishi), most likely written when Gesshō left home at the age of fifteen, or sometime later when he recounted the event. Different sources give different information on this point, and it seems that part of the problem is that Gesshō rewrote the poem at least twice.

He seems to have amended it at the age of twenty-seven and sent it to his friend Yoshida Shein (1830-1859) with a slightly different title, “Written on the Wall, as I’m about to Head East” (masani tayē sen to shite kabe ni daisyu):

A manly man resolves to leave home,
And study: without success, he does not return home again.
Bury the bones: why look for the ancestral graves?
Anyplace he goes, green mountains are found (Misaka 1979: 396).

This version differs little from the first in terms of meaning, but it is nearly perfect in terms of tonal variation. In the first version, the first and last lines were perfect while the second line had a flaw at the third syllable, and the third line had flaws at the first and third syllables. Such minor variations from the ideal are acceptable, but in the second version Gesshō’s poem has but a single, unavoidable imperfection: The first syllable of the third line, “bury,” is an even instead of oblique tone.

Gesshō’s rewriting of a perfectly acceptable poem suggests that it was for him an important statement of purpose. One also senses a degree of obstinacy and perfectionism, and at the risk of simplification, one can say that this poem, and no less his rewriting it, stands as a potent symbol of a man who should have had great appeal for Han Yongun.

In brief, Gesshō was born into the priesthood of the Nishi Hongan Temple which itself had a long history of political and military might in Japan. Indeed, a painting of Gesshō shows a sturdy man with close-cropped hair and a beard wielding a sword. With an outstretched finger, he points somewhere—or to something—out of our view, but the point is clear: this is a man not to be taken lightly (Misaka 1979: reprint, inner cover).

He was an excellent student who grew into a fine scholar and poet, and these skills served him well as he forged alliances with the likes of Yoshida Shein and Rai Mikisaburō (1825-1859), the son of the great Japanese scholar and classical Chinese poet, Rai San’yō (1781-1832). These men all shared an interest in the West whose power was dramatically highlighted by the arrival of the American Black Ships led by Commodore Matthew Perry in 1853. These men were concerned with Japan’s national strength, and to this end they rallied around the imperial cause seeking to bring an end to the political hegemony of the Shogunate system. The means by which they sought these aims were what is now called modernization: reforms in the educational and political systems, technological innovation, and just as important, military reforms. Gesshō’s particular concern—Japan’s maritime defense—was no doubt sparked by the dangers signalled by Perry’s arrival. He counselled an increase in fortifications along the coast for which he was appropriately known as the Priest of Coastal Defense (kaibōse).

He also wrote under the name Seikyō, literally “pure crazy,” and this appellation fit his charismatic nature. His eccentricity was demonstrated in 1856 when he wrote his Treatise on the Buddha Dharma and Protection of the Nation (Bupā gokoku ron), and began travelling and delivering lectures on his ideas set forth therein (Yasumaru and Miyachi 1988: 215-222; Bullard, unpublished translation). Though the document itself was short, it was a fascinating polemic on the history of Asia’s colonization by the Western powers. He took note of the dangers posed by England, France, Portugal, Russia, and America and saw that the two primary weapons employed in colonization were the spread of Christianity and the gun. His antidote was simple: the strengthening of Buddhism and the adoption of the modern methods of war of the West for protection against the West.

He was particularly worried that the people living near Japan’s coastline would become “slaves” through daily contact with the foreign barbarians, and he cautioned against powerful members of Shogunate who, proving incapable of meeting the challenges they faced, were ready to submit to the barbarians’ demands. In his view, this would lead to contact between the barbarians and the coastal people whose simplicity would thus enable the spread of Christianity which would, in turn, weaken spiritually, politically, and militarily the very foundations of Japan. The coastline was a site of especial danger, and his vision of coastal defense was military and no less, intellectual / religious in nature.
Kenyo, the twentieth Great Abbot of the Nishi Hongan Temple Sect (Yasumaru and Miyachi 1988: 221-222), was duly impressed and summoned him to Kyoto for consultation. The meeting resulted in an invitation to stay in the comfort of Kenyo's private residence, and then in 1858 Gesshō received orders by the Nishi Hongan Temple officials to begin missionary work in the far north in Hokkaido: the Ezo chi, or Barbarian Lands (Mochizuki 1957-1963: vol. 1, 904). These plans, however, were aborted as he suddenly took ill and died, and not long thereafter Yoshida Shōin, Rai Mikisaburō and many of his closest colleagues were killed in the bloody Ansei Purge in which those Shogunate officials, challenged by Gesshō in 1856, asserted their power.

In 1858, the Shogunate was overthrown, but over the next twenty years Japanese Buddhism, and in particular, the Pure Land sect to which Gesshō belonged, fell prey to attacks by the Meiji government as the emphasis on the native Shintō as the national ideology made heretical both Buddhism and Christianity. In a particularly ironic twist, Japanese Buddhism seeking its own survival became, like the Christianity which he had criticized, a tool of colonial expansion. In 1869, eleven years after Gesshō was ordered to go to Hokkaido, both the Nishi and Higashi [East] Hongan Temples would lend vigorous support for the colonization of Hokkaido in order to “prevent European and Christian expansion into an area so close to the Japanese homeland” and “to prove the worth of Buddhism to the nation” (Ketelaar 1990: 73, 69). The government saw these priests as expendable, yet useful in placating the “anger of the ‘aborigines,’” and thus was happy to put these priests to good use (Ketelaar 1990: 69).

Despite the vicissitudes Japanese Buddhism faced in the decades after Gesshō's death, the essential point of his plan prefigured the means by which Japanese Buddhism renewed itself in the Meiji period: an alliance with the state. In 1877 Okumura Enshin, a priest of the Higashi Hongan Temple, began missionary work in Korea where his efforts were divided between humanitarian good works and aid for fledgling Korean political reformers. Among these the Korean priest Yi Tongin (?-1881, presumed dead) played a significant role, and though to a lesser degree, so did the priest Mubul (?-1884) who came from Paekdam Temple (Han Sokki 1988: 13-53) with which Han Yongun was associated throughout his life.

When Han visited Japan some thirty years later, he had much to reflect on as he regarded the Buddhist tradition of Korea, its relationship with Japan, and his own ambivalent feelings towards Japanese Buddhism both as a Buddhist priest and as a Korean. Gesshō's poem foreshadowed his life of activism on behalf of Buddhism and Japan, and in a sense, Han Yongun had assumed a similar position within Korea by the time of his enlightenment in 1917. The hurried fashion in which he seems to have written his enlightenment verse suggests that he had thought long and hard on this poem and the man who had written it. Moreover, he wanted to respond to it directly, without fretting over the prosodic rules with which Gesshō himself had been so concerned.

Underlying Han's response was a deep reading of Gesshō's poem in terms of its religious significance in which home is not a physical place, but a state of mind, or more accurately, the mind's intrinsic luminousness: its inherent enlightenment (Nakao and Imai 1976: 68). This theme is a commonplace in Zen, and the Koryo priest Hyegun (1320-1376) expressed this well in his "Radiant Zen, Seeking a Gāthā:"

Shining bright, the jewels of the mind seen and unseen,
Appear at the six windows, without any difference.
So sudden that where they appear is without any trace,
The great earth, its mountains and rivers: all one home


Although the first line of Han's verse echoes the final line of Hyegun's gāthā, the difference is, in fact, significant. There are similar assumptions to be sure, but in spite of these, Hyegun's verse is a literary representation of the common conception of inherent enlightenment or the Buddha-nature. Han's verse, on the other hand, contains a fundamentally a different depiction. In order to understand this, we must first address Han's responses to the two literary allusions embedded within Gesshō's poem.

The first was Gesshō's allusion to his age through his veiled reference to the Analects of Confucius (Lun-yü). When he states his “resolve” to leave home in order to “study,” he immediately recalls Confucius' statement: “At the age of fifteen, I resolved to study” (Pak Ilbong 1996: 60-61). Han responds to Gesshō's resolution with “anyplace a manly man goes is home.” This is a Zen Buddhist response
through which Han says that to consider enlightenment as something to be found beyond one's own mind, or home, is to fundamentally misconstrue the meaning of enlightenment: the awakening to the original purity of the mind which is innate (Ch'oe T’aeho 1994: 108-110). Han thus focuses on the notions of departure and return which Gessho takes for granted, and he instead presents the Buddhist notion of nonduality—neither leaving nor returning—emphasized in Hyegflun’s verse. Yet Gessho’s poem seems to have been less a religious statement than a secular poem, and to a degree the explicitly religious aspect of Han’s verse unfairly emphasizes the Zen Buddhist implications of Gessho’s poem.

Apart from this religious response, there is yet a mundane response which is more interesting insofar as it centers on masculinity and thus strictly deals with Gessho on his own terms. This ideal of masculinity is contained in the expression “manly man” (K. nama; J. danji) which bears a connotation in Japanese and Korean secular usage different than what is found in Chinese. As in Chinese, this expression can mean simply a male child or a son; but in Japanese and Korean, it can also be used to epitomize those qualities which make a man a man: resolution, strength, and above all, courage. In Japanese, this is jefu; and in Korean, changbu. This term also has a Buddhist resonance insofar as it may refer to a student of Buddhism who continually strives in his or her practice despite any and all obstacles (Soothill and Hodous 1975: 54). In a Buddhist context, the term jefu or changbu (C. chang-fu) thus can be used for either male or female disciples (HPT 1993: vol. 5, 750).

Both Gessho and Han are men, and as a consequence, it is fitting that their poems are written from a male point of view. Each recognizes that it takes courage to leave one’s home, and like Gessho, as a young man Han too was eager to leave his hometown and see the world (Han Yongun 1980: vol. 1, 410-412 and 254-255). Han should have had great sympathy for this aspect of Gessho’s poem. Both are sons who see themselves as real men: courageous and resolute.

Yet Gessho’s poem holds out hope for success and then return, even as he notes the uncertainty of it all. On this point, the first two lines of Han’s verse can be read as a direct response to Gessho whose mention of leaving in the first line and return in the second line exposes his homesickness. For Han, there is no homesickness for a real man and thus no need even to consider whether one will return home. His home is anywhere he is, and unlike Gessho, Han is completely certain about one thing: You die whether at home or in some distant place. This response has the gravity of thirty-nine year-old man responding to a callow fifteen year-old.

The second allusion in Gessho’s poem was the pairing of failure and death, and this was taken from a poem by the Sung dynasty poet Su Shih (1037-1101). This poem was meant to serve as a farewell to his beloved brother Ts’u-yu, and in this poem the green mountains take on a sinister air as they become graves. Su Shih’s verse plainly recognizes a duality between home and the world beyond one’s home, and he laments his death away from his home and family:

> I was apprehended by the Censorate. The prison official slightly ill-uses me, and I know I cannot endure; I shall die in prison and not be able to bid farewell to Ts’u-yu. Therefore I write these two poems and give them to the jailer...to leave for Ts’u-yu.

> Our Sage Ruler is like the Heavens, [creating] springtime for all things.
> This insignificant servant is doltish and benighted, and has brought about his own death.
> I pay my debt before I have completed the full span of years.
> Ten mouths will have no home—they will burden you yet more.
> You can bury my bones anywhere there are green mountains.
> In later times you will grieve alone on rainy nights.
> We shall be brothers throughout many lives:
> In the life to come, we shall again be bound by this uncompleted karma (Fuller 1990: 246-247).

While Gessho accepts that one might certainly die in a distant land, his very notion of success presumes that one must return home. To return home is to be successful, and to succeed, or die trying, is to be a man worthy of the name. In the final couplet of Gessho’s poem, the parallel between “the green
mountains” and “the ancestral graves” at once makes plain his acceptance of death as the cost for trying to succeed even as he asserts his preference for being buried at home, among the graves of his ancestors, to where he hopes to have returned as a success. In this respect, he borrows Su Shih’s expression for the same purpose, and both poems betray the same frame of mind. The nuances derive from the slightly different contexts: Su Shih writes from the point of view that his failure will shortly result in his death and Gesshe, from the point of view that failure axiomatically results in death. But unlike Su Shih, Gesshe is optimistic, and as a vigorous youth, there is an element of bravado in his seemingly austere acceptance of death. It is not convincing, but rather seems to be a mask beneath which we sense his confidence. Indeed, the final line of his poem in and of itself is not particularly gloomy in spite of the fact that the expression “green mountains” is a metaphor for “tombs” (Abe and Akatsuka 1984: 146 and 1,118). Ironically, in Korea this final line itself has become a proverb which preserves the intended meaning that one can die anywhere and conversely, the more optimistic interpretation that one make a life for oneself anywhere (Han’gflul hakhoe 1994: vol. 2, 3361). It can be taken both ways.

Contrary to both Su Shih and Gesshe, Han’s verse admits no such dichotomy between death at home or in some distant land. His very definition of the true man abolishes this distinction by focusing to the exclusion of all else on the idea of home which, for him, is an endless variety of places transmuted into home by the presence of the manly man. This has an air of optimism which paradoxically occludes what he is actually saying, and his meaning is unmistakable when placed beside the poems of Gesshe and Su Shih.

In Han’s verse, one’s home or hometown is not the site of birth, but rather the site of death: One’s native place is where one dies, whether one was born there or not. There is no room for metaphor of the sort implicit in Su Shih’s poem or made explicit in Gesshe’s subsequent slight modification of it. Through the medium of Gesshe’s “A Poem Written on a Wall,” Han paints his own experience of enlightenment as the recognition of death as a fact without the cause or consequence clearly recognized by the two other poets: In Gesshe, failure causes death, and in Su Shih, the consequence of death, or at least the anticipation of it, is lamentation. Han’s statement is sturdy and compact by comparison: partly by virtue of the absence of any metaphor whatsoever. It is a conception worthy of the man about whom both he and Gesshe speak, but whereas Gesshe’s acceptance of death strikes a note of machismo, and is thus somewhat hollow and incredible, Han’s definition of manhood is stark.

The fact that the final line of Gesshe’s poem allows for an optimistic interpretation is especially significant insofar as there is a neat reversal in Han’s verse. Gesshe’s surface-level pessimism masks his hidden optimism; Han’s surface-level optimism masks an attitude which most would describe as pessimism. This can be best brought into relief by placing the final couplet by Gesshe before the first couplet by Han. This suggests a conversation, which is, indeed, the way in which it seems Han himself thought of his verse:

Bury the bones: why think of the ancestral graves?
Anyplace the manly man goes, green mountains are found.

and Han’s rejoinder:

Anyplace the manly man goes is home,
Yet some spend so long longing for home.

Yet this is not, strictly speaking, pessimistic since pessimism implies an alternative. Such division is precisely the manner of thinking which Han’s expression obviates, and if we are to take his verse as an authentic statement of enlightenment, it is also a manner of thinking obviated by his experience.

Seeing Things: Sitting atop a Tiger’s Head

In an essay on the poet-translator Kim Talchin, Kim Inhwan refers to the first couplet of Han’s verse to make an interesting point (Kim Inhwan 1997: 508). He notes that it is a commonplace for Zen monks to compare the erasure of their spiritual doubt (K., fujijong [J. gije], K., fuishim [J. gishin], or K., fidan [J. gidan]) (Nakamura 1975: vol. 1, 221), of which Han spoke in his introduction, to returning home, and he further notes the indispensability of this spiritual doubt for enlightenment: “[One] must first deeply doubt. Did not men of old say that doubt was like riding atop a tiger’s head?"

In Zen, this spiritual doubt is the “spirit of inquiry” “through which the original unity of the mind [is] restored” (Buswell 1983: 68 and 394), and Kim Inhwan’s emphasis on Han’s doubt is thus well-founded. What he goes on to say is, however, the crux of his comparison with Kim Talchin whose “ascetic
egalitarianism, instead of casting off doubt, took doubt [itself] as one of the essential characteristics of life
[whereby he] attempted to bring under control his doubts and passions.” In contrast, he says of Han that:
It is certainly impossible to perfectly untangle the meanings of “production and
annihilation (saengmyol) is not production and annihilation (pulsaengmyol)’ and the
‘passions are enlightenment [ponnoe chfluk pori],’ and yet it is not difficult to grasp that
escaping the darkness and searching for the light is not the way which exposes the
thing-ness of things (samulffui samultaum) (Kim Inhwan 1997: 508). [emphasis added]
This strikes me as an astute evaluation, and we hear in it a faint echo of the famous statement by Ch’ing-
yüan (1067-1120), a Sung dynasty Zen master:
Before I had studied Zen for thirty years, I saw mountains as mountains and waters as
waters. When I arrived at a more intimate knowledge, I came to the point where I saw
that mountains are not mountains and waters are not waters. But now that I have got
the very substance I am at rest. For it is just that I see mountains once again as
mountains, and waters once again as waters (Quoted in LaFleur 1983: 23).
But the underlying problem is what precisely distinguishes Han from Kim Talchin? Kim Inhwan seems to
see this distinction in terms of Han’s cessation of doubt versus Kim Talchin’s conscious living within doubt,
and this distinction seems reasonable. Nevertheless, it still leaves the question of which way “exposes the
thing-ness of things,” thus cutting off doubt?

Both Kim Inhwan’s evaluation of Han’s erasure of doubt and Ch’ing-yüan’s statement imply that it
is the recognition of the “thing-ness of things”—things in and of themselves—that is the defining feature
of enlightenment. Although Kim’s formulation is negative—“not the way”—and Ch’ing-yüan’s is ultimately
positive, both agree on this point, and moreover imply that to see the “thing-ness of things” is to lose one’s
doubt and attain enlightenment. Yet this is not exactly what Han is saying.

To speak of the “thing-ness of things” or “to see the mountains as mountains” implies that there is
some other way to speak “of things” or “see the mountains,” and we find this implication in both Ch’ing-
yüan and Kim Inhwan, whose expression is but a generalization of the principle stated by Ch’ing-yüan: But
this very principle seems to affirm that individual things possess each an essence by which they are defined,
and Ch’ing-yüan’s use of mountains and waters as metaphors for mountains and waters and similarly, Kim
Inhwan’s “thing-ness of things” do seem to suggest this sort of dualism between outward appearances and
hidden realities.

Han, however, seems to be saying something simpler and perhaps, more profound. To express
Ch’ing-yüan and Kim Inhwan’s principle from Han’s point of view, one might simply say that Han saw
mountains and waters: that he saw things. And that he also recognized the erosion of the mountains, the
flowing of the waters, and the disappearance or transmutation of those things not as something beneath
which an abiding truth was to be found, but rather truth itself.

This idea is implicit in key points in Han’s philosophical statements where he suggests that it is the
absence of essential qualities that is the source for enlightenment. Though never explicitly stated, this idea
seems to rest on his view of the relationship between the mind and its perception of the illusory nature of
(Masao Abe 1992, Kim Hee-Jin 1975, LaFleur 1985, and Stambaugh 1990), Han suggests a conception of
enlightenment contrary to the common interpretation that Buddha-nature is hidden behind the labile realm
of phenomena and that to achieve enlightenment is to see beyond the phenomenal realm.

Instead, in both Han and Dōgen we find a philosophical conception of the mind which is trans-
anthropocentric and thus denies the primacy of sentience for enlightenment. Moreover, we encounter an
absolute emphasis on impermanence itself as the very foundation for enlightenment. Impermanence, or
illusion, is not a shield—or even a simulacra—of truth through which proper seeing can separate underlying
truth from manifest illusion. Rather, Buddha-nature is impermanence itself, and impermanence is Buddha-
nature (Stambaugh 1990: 5-8; 41-42). It is thus seems to be the mind’s perception of the mutability of itself
and things which is the key to enlightenment, and both the introduction to Han’s enlightenment verse and
the verse itself do suggest such a conception.

Han’s introduction brings into relief this issue between the common interpretation of enlightenment
and what both Dōgen and he seem to say. Han literally says: “[My] doubting perceptions (sensations,
feelings, emotions, etc.), suddenly undone (fluijong tonsok) "or "[In my] doubting perceptions, [I] suddenly awoke [to the truth or reality]." Although this passage can be taken both ways, in light of the poem itself it does not seem that he is saying that he was released from his doubt (Ch'oe Tongho 1989: 274), but rather that his vivid perception of doubt was his enlightenment.

If we adopt this point of view, then we see that rather than being freed from doubt, Han's enlightenment was an acceptance of doubt itself. This absence of certainty is in harmony with the first line of his verse in which home itself not a specific place, but rather all places which possess at once the possibility of becoming graves or sites of enlightenment. To this extent, Han does recognize the immanence of enlightenment-- Buddha-nature and the intrinsically pure, clean mind--and this is given greater force when he draws a comparison between himself, or the "manly man," and those who long for home: those who are deluded and thus unenlightened. If enlightenment is literally within ourselves, then surely it follows that wherever we are, so too is our enlightenment. Although Han takes this for granted, his primary focus is on the multiplicity of places, and multiplicity itself suggests both physical movement and literally, changes of scenery by which our relationship to things is altered even if we ourselves do not move.

It is this idea of multiplicity which so clearly resonates in his verse. In the third line he notes the great shout shattering the universe. This is his enlightenment, and in his clarity he sees "peach blossoms afloat in the snow." One is first tempted to draw a connection between the shout and the falling of the blossoms, as if the sound itself has dislodged them from their moorings. The true connection, however, seems to be more obvious, and paradoxically, harder to see.

Instead, it is the shattering of the universe itself which allows him to see clearly. It is, of course, a primary concept of Zen that enlightenment cuts through habitual patterns of thought or ratiocination itself, but even then one is looking for the innate, pure mind which is defiled by outward phenomena. For Han, the underlying source is taken for granted, but in and of itself, it is not enough. Temporal conditions are necessary; phenomena itself is requisite. Without these, enlightenment is neither needed nor possible, even. In Han's 1932 essay "Zen and Human Life" (Son'gwa insaeng) (Han Yongun 1980: vol. 2, 310-318), his discussion of the omnipresence of Buddha-nature and its relationship to doubt (fluijong) suggests this view. Yet more significant is his emphasis on seeing traces and appearances which are, he suggests, nothing other than Buddha-nature itself (Han Yongun: vol. 2, 316).

As noted previously, it seems that Han's initial use of "fly / afloat" was truer to his vision than the subsequent substitute of "red" and that he wanted to emphasize unforced movement. Kim Inhwan's insightful comment on the "thing-ness of things" errs slightly on this precise point for at least in the original verse, it was not stasis or even continuity which Han saw, but the discontinuity derived from the shattering of the universe. The "thing-ness" which though based on "things," stands apart from them is the lesser portion of what Han saw. For this, "red" would have been the most suitable way to describe the "thing­ness" of the peach blossoms. Yet like Buddha-nature itself, redness is assumed and in need of no further elaboration.

What does require elaboration is the apparent absence of continuity: the question whether there is some underlying order or pattern which can be recovered through the corrected gaze of enlightenment. In Hyegfiun's poem "Radiant Zen, Seeking a Gāthā," the notion of unity is unequivocal, and we see that the underlying idea of Hyegfiun's poem is fundamentally different from Han's. Unlike Hyegfiun who sees a lack of differentiation and an absence of traces, Han sees traces and differentiation; where Hyegfiun perceives an underlying unity binding all phenomena, Han sees discrete phenomena. The "one home" of Hyegfiun unifies all things and provides order by depriving them of their differences. For Han, it is difference itself that matters.

If Han's manner of writing obviates the duality between things and their essential qualities, it does so by giving to each thing full existential weight. In this regard, Han is closer to Gessho than either Su Shih or Hyegfiun, both of whom presume continuity. For Su Shih this continuity is found in the next life; for Hyegfiun, this can be seen in the present as long as one has an enlightened point of view. In Han, and to a lesser degree in Gessho, the search for continuity is rejected for it assumes an inability to see things as they are. Where Han parts company with Gessho is on the question of return. While Gessho accepts the possibility of death, he also assumes that one can return to a place from which one came. By stating that
anyplace is home, Han effectively denies the notion of home itself which is predicated on the belief of continuity and permanency.

The floating peach blossoms thus draw out the central vision of Han's enlightenment. He does not see peach blossoms in terms of their most conventional and easily visible attribute: their color. On the contrary, he sees each of them in flight, scattering against the white backdrop of the snow. Paradoxically, this is the common point among the flowers, and moreover, between the flowers and the man himself who, like these falling petals, is moving. As previously noted, it would seem that Han chose “floating” as opposed to “blown by the wind” because he seeks to give autonomy to the blossoms themselves.

Blossoms cannot have autonomy, but people can, and the seeking of this autonomy among those things beyond our control—the blowing wind—is the very definition of manhood. Regardless of whether one interprets Han’s introduction as I or Ch’oe Tongho have (Ch’oe Tongho 1989: 274), it seems impossible to find in this poem itself any cessation of doubt. He is thoroughly ambivalent save his assertion that anywhere is home for a true man, and this apparent certainty utterly smashes the very idea of home embodied in the poems by Gesshe, Su Shih, and Hyegflun. It undoes itself.

While the blossom-ness of the blossoms is important, it is the movement of the blossoms in space and time which draws Han’s gaze. He sees the thing-ness of things, but the primary constituent of things is their differences. These things are not static, and dissimilitude and change alone constitute likeness. In Han’s verse, enlightenment and death are put on a par precisely because though they are so different, each can take place anywhere. Yet he does not suggest that they are alike in some fundamental sense. He does not seem to admit any underlying unity between the two states, but the respective uniqueness of each is undercut by something else so obvious that it escapes notice. That is, to say anywhere or anyplace is to admit to uncertainty itself, and it is the full recognition of this obvious fact alone which differentiates the “manly man” from the unenlightened.

Han’s emphasis on movement, change, and discrete phenomena comes at the expense of a vision of unity. He sees diversity and multiplicity, and as in this poem, these characteristics are placed in the foreground. In this respect, the similarity between his and Dogen’s conceptions of enlightenment is even more compelling: in distinction to the common depiction typified in Hyegflun, Buddha-nature is neither hidden beneath varied things, nor even the varied things themselves. It is, rather, variation itself.

There is in this vision a terrifying sense of uncertainty: that we are utterly without moorings. There is no glimmer of the hope found in Gessho and thus no need for lamentation as in Su Shih who at least could take solace in the hope of future births and the completion of his karma; nor is there any sense of Hyegflun’s calming vision that underlying the fractured appearances of reality is tranquillity and harmony. This would at least make endurable the world in which we are forced to live.

Instead Han’s vision tosses us into mid-air, and to admit to this horrific fact—to see it clearly—is what it takes to be worthy of being called a “manly man” (K. nama, J. danji): a man of daring and strength. In Han’s vision of the shattered universe, such a man floats among uncertainty, and must do so, moreover, with his eyes wide open. Like the peach blossoms, he can appeal neither to fate nor natural circumstance: thus Han’s use of “floating” which perfectly captures this lack of certainty. Were the blossoms “blown in the wind,” then we too could take some degree of comfort in the certainty that what is has to be. Yet Han denies even this.

Shattering the Universe, Falling through Space

The very same tension is found in Dogen as well (Kodera 1980: 16-35). He was born into a life of privilege in politically volatile times, and by virtue of birth, he was made a pawn in family struggles. His grandfather and uncle wanted to adopt him with a view towards political advancement, and as an unusually bright child, he seems to have intuited from an early age the precariousness of his own existence. The point of stability in his early life was his mother for whom he felt great affection, and she protected him from the designs of her father and brother. When he was eight, she died.

It was for him a crushing blow through which he came face to face with the existential problem of impermanence, and it is significant that the Kenzei-ki, a fifteenth century biography of Dogen, notes of his mother's death: “[he thus] intimately realized the impermanence of the world of sentient beings” (Kodera
In light of his later philosophical question and moreover, the answer he ultimately gave to that question, it seems reasonable to see in his mother's death his foundation as an innovative thinker.

At the age of thirteen he fled to the Tendai Buddhist stronghold on Mt. Hiei where two years later he had a pivotal experience. While reading the *Mahāparinirvāṇa sūtra* he was struck by an apparent absurdity which was the source of his "great doubt" (*gīdan*): If the sutra is correct in asserting that "all sentient beings everywhere possess the Buddha-nature; the Tathāgata exists eternally and is without change" (Kodera 1980: 25), then what need is there for practice? Nine years later, he went to Sung China to look for the answer.

His solution eventually came in 1225 and centered on an exhortation by his master T'ien-t'ung Ju-ching (1163-1228) to "drop the body and mind" (*shinjin datsuraku*) (Kodera 1980: 106). This letting-go by which he was released from his "great doubt" later led him to re-read the passage in which his "great doubt" had originated. In the single, great anarchical act of Dōgen's life, he defied the grammar of classical Chinese to interpret the passage as: "All are sentient beings, all things are the Buddha-nature; the Tathāgata exists eternally and is non-existent yet existent, and changing" (Kodera 1980: 62). Thus Dōgen gave both Buddha-nature and enlightenment itself an interpretation which fundamentally re-structured the conventional interpretation of the relationship between the two: "the Buddha-nature is not some kind of changeless entity [intrinsic to constantly changing sentient beings], but is none other than the eternally rising and perishing reality of the world" (Kodera 1980: 62). In equating the absence of permanency and continuity with Buddha-nature, or source of enlightenment, Dōgen managed to wrest from conventional metaphysics a philosophical understanding of the world which fit with his own experience that there is no permanency.

More than anything else, Dōgen wanted to get at the very root of all things, and to do so, he had to focus on impermanence itself: the single likeness common to all things. In making this the ontological basis for enlightenment, he made it necessary and thus acceptable, and as in Han, in Dōgen we find emphasis on multiplicity and discrete phenomena within "the most ordinary, plain and obvious experience" (Kodera 1980: 78). Furthermore, his austere prescription of Zen practice made enlightenment and practice one and the same: to do is to be; to be is to do (Masao Abe 1985). This mirrored the ontological equivalence he drew between Buddha-nature and impermanence, and in both, there is no room for the past or future. The present is everything, and while this emphasis was in accord with his intense concern over decorum, this concern itself would seem to come into inevitable conflict with his theory that impermanence is Buddha-nature. Remarking upon Dōgen's "Ritual Antiritualism," Faure makes a similar point when he notes that "Dōgen may be a good example of the seeming discrepancy between theory and practice—or between various theories and various practices" (Faure 1991: 289-290).

During his early years as a priest, Dōgen was disillusioned by the worldliness of much of the Buddhism he encountered: On Mt. Hiei there were monk-soldiers; elsewhere, teachers were willing to grant him recognition easily. As noted above, he seems to have been sensitive from an early age, and one senses that due to his intelligence, he could not accept either easy answers or easy recognition. He questioned everything, and it is significant that he would only accept Ju-ching's seal of recognition after questioning the master's motives. Even being told explicitly, "no, I am not setting my seal on you so easily," was not sufficient for Dōgen who was forced to query, in turn, "what do you mean by not setting your seal so easily?"

"I mean that you really have dropped both body and mind," reaffirmed Ju-ching. At this Dōgen finally bowed in homage, acknowledging Ju-ching's acceptance of him. "That's dropping off the dropping," Ju-ching said (de Bary 1972: 358-359).

Dōgen's quest for certainty and his intellectual acuity were fundamentally incompatible. He fully believed in the impermanence that he saw, and yet what he saw deprived him of the very certainty he sought. Even the mediation of his novel reading of the relationship between Buddha-nature and impermanence could not fully erase this tension.

In 1228 Ju-ching wrote a verse in commemoration of his impending death:

For sixty years, my sins have filled heaven.
I take a cleansing leap,
And drop alive into the Yellow Springs [hell].
Ah!
Birth and death never mattered (Yanagida 1973: 189).
As Dogen prepared to die twenty-five years later, he too wrote a verse into which he incorporated the second and third lines of Ju-ching's verse. Both these verses, moreover, recalled the impetus for Dogen's attainment and the subsequent conversation in which Ju-ching confirmed it: "dropping" is essential to both.
Yet in Dogen's death verse, an overwhelming sense of uncertainty is brought into into sharp relief. Here, the inherent tension within his interpretation of Buddha-nature dramatically rises to the surface, and the lines borrowed from Ju-ching are cast in a different light:

For fifty-four years
I shone upon the highest heaven.
I take a cleansing leap,
And shatter the universe.
Ah!
My entire body with nowhere to hold:

The apparent similarity between the phrase "shatters the universe" in Han's enlightenment verse and the phrase in Dogen's death verse is no accident. In both, the word used for shattering or smashing is the same (K., p'‘a; J., yaburu), and for the "universe," Han merely substituted the synonymous three syllable samch’ on'gye for Dogen's daisen. Though both mean the great tri-chiliocosm (S., tri-sahasra-mahasahasra-loka-dhatu) (Soothill and Hodous 1975: 61), Han was originally intending to write a classical Chinese poem and thus needed three syllables.

In the background of this expression in both Han and Dogen is The Blue Cliff Record: a text brought to Japan by Dogen who is said to have been "so impressed that he spent his entire last night in China sitting up and hand-copying it" (Cleary and Cleary 1977: vol. 1, vii). Yet this line itself is not found in the text, in spite of the presence of somewhat similar ideas and expressions. It thus seems possible that Han was quoting Dogen's verse: He studied in Japan in 1908 at the Soto Sect University (Soto-shō Daigaku) and so should have had the opportunity to have read it. Yet what is most important is not whether he was consciously using Dogen's phrase, but why he used it. What goes in the ear often comes out eventually, but it must be in the proper context to have force and meaning. And Han's enlightenment verse was the proper context.

Ju-ching's drop into hell at least finds a cause in his sins. Dogen, on the other hand, not only gives no cause, but instead is fully cognizant that death comes despite the fact that he "shone upon the highest heaven." Facing the inevitable, both Ju-ching and Dogen "drop alive into the Yellow Springs," but in Dogen there is a rupture of the pattern of cause and effect. In a sense, there are only effects. If a strict interpretation of the idea that impermanence is Buddha-nature does tend to move in this direction, then this verse takes it to its inevitable conclusion: there is "nowhere to hold!"

Significantly, this rupture is mirrored by Dogen's "shattering the universe." In a philosophical sense, at least, this is precisely what he had done, and it is telling that he explicitly records this fact in a "departing verse" which "was not simply intended to testify to the master's enlightenment; it was producing it and contained, in the literal sense, its 'essence'" (Faure 1991: 189).

In a book devoted to the death verses of Zen masters (J. yuige; K. yugye), Yanagida Seizan places the poems by Ju-ching and Dogen into a separate section appropriately titled "Alive, Falling into Hell" (ikinagara kasen ni otsu). He remarks that in Dogen's poem the line borrowed from Ju-ching strikes the reader as being "extremely out of place" (hamahadashii iwakan). Moreover, he suggests that this line is terrifying: that the very act of reading it invokes a physical response (Yanagida 1973: 189).

According to Yanagida, Dogen used this line not simply in homage to his teacher, but because the two shared a similar conception of their lives and deaths, and for Yanagida, this line is not meant to be interpreted as an oblique reference to Buddhist ideals: Dogen and Ju-ching are not writing metaphorically, nor suggesting that they are going to hell for the salvation of other beings (Yanagida 1973: 187). Rather, they literally thought that they were going to hell since both were aware of an idea now largely forgotten: that to teach Buddhism might result in going to hell (Yanagida 1973: 191).

317
Yanagida’s view on this matter raises a variety of issues too complex to be addressed here; nonetheless, it is reasonable to say that his supposition is fully consonant with Ju-ching’s poem, and in fact, explains the sins to which he refers in the first line. More important, however, is the fact that in following this line of thought, Degen’s “shining upon the highest heaven”—his teaching—becomes a sin which leads to his fall into hell. In this fashion, Degen’s poem complements Ju-ching’s to the extent that it explains, if only implicitly, that to “shine upon heaven” is to commit a sin: something done by both masters. Yet Yanagida is primarily concerned with the single line “I drop alive into the Hell.” By virtue of this focus, one is liable to overlook the overwhelming dissimilarity between the two poems.

Ju-ching’s poem is fundamentally philosophical, and his fall into the Yellow Springs is given simply as a fact which is a logical consequence of his life. It is from the first comprehensible insofar as he supplies the cause and the effect and places them next to each other: his sins lead to his fall into hell. Degen’s poem, on the other hand, is fundamentally physical. From the smashing of the universe, to the absence of anything to grab, and finally to his conscious fall into hell, one is made to feel keenly in Degen’s poem the terror of the fall precisely due to the physical manner in which it is described.

The fact that Han too “shatters the universe” points to a fundamental congruity in their visions: both poetic and philosophical. This centered on the conception that one can only see in the present, and that to see in the present is to see impermanence. In Han, it is the absence of a home which characterizes this view, and in Degen, it is the absence of anything to hold. In distinction to both Han and Degen, Ju-ching regards his drop into hell as “cleansing” and suggests that he not only willingly drops, but rather that he leaps alive into hell. He also comments on this by saying that “birth and death never mattered.” This allows a philosophical perspective from which we are able to view his “drop into hell.” Simply put, Ju-ching seems to see in his sins and his hell-bound descent the sort of underlying unity already discussed in relation to Hyegflun, and as a consequence, these things truly do not matter.

The same cannot be said so easily for Degen who simply ends his poem as he drops alive into hell, and in its new context, the line takes on a new significance. Since Degen was most concerned with the present, it is appropriate that he end his poem by focusing on the immediacy of his experience, and as a consequence, we are left with little to say. Degen offers no larger perspective, no comment; but merely records his descent as a simple fact.

Han’s enlightenment verse likewise records a moment of descent, but this time it is blossoms which are falling. Though Han makes no mention of hell, his verse too deals with death which, like Degen, he views from no privileged philosophical vantage point. To see is to accept the absence of underlying unity, and to see in this way is to shatter the universe.

Conclusion

Yom Muung has made the interesting point that Han’s enlightenment in 1917 was partly derived from his “seeing clearly the reality of Japanese imperialism.” He further noted that this was the pivotal point in his life for it was here that “his unity as a priest, an independence fighter, as well as a thinker and activist was perfected” (Yom Muung 1972: 723). This may be somewhat exaggerated, but it is credible. Han’s enlightenment did take place within that historical context, and there seems no reason to deny this or insist that religious experience exists outside the world of which politics are a part. As we have seen, the literary foundations upon which Han based his enlightenment verse did have political connotations, though in a way and to a degree hardly suspected by Yom.

Han’s description of his enlightenment drew on Gessho in order to present a counter-position. That he thought enough of this man to respond to him in his enlightenment verse indicates a deep empathy for both Gessho and his poem. In spite of this, Gessho’s poem and implicitly, the poem by Su Shih were foils by which Han painted his own depiction of manliness which was at once secular and religious. Ultimately, this depiction offers no neat answers. It merely suggests that an attitude and perspective focused wholly on the present is essential.

In the Analects, Confucius remarks that by the age of forty he no longer vacillated (Pak Ilbong 1996: 61), and Yom also saw in Han the same certainty as he too neared the age of forty (Yom Muung 1972: 723). Yet to look for unity or certainty seems to be a human need that all too often obscures the utter lack of unity or certainty in human experience, thought, and action. To look at fragments as fragments has its own worth,
and Han had suggested as much seven years earlier in his *Treatise on Reformation of Korean Buddhism (Choson Pulgyo yusillon)* in which he had raised a variety of fundamental religious and political questions for which no single answer could suffice. *Reformation* was largely a reproof of dogmatism through the acceptance of other philosophical traditions, and throughout, he had insisted on seeing the needs of a time within their own contexts. Like Han’s enlightenment verse, *Reformation*—and indeed, the majority of his writings—admitted no clear distinction between secular and religious thought or the contexts and needs of each. Paradoxically, the unity he thus drew between the secular and religious spheres of life was possible only through his conviction that neither alone were sufficient. It is telling that perhaps the most emblematic section of *Reformation* was titled “On Buddhism’s Reform: It Must First Be Destroyed,” and the final sentence read: “If one intends to persevere on behalf of the reformation of Buddhism, it is not over a failure to reform that one will worry; rather it is the inability to destroy [Buddhism] over which one must worry” (Han Yongun 1980: vol. 2, 47).

In his own way, Han had broken with the notion of unity by the time of his enlightenment, and it is his vision of the “shattered universe” which makes intelligible his denial of unity and the possibility of return in his enlightenment verse. It also makes understandable his ability to see in other thinkers and traditions merit: to attempt, at the very least, to move beyond the limited context in which he lived. To move between the light and the dark is the only way to truly see things as they are for what they are depends much upon the light in which they are cast. It thus seems relevant that in Han’s most famous work, *Your Silence (Nimjiui ch’immuk)*, he played with shadows and perspectives to speak about love which, as he himself indicated, resists any all-embracing definition and can only be seen through fragments. What was most constant in Han as a writer and thinker was his remarkable ability to look at a variety of things and appreciate in them different examples of different truths.

This is not to say that Han himself did not look for unity, coherence, or constancy. To live wholly in the present and to see everything as unlike everything else would be unimaginable. But to be willing to accept the multiplicity of truths does make possible the ability to shift perspectives: to look at what is at hand with fewer pre-conceived notions of what must be, or worse, what cannot be.

When Han recorded “peach blossoms fluttering in the snow,” he recorded a vision of that which could not have existed in the real world, and that was, I think, the point: to make clear the nature of his extraordinary experience of enlightenment. For peach blossoms to bloom on the third day of the twelfth month is singularly odd both biologically and more importantly in this context, textually. The *Blue Cliff Record* is clear on this point: Peach blossoms bloom on the third day of the third month, and it is on this day that a man who is ready can experience enlightenment. He is compared to a fish which turns into a dragon: “horns sprout on his head, he raises his bristling tail, catches hold of a cloud, and flies away” (*Pi-yen lu*, T 2003.48.148a; translated in Cleary and Cleary 1997: vol. 1, 51). To see peach blossoms in December is nearly as odd as a fish becoming a dragon. Yet within Han’s verse, his clear vision of these non-existent blossoms has a greater significance. That is, by placing peach blossoms and snow within the same context each negates the other, and all that is left is unforced movement: that floating downward which alone is what snowflakes and peach blossoms have in common. In the end, it is with Dogen’s death verse that Han’s vision of enlightenment has the greatest affinity.

As Dogen recorded his death as a moment frozen in time, seven centuries later a Korean captured blossoms in mid-flight. Neither man was concerned with the causes of the fall so much as the need to record the act of seeing the fall itself. Pak Hanyong’s suggestion that Han make his blossoms red created a poem at the expense of erasing a central characteristic of what Han had originally conveyed. In doing so, Pak added yet another fitting voice to those already assembled, and one suspects that Chong Chisang might have liked the company and no less, the chance to put in the last word.

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CREATING A HEAVENLY PARADISE ON EARTH:
CH'ONDOGYO AND THE NEW RELIGIOUS MOVEMENTS (SINHUNG CHONGGYO)

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Background and Introduction
The material presented in this paper is the product of a ten-month period of ethnographic research at Ch'ondogyo in 1998, and a more general exploration of a number of other new religious movements observed during this period. Initially, my interest in these other religions stemmed purely from a desire to contextualise my own research in a broader religious framework. However, to my surprise there appeared to be a number of quite marked similarities between Ch'ondogyo and the other new religions, despite the overall uniqueness of each of these belief systems. What immediately struck me was the existence of certain underlying themes prominent in the cosmologies of all of the new religions -- and it is this aspect of the religions I wish to explore in this paper.

This paper has two main objectives: to provide a general introduction to the main new religions of Korea, drawing out the essential similarities between them; and to explore the resultant themes which emerge in a specific religious context - through the lens of Ch'ondogyo. First, I provide a brief introduction to the new religions of Jeungsando, Taejonggyo, the Unification Church and Won Buddhism. Following this, I will move on to an analysis of the underlying philosophical themes which I believe to be evident in all of the new religions: in particular, the human potential for perfection and divinity. Then, through an examination of core symbols in these religions I hope to illuminate the monistic understandings of the relationship between the human and divine revealed, emphasising their structural similarity to the yin-yang principle of Taoist philosophy, which encompasses dualistic properties within a broader unitary system. Following this, I explore Ch'ondogyo theology and practice, in order to illuminate the ways in which the tension between these two realms is expressed and explored in a specific religious context.

New Religious Movements in Korea: Present Status and Historical Overview
Although a number of the new religious movements constitute sizeable minorities in Korea, little has been written about these sects and virtually no ethnographic research has been conducted; especially detailed work on individual groups (Earhart 1974:23). There appear to be a number of possible explanations for this lack of interest in such movements. Wagner (1993:3) cites the strong Christian influence in the media and Korean society generally, and notes that it has been hard for the new religions to find acceptance in this environment. Similarly, Tak (1970) states that a number of new religions are considered heretical and that there is strong resistance to such sects on the part of established churches. He also makes the distinction between "new religions" and "quasi-religions" and points out that the latter have created a number of problems in Korean society. It seems likely that this typology of "good" and "bad" new religions closely corresponds to the views of the state regarding those socially acceptable new religions and those which are not thought to promote state ideologies and interests.

Despite the indifference and occasional hostility directed towards many new religions, they are a phenomenon which cannot be ignored. There are over 300 new religions in Korea today, and their rate of development appears to be one of the highest in the world (Prunner 1976:12). Although richly diverse in many respects, the new religions, nevertheless, fall into several distinct categories (see Kim 1997):
1) those sects known collectively as Chungsan'gyo, based on the teachings of Kang Jeungsan,
2) those sects devoted to the worship of Tangun,
3) those sects based on a reformation of established religions,
4) and those sects based on Tonghak, centring on the teachings of Ch'oe Che-u.
In my view, the most significant of these new religions in the contemporary Korean context are Jeungsando, Taejonggyo, the Unification Church (Tongilgyo), Won Buddhism and Ch'ondogyo, the focus of my own research.

Although every religion is unique and dynamic, these new religions provide fascinating and important insights into the problems and tensions experienced by all religions. By defining themselves as "new" these religions express a highly intentional dynamism which is revealed in their attempts to systematically create a renewed and transformed vision of the world. Thus, the processes of transformation and change that all religious experience through the demands of lived practice, are often more visible and intensified in the new religions. Ultimately, these religions enhance our understanding, not only of established religious institutions, but also provide fascinating and important insights into the ways in which specific cultural systems deal with issues such as modernisation, Westernisation, secularisation, and nationalism (Earhart 1974:15).

Jeungsando

Chungsang'gyo is the collective name for a series of religious sects based on the teachings of Kang Il-sun (1871-1909), better known by his title Jeungsan (Chungsan). In 1901, following years of spiritual contemplation and arduous journeying, Jeungsan achieved enlightenment and realised that it was his mission to recreate order within Heaven and Earth (chonji-kongsa) and establish a heavenly paradise on Earth (JDPA 1997:107). Although Jeungsan attracted a large number of disciples during his lifetime, his impotence in the face of arrest by Japanese police in 1907 disillusioned a number of his followers (Choi 1996:113). When he died suddenly in 1909 only twenty-four of his disciples remained (Prunner 1976). As Jeungsan did not designate a specific successor, numerous sects arose after his death, established by his remaining disciples. In 1970 there were over 50 sects in existence which traced their roots to the teachings of Jeungsan (Tak 1970). Today, there are two significant religious sects which are derived from the teachings of Jeungsan, each claiming to be the orthodox religion of the founder: Jeungsando and Taesunjillihoe (Choi 1996:114). Although Taesunjillihoe is the larger and better established of the two, I have chosen to focus on Jeungsando which, although younger and smaller, has several unique and important features.

Jeungsando was officially established in 1974 by Ahn Woon-san (An Un-San) or Taesabunim. However, it traces its roots to a sect established by Jeungsan's spirit wife, Taemonim (Ko Pan-Iye), who is revered in the religion as his chosen successor. Jeungsando adherents believe that although Taemonim was the ordained successor of Jeungsan, because she was female her authority was not recognised by other male disciples. Despite the relative youth of Jeungsando, it has grown enormously during its short existence and unlike the majority of other new religions in Korea, it has a distinctively young and enthusiastic membership. It has now established chapters in numerous countries, embracing technology in ways other new religions have not, much to its advantage.

The Do Jeon (Tojon - Jeungsando Scripture) states that Jeungsan Sangjenim is the earthly incarnation of God, as Heaven and Earth are unified in his person. The sect teaches that although Heaven and Earth originated from one mind (ilsim), due to an imbalance in the cosmic forces of yin and yang, which occurred during the opening of the First Heaven, there has been an excess of unresolved won han (grudges, bitterness and grief) in the world. Thus, this period has been characterised by the dominance of yang and submission of yin. However, as a result of Sangjenim's efforts to reconstruct cosmic balance within the universe, it is maintained that we are about to enter the Later Heaven,

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5 I have chosen to use the form of Romanisation preferred by Jeungsando when discussing this religion, although generally a modified form of the McCune-Reischauer system is used - without the diacritics.
6 Prunner (1976, 1980) has written several informative articles regarding Taesunjillihoe, which provide the most detailed ethnographic information available in English regarding the religion to date.
7 A spirit marriage ceremony was performed after Jeungsan's death (JDPA 1995:585).
8 Jeungsando believes that the universe is guided by certain cyclic principles, principally the cosmic year. Within this "year" there are four cosmic seasons - spring (birth), summer (growth), autumn (maturity) and winter (decay). The cosmic spring and summer are the "First Heaven" and the cosmic autumn and winter are the "Later Heaven" (JPDA 1997:v)
Taejonggyo

Taejonggyo is another indigenous religion which was founded, or "revived" in the early twentieth century (Choi 1996). Hongam Nach'ol (1863-1916) founded the sect in 1909 (Kim 1997) as a result of a spiritual experience in which he was appointed by Tangun, the founder of the Korean nation, to establish a new religion. Taejonggyo believers recognise Tangun to be a true historical figure and insist that the religion has existed in some form or another since Tangun founded the nation in 2333 BCE (An 1963). The Taejonggyo Scriptures state that through Tangun - who is analogous to Jesus Christ in Christianity - adherents' worship Hanul. Hanul is a unitary God who, nevertheless, constitutes a trinity of three gods: Hanim (God-Father), Hanung (God-Teacher), and Hangom (God-King) (An 1963:12; Choi 1996:110). As the Taejonggyo Scriptures state: "Divided, He becomes three, and united, He becomes one, so His position can be determined by three and one simultaneously" (as quoted by An 1963:12). Adherents follow the teachings of Tangun in order to become a "god-human being" - a kind of immortal (An 1963), and create a utopia on earth.

Taejonggyo is an intensely nationalistic religion. As a result of its nationalist content it was heavily persecuted by the Japanese colonial administration, causing large numbers of believers to flee to Manchuria during the colonial period (1910-1945) (An 1963). A number of important Manchuria-based freedom fighters during this period belonged to Taejonggyo (Kim Hong-Gyun 1988). Today, the sect retains its intensely nationalistic undertones and leaders state that the religion is fundamentally concerned with the concept of "Koreaness", and returning to the country's "Korean" roots. Adherents insist that Korea shall become the next world power and that the international language of the future will be Korean. However, as Kim (1997) notes, due to a lack of evangelical programs, educational institutions for clergy, and limited access to financial resources, Taejonggyo does not appear to be a significant force in Korea today.

Tongilgyo - the Unification Church

Tongilgyo, the Unification Church, was established in 1954 following Moon Sun Myung's (Mun Sun Myong's) spiritual revelation from God on a mountain top in North Korea (Mun 1977). His revelation became "the Divine Principle" which seeks to explain traditional Christian cosmology in new terms. The universe is seen to be a perfect organic body which was created in accordance with God's will (Mun 1977:25). God himself is the unitary creator, possessing dual essentialities of positivity and negativity, externality and internality (Mun 1977:22). Thus, all objects in creation are a manifestation of the invisible dual essentialities of God (Mun 1977:25) and, thus, individual incarnations of God.

Of these objects, humans were originally the highest and most complete expression of God, created to take part in a perfect reciprocal relationship with him. However, as a result of the Fall, which is seen to be Eve's sexual union with Satan and subsequent impure sexual relations with Adam, humans were born with original sin; becoming Satan's progeny, as opposed to God's. In consequence, humans have been cut off from their destined and proper "give and take relationship" with God, and have failed to unite with God "in one body". Jesus Christ was sent to Earth to beget children, and establish a new God-centred lineage thereby restoring humanity to grace. However, Christ failed in his goal as a result of human malevolence and ignorance.

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9 Full name: the Holy Spirit Association for the Unification of World Christianity (HSA-UFC), although I have been informed by one adherent that the religion is phasing out this old title in favour of the Family Federation for World Peace (FFWP) in order to emphasise its universal religious significance.

10 see Cunningham, Nelson, Hendricks & Broad (1978) for a comprehensive discussion of the religion's theology.
Moon has predicted the Second Coming of Jesus Christ, which will occur in Korea - the chosen nation (Mun 1977:520-523). It is unclear whether the Reverend Moon himself is the reincarnation of Christ. Nevertheless, he and his wife are seen to be the "True Parents" - the direct link between humans and God. Through adherence to the religion and, most importantly, through the Blessing, humans are restored to their original nature, thus entering into a rightful "give and take relationship" with God and becoming "one with Him" (Mun 1977:30). The Blessing constitutes a special marriage ceremony wherein couples are married or have their vows renewed, en masse, under the instruction of Reverend Moon and his wife. The last blessing occurred on 7 February 1999 and 25,000 couples from all over the world gathered at Chamsil Olympic Stadium in Seoul, as well as hundreds of thousands more via satellite link-up, to take part in this ceremony (Korea Times 5-2-99). Through such events, the Reverend hopes to achieve his aim of establishing god-centred families, and ushering in a Kingdom of Heaven on Earth (Mun 1977:46).

Today, there can be no doubt that the Unification Church is the most successful Korean religion internationally - with chapters in over 130 countries around the world (Kim 1997). However, the church has not proved terribly successful in its homeland. When Tongilgyo first began it was plagued by unsavoury rumours regarding the conduct of Reverend Moon and the church, which might explain the suspicion in which the religion is currently held by a number of Korean people. Although mainstream Christians regard the Church's doctrine to be heretical, and the religion has been maligned for its recruitment procedures, it has, nevertheless, a highly motivated and devoted membership and a very strong financial base. This has allowed the religion to exert its influence in a number of political and cultural arenas both within Korea and abroad (Mun 1997).

**Won Buddhism**

Won Buddhism is another syncretic religion that developed during the early twentieth century which has borrowed heavily from Confucianism, Taoism as well as Buddhism. The sect was established in 1916 by a man named Pak Chung-bin or So'taesæn (1891-1943) after he achieved enlightenment (Chung 1994:i). His goal was to strengthen the spiritual power of humankind, which he saw as threatened by the growth of materialism in the world. Thus, the central slogan of the religion is, "As material civilisation develops, cultivate spiritual civilisation accordingly" (Choi 1996:114). This moral perfection is achieved through instruction in the cultivation of the spirit, study of the religion's theology, and through proper conduct (Chung 1994, 1984; Choi 1996). Through such moral and spiritual training, So'taesæn aimed to establish a paradise on earth (Park 1997:237).

Won Buddhism, or Pulbop Yon'gu-hoe (Research Society of the Buddha Dharma) as the movement was originally known, was envisioned by So'taesæn as a reformation of Buddhism - a practical application of Buddhist theory which could be practised by lay believers as well as ascetic monks (Park 1997:2). Unlike other forms of Buddhism there are absolutely no Buddhist statues or Bodhisattvas present in the temples. Rather, they take the *Irwon* (Dharmakaya Buddha) as the focus of their belief. This *Irwon* is symbolised by a perfect circle, or *won*, which represents the ultimate reality of the universe (Chung 1984:22) and the original nature of all sentient beings (Chung 1994:150). The *Irwon* is the only object of worship to be found in Won Buddhist temples. The religion teaches how to be enlightened to *Irwon* and aims to help us realise Buddha-hood by teaching us to nourish and ultimately unite with our true nature (Chung 1994:ii).

Unlike mainstream Buddhist sects, regular weekly services are held for adherents including Christian-style elements such as hymns, sermons and scriptural reading, as well as traditional Buddhist practices such as meditation, chanting, and bowing. These practices have helped the movement grow into a financially secure religion with a strong evangelical focus (Kim 1997). Therefore, Won Buddhism has been one of the more successful new religions in Korea, playing an important role in social welfare both within the country and overseas.

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11 In fact, I interviewed several Kenyan members of the Unification Church who have arrived in Korea to pay pilgrimage to the "homeland" of the Unification Church.
12 Rumours of financial aid to the repressive Park regime did little to enhance Reverend Moon's reputation in Korea.
Clearly, the new religions exhibit a number of similar qualities. They are highly nationalistic - emphasising Korea's unique cultural and spiritual heritage and the importance of Korea for the future of humanity (Kim 1997). As Kim (1997:251) notes, "Many of these religions claim that they embody the national spirit and represent the unique ideology of Korea". These religions can also be classified as movements for the people - aimed at realising a better, and more socially equitable, world in which all humans are equal. Thus, such religions have been popular amongst the lower classes and people from marginal social groups (Kim 1997). They are also syncretic sects which seek to integrate different forms of spiritual knowledge into a unified whole. Each religion focuses on a 'this-worldly' oriented and humanistic theology, aiming to unify humans with their spiritual potential in order to realise moral perfection and create a heavenly paradise on earth.

Creating a Heavenly Paradise on Earth: Theological Implications

This notion of creating a heavenly paradise on earth provides an important indication of the deeper philosophical foundations which underpin the new religious movements. Central to this concept is an understanding of human nature which stems from certain ideas expressed in Taoist, Buddhist and Confucian philosophy. Each of these doctrines share similar beliefs regarding the potential perfectibility of human nature and stress that this perfection is attainable through spiritual and moral cultivation (Kalton 1987:17). Such understandings are evident in the Buddhist conception of the Buddha-mind, the Confucian concept of chun-tzu (superior man), and the Taoist sage or sinson.

Considering the ways in which the new religions have distilled elements of the three great Oriental philosophies, it is unsurprising that similar understandings of human nature dominate their cosmologies. As we have seen, the new religions are all geared towards the eschatological moment when humans and God are united in a permanent whole. This particular understanding of the inseparable relationship between human and God is embodied in the key religious symbols of the new religions. Each of these symbols acknowledges a separation of the human and divine encompassed within a broader unity and oneness.

The Jeungsando symbol (Fig. 1b) encompasses the dual elements of yin and yang within muguk, the ultimate source of the universe. The centre circle is hwangguk, which represents the point of change in the universe. The Taejonggyo symbol (Fig. 1c) similarly acknowledges the separation of human (the triangle) and earth (the square) within the encompassing circle of Heaven. Indeed, this symbol is rooted in traditional Korean cosmology, as Heaven is often depicted as round and the Earth, as square (Kalton 1987:13). Clearly, the triangle (humanity) forms a triad with Heaven and Earth (Kalton 1987:16): it is encompassed within them, yet retains its distinctive features.

The Unification Church symbol (Fig. 1a) contains similarities to both the Jeungsando and Taejonggyo symbols. The outer incised circle represents the reciprocal give and take principle of the cosmos - much like the yin yang principle. The square represents the origin, its separation into dual objects and subsequent reunification into a single whole - a process known as the Four Position Foundation in the Unification church. The inner circle represents the origin of the cosmos radiating out in twelve directions. Clearly, this symbol is entirely concerned with the original source of the universe, its separation into objectified entities, and ultimate reintegration back into oneness with God.

The Won Buddhist symbol, the Irwonsang (Fig. 1d), may seem rather simplistic, however, it has a highly complex meaning which echoes the themes expressed in the other symbols. The Irwonsang symbolises the original nature of the universe and the state in which there is no difference between the Absolute Unity and its Components or between Being and Non-Being. However, it is also the point where the difference between these things appears - the separation the circle connotes between its internality and externality (Park 1988:5; Chung 1994:15). It is these two aspects of Irwon which have formed a perfect circle.

13 obviously, the close affinity between these three modes of thought is unsurprising in light of their mutual ongoing interaction (Kalton 1987:13)
14 according to one informant
15 twelve is an important number in Unification Church theology
It appears that the new religious symbols have a number of common features, which tends to reinforce the impression that the cosmologies they emerge from contain certain similarities - especially in relation to the way in which they depict the merger of separate elements into a broader unity. The physical aspects of the symbols bear strong relation to each other, but also to the yin-yang symbol of Taoist philosophy, which is perhaps the most famous case of a dualism in monism (Hughes 1971:212). Yin-yang represents the dual principle of the negative and positive, the female and the male, the cold and the hot. As a result of the interplay of this pair of opposites, and the balance and harmony they strive to achieve, all things come into being. Therefore, yin and yang should not be understood as material elements, but rather as dynamic forces, powers and agents (Chan 1963:245). This particular principle has had a great impact on Korean cosmology, and its importance to Korean national culture is expressed in Taegukki - the Korean flag.

While the yin-yang principle is often presented in the West as depicting balance (Palmer 1991:5), in point of process, there is contradiction as well as harmony (Chan 1963:245). It is the creative tension between these two forces that produces the energy which fuels the creative power of the universe. Palmer (1991:5) describes the principle as follows:

The two are the twin forces of the yin and yang. These forces are complete opposites... they represent within them all that is and can be, but in opposition. In their eternal struggle, which is the struggle of natural forces not gods, they generate the energy (ch'i) which fuels the creation and which causes all to come to birth... They are locked in a life and death struggle which neither can win, for at the very moment that one reaches the highest point of its power, it gives way to the other.

Despite such oppositions and conflict, ultimately, the apparent dualism and pluralism constitute a dynamic monism through their dialectical relationship (Chan 1963:245).

The point I wish to draw from comparisons with the yin-yang principle is this concept of dualistic expressions within a broader unitary entity, which I feel encapsulates, to varying degrees, the understandings of the relationship between the human and divine evident in all of the new religions. This dualism in monism also provides an important means of expressing the tension evident within the new religions, between these expressions of potential and realised human divinity. The words of the neo-Confucian philosopher Kwon Kun (1352-1409), whose own work helped to articulate this monistic perspective, may illuminate my point. He writes,

The mind and nature de jure should be one; de facto there is a gap. The task is going to be to purify oneself and recover this original integrity; when this is done Man becomes what he really is in his most profound nature -- that is, one with Heaven. Until this happens, we have the familiar gap between immediate reality and the ultimate truth of our being, and the tension between the two transforms 'is' into 'should be' (in Kalton 1987:13).

In the case of the new religions the existence of this ideal concept of human divinity, juxtaposed with existing human frailty and imperfection, creates a "gap" fraught with tension. Clearly, this tension
is present, to some degree, in all religions. Indeed, this tension can also be understood as the conflict between theory and practice that exists within all social systems. There is always friction between the way things "should be" and the way things "are". Each of the new religions espouses a vision of an immanent future in which an earthly utopia will be established as humans fulfill the ultimate "truth of their being" and become like gods. Thus, the extreme tension that results from the disparity between this potentiality, and present reality, is evident in all of the new religions and has been dealt with in a variety of ways - with differing degrees of success.

The case of Ch'ondogyo

As research into the other new religions has been of a more general nature, I would now like to turn to an examination of Ch'ondogyo - a religion with which I am more intimately familiar. Through this analysis I hope to explore these discussed tensions further in order to ground my general comments regarding new religions in relation to a specific example. Ch'ondogyo is perhaps the oldest of Korea's so-called "new" religions. It was founded on 5 April 1860 under the name of Tonghak when a Confucian scholar named Ch'oe Che-u received a revelation from Hanullim, or God, affirming the essential equality of all humans. Despite his yangban or elite background, Ch'oe Che-u had effectively been denied a position in society as a result of his illegitimate birth. Ch'oe thus saw his religion as an answer to the social ills of the day. He also saw the religion as a rebuttal to the growing influence of the West in Korea; the name Tonghak means "Eastern Learning", and the religion constructed itself in explicit opposition to Catholicism which was then known as Western Learning (Sohak). However, from inception Tonghak was persecuted as a form of Catholicism, and eventually in 1864 Ch'oe was beheaded. Despite this devastating setback, the religion survived and in 1905 the third founder of the religion, Son Pyong-hui, changed the name of the sect to Ch'ondogyo, which subsequently became the orthodox form of Tonghak. Nevertheless, numerous other breakaway sects have since been established from the core Tonghak doctrines.

Through an examination of Ch'ondogyo's cosmology, especially its pronounced dualistic monism, I hope to illuminate some of the ways in which this tension between theory and practice within the new religions is manifested in lived practice and, in particular, through the experience of ecstatic trance. Perhaps the easiest way to convey the tension expressed and explored in ecstatic trance is to provide some sense of the practice itself. The following provides a lengthy excerpt from my field notes:

The time is about 6.55pm and we are waiting quietly in the central Ch'ondogyo cathedral for sryon, or religious training, to begin. Men and women file into the hall in equal numbers and seem to naturally gravitate to opposite sides of the room. At 7 p.m. the religious trainer walks up to the podium at the front of the hall, signalling the beginning of the training session. The formal ritual procedures that accompany all Ch'ondogyo ceremonies are quickly enacted. These formalities out of the way, the training process now begins. Participants recite a small passage from the Ch'ondogyo Scriptures called the Repentance Sentence, or Ch'amhoemun. Now training proper begins as people begin reciting chumun - a 21-character incantation. In this initial phase, hyon song (loud chanting) occurs. Almost immediately a few women start rocking and swaying, others shake their shoulders and legs gently. As time passes, a few women look as if they are deeply in trance - their movements becoming jerky and spasmodic. They tend to shake intermittently with great intensity, or build up from a steady, slow, rhythmic shaking into an intense frenzy. At the other end of the spectrum are those men who sit quietly, immobile, with their backs ramrod straight and their heads held high.
clicking their beads contemptuously. Their bodies seem to express distaste for the female movers and shakers.

When a bell sounds, *muk song* (quiet chanting) begins. Immediately, the room is silent and still, although several people continue to rock gently. Others shudder occasionally as if a great chill has passed through their bodies. After half an hour of *muk song*, *hyon song* starts again. Almost immediately those women who had previously exhibited trance-like behaviour fall back into a trance state. One woman exhibits quite extreme behaviour, pulling her hair and beating on her chest as she groans loudly -- enough so to attract the attention of fellow participants, who stop and openly stare at her behaviour. The trainer wanders over, concerned, and places his hand on the woman's shoulder as if to restrain her. Finally, the gong sounds, signalling the end of training. Now the session winds down and reverts to the format that accompanies the close of all Ch'ondogyo ceremonies. Altogether the session has lasted for two hours. Some participants seem exhausted, others buoyed by the experience.

From field notes and memory I have tried to convey some sense of the ecstatic trance (*kang nyong*) which occurs in Ch'ondogyo, attempting to evoke its intense and frenetic nature - as well as the ambivalence with which it is received. In my view, ecstatic trance provides a concrete manifestation of the usually hidden tensions that exist within Ch'ondogyo - those tensions between how a religion is theorised and organised at an ideological level and the practice of that religion. It is the tension between theory and practice that creates dynamism within a religion, stimulating transformation and change. It is my belief that trance acts as a transformative agent in Ch'ondogyo because it is the point where the conflicts and contradictions embedded within cosmology are revealed and played out. It is these structural conflicts within Ch'ondogyo cosmology that I would like to examine in more detail.

Ch'ondogyo theology has undergone certain 'evolutionary' cycles which correspond to the key concepts developed by the three founders of the religion: Ch'oe Che-u (penname Su'un), Ch'oe Si-hyong (penname Haewol), and Son Pyong-hui (penname Ui'am). Ch'oe Che-u's most significant and original contribution to the development of a distinctive religious theology was the phrase *si ch'onju* - meaning to bear or serve God (Kim 1977:43). From this original concept the second founder, Ch'oe Si-hyong, developed a more radical phrase - *in si ch'on* which means "Humanity in God (Heaven)". From this concept he elucidated the phrase *sainyoch'on* - "treat humans as if they are God" which has become the basis for the Ch'ondogyo system of ethics. However, it was Son Pyong-hui who developed the term *in nae ch'on* (Humans are God) - which has become the core theological concept in Ch'ondogyo today. It seems clear that the concept of *in nae ch'on* is the outcome of a more radical and logical development of *si ch'onju* (Kim 1977:41). Although the original concept implies a certain innate quality of divinity, from Ch'oe's writings it is evident that *Hanullim* was, in many respects, a personal being and transcendent deity (Kim 1977:42). However, Kim (1977:42) stresses that the more deified expressions of God were restricted to early Ch'ondogyo thought and that ultimately *Hanullim* has always been stressed more as a being immanent in the universe and, especially, in humans themselves (Kim 1977:42). Thus, Kim concludes that the essence of Ch'ondogyo thought remains unchanged from its original form (1977:45).

Although contemporary Ch'ondogyo theologians stress the immanence of God, quite contrary positions have been taken regarding the religion's philosophy. Ch'oe (1965:6) notes that, "Tonghak believes in God as a universal deity. He is an absolute entity with strong will, also omniscient and omnipotent". Ch'oe designates *Hanullim* to be a personal, deified being - an all-powerful, all-knowing saviour - much like the Christian God. He notes, "Ch'oe [Che-u] believed that because He [God] is transcendental He cannot be defined. He only reveals himself through words. God has will and so He is a personal being, as well as an omnipotent and paramount being" (1965:12). Such articles make clear the presumed transcendence and personalised nature of *Hanullim*. This interpretation is contested at a

19 The closing procedures of all Ch'ondogyo ceremonies are as follows:
1. *kyongjon* - reciting from the Scriptures
2. *simgo* - heart report
3. *ch'ongsu* - pure water is closed.

20 I am not attempting to reify the oppositions between ideology and practice. Obviously ideology is expressed, explored and often transformed through practice, and ideology itself constitutes a form of practice. However, I think, at some level it is possible to discuss these concepts separately, particularly in relation to the way in which Ch'ondogyo religiosity has been revealed to me.
discursive level in Ch'ondogyo today as it attempts to emphasise its theological distinctiveness in the encroaching face of Christianity.

At a superficial level, then, it would seem as if there are two distinct, and quite contradictory, concepts of God in Ch'ondogyo. As we have noted, Ch'ondogyo texts emphasise the immanence and pantheism of Hanullim and reject the image of a transcendent personal God who rules from afar. However, at the same time people seem to discuss Hanullim in very personal terms, talking about "his will". In fact, one informant stated that he pictured Hanullim to be "like a human". Others previously have noted similar incongruities in the Ch'ondogyo concept of God. Kim writes,

... The Ch'ondogyo concept of God... is most often stressed as the immanent reality within man and the universe, and yet some sort of the "personal" characteristics are ascribed to it. But, on the whole, these personal and transcendent qualities are minor aspects, which merely service the immanent process of the evolution of God's Life as the Ultimate Energy within the universe and man (1989:20).

Upon closer examination these dual, and seemingly contradictory, expressions of God evident in Ch'ondogyo are more cohesive than they initially appear. Ch'ondoists believe that when we are born our minds and God's mind overlap completely. As we become absorbed in the mundane and impure world around us we lose this unity and our Godliness becomes something potential rather than realised. Through spiritual training and moral cultivation (Susim ch'onggi) we can recover our original nature on an individual level, and eventually on a universal level so that chisang ch'onguk, or a heavenly paradise on earth, can be created. Clearly, in nae ch'on must be understood as a process, and should not be taken to indicate that our present minds are that of God. Rather, Ch'oe Che-u is referring to a different mind from that which we normally possess (Yi Ton-hwa in Weems 1964:11).

As Choi (1963:16) comments, "Choi [Ch'oe Che-u] expounded 'God's mind is exactly what man's mind is'. If so, then, can we call it a life of following the Way of God even if we lead a life of complete pleasure - a selfish life, and furthermore, can we say that God has any significance in Himself?" (Choi 1963:16). His answer is a resounding "No". According to Choi there are two minds in humans: one is depraved and the other is not. Indeed, his comments illuminate the distinction made by Ch'oe Che-u in the Tongkyong Taejon regarding Tae In - 'superior man', and So In - 'petty man'. Ch'oe Che-u espoused that the 'superior man' is in harmony with the virtue of the universe, whereas the 'petty man' is in conflict with the will of the universe.

It has become clear that within Ch'ondogyo cosmology there is a separation between humans and God which is encompassed within a broader monism. This cosmic merger is represented pictorially in the Ch'ondogyo symbol - kung'ulgi (see fig. 2). This symbol graphically depicts the human mind dynamically changing into the mind of God - the transformation of potential into realised human divinity. The outer circle represents the infinite relationship between humans and God, symbolically expressing the impossibility of showing where one finishes and the other begins. However, at the same time, the small circle in the middle represents the mind of God and the two kidney shaped bars represent humans. Thus, encompassed within the Ch'ondogyo kung'ulgi are dualistic expressions of humans and God merging into a broader monism.

Ultimately, the concept of God in Ch'ondogyo can be understood to constitute a dualistic monism, containing aspects of a separate transcendent deity as well as immanent existence within the human mind. It is the interplay between these competing manifestations of God that is responsible for the creative energy involved with the maintenance and continuous production of the universe. In much the same way, it is the tension between yin and yang that produces the energy, or ch'i, that fuels the creation and transformation of the universe. This friction produces the tension and ambivalence so evident

21 Kim (1977:45 & 1989:95)
22 In fact, the foremost researcher on Ch'ondogyo theology, Kim (1977, 1989) states that the yin-yang principle is simply another expression for Hanullim (1989:24).
during ecstatic trance. Trance provides the point of intersection between these expressions of God, and
the forum where the contradictions and conflict between them is revealed and explored.

The Ch'ondogyo term for ecstatic trance is kang nyong which means "descent of the spirit". This
term implies the descent, into the body, of an external spirit. This notion of the spirit descending has a
legitimate precursor in the founder's initial revelation from God. It has been noted that at this time his
body shook and he fell into a trance-like state (Choi 1963:15). As Ch'oe Che-u notes in the Tongkyong
Taejon,

Suddenly, in the fourth month, I was taken sick with a mysterious disease; my heart acted strangely, and I
was shaken by chills. No doctor could understand my symptoms, nor could I describe my feelings clearly.
One day, as I lay ill, a spirit spoke to me and said, "Do not be afraid. I am He whom the people call
'Sangchei' [Sangje] (God) (Clark 1961:260).

He termed this experience the advent, as he believed it to be the spiritual realm wherein direct
communion between God and human is realised. It was in this altered state that he "received the
heavenly way" (Choi 1963:15). Through the recitation of chumun Ch'oe Che-u believed that he could
duplicate the unconscious state of mind necessary to induce ecstatic trance and direct experience of God
(Choi 1963:15). Thus, chumun became an important means of spreading the religion's message, and
Ch'oe touted chumun as, "the holy sentence that brings down the heavenly spirit", and urged his
followers to repeat it ceaselessly so that they might achieve union with God (Choi 1963:15).

Although at one level trance can be seen as an expression of a fleeting union that humans can
achieve with a God who exists, and descends from, outside the human, at the same time trance can also
be understood as an expression of a person's inherent Godliness and spiritual perfection. Thus, those
people who exhibit trance states may, at some level, be seen to be expressing their innate perfection and
invoking a very direct kind of bodily power through their experience. Indeed, trance in Ch'ondogyo can
be understood as a means through which adherents invoke a very direct kind of experiential power that
has dramatic and unsettling implications for the religion's organisational structure and ideology. This
must obviously have a direct impact on power relations within the religion.

Therefore, it is unsurprising that at present in Ch'ondogyo, trance is viewed with the utmost
ambivalence. There is no general consensus regarding trance in Ch'ondogyo today, or any "official
stance" on the practice. Some people in Ch'ondogyo feel that trance is a legitimate means of spiritual
advancement. Others disagree and feel that ecstatic trance is a dangerous practice which should be
discouraged as it can lead believers down the wrong path, into a form of Shamanism. Although
Ch'ondogyo recognises that Shamans, who are almost exclusively women, do experience God during
trance, nevertheless, it is considered to be a primitive and degraded form of experience. In fact, there are
a number of parallels between Shamanic trance and Ch'ondogyo trance, which might help to explain
some of the ambivalence towards the activity in Ch'ondogyo - although I do not intend to explore this
aspect of trance in the present paper.

Trance makes manifest existing power relations within Ch'ondogyo whilst at the same time
threatening to unseat them. It is an expression of the most direct kind of power, unmediated or diffused
through formal mechanisms of control. Thus, the need for containment of trance has often been felt as
Ch'ondogyo officials must deal with the problems created by the empowerment or "Godliness" that
people experience as a result of trance. During my fieldwork I witnessed the consequences of one
believer's empowerment through such experiences. One evening, a man broke up a religious meeting

23 The predominance of women in ecstatic trance in Ch'ondogyo has obvious similarities to Korean Shamanism - a
religious tradition largely controlled by women. The trance of women in Ch'ondogyo often seems to be associated
with the 'degraded' trance of Shamans. Men seem to consider the lack of self-control evident in much female trance
activity to be quite unseemly. On several occasions when I discussed trance with male informants, they would
invariably make comments about the housewives who become "crazy" and jump around like "madmen". My
informants would often accompany such comments with derogatory gestures, mimicking and exaggerating the
women's' movements. Clearly, trance may also be a means through which hidden gender tensions in Ch'ondogyo are
expressed - and I shall be exploring this aspect of trance in my thesis.
insisting that he was Hanullim and must be obeyed. This caused considerable embarrassment as the man became violent and had to be carted out by a group of Ch'ondogyo males. It was later explained to me that this man had taken the wrong course during his spiritual training and now thought he was a "second god". Apparently this happens quite regularly within the religion, as believers experience trance and become so enamoured with this idea of 'human as god', that the other dimensions of Ch'ondogyo cosmology are ignored. Clearly, ecstatic trance has the potential to dramatically disrupt the order of, and structure within, Ch'ondogyo. Thus, the religion has dealt with this phenomenon, and its disruptive potential, in interesting ways.

Today, although a number of administrative officials within Ch'ondogyo concede that ecstatic trance is a natural procedure of spiritual training, it is emphasised that it is a procedure, not a goal. Several church officials have commented that they believe many inexperienced people do chumun in order to shake which is "not good" as they can, and should, learn to control this physical response - as one parish director notes, "although trance is not by my will, it is easy to control". However, these same informants also point out that in extremely rare cases, trance cannot be controlled and, in fact, it is an indication of true union/communion with god - thus explaining the first founder's experience of trance. As one informant notes:

When your mind reaches a God level it is very quiet - very quiet and calm. Sometimes people at a very high level will shake involuntarily, but it is a problem when beginners do it. Beginners might try to compete in terms of chanting loudly and shaking. Once you have reached the level where you shake, once you have done it one, you have proved it to yourself. After that you don't need to shake any more. You can control it.

This notion of spiritual legitimacy becomes a very important means of transforming the meanings attached to ecstatic trance, justifying the need for experts and officials. Spirituality becomes defined in terms of distinct levels of religious experience. When questioned, a number of people, especially men, seem to define at least four quite distinct levels of religious experience:

1) *cham hoe*, or repentance - which is obviously facilitated by the recitation of the repentance sentence. This is a different sort of repentance to that which is expressed in Christianity. It is not a repentance of sin but rather of ignorance. The most common expression of *cham hoe* is crying - a necessary precursor to *kang nyong* associated with cleansing the mind of filth and impurities.

2) *Kang nyong* - ecstatic trance shaking. Ecstatic trance at this level is seen to be a form of spiritually immature contact with Hanullim - a low level union which tends to be associated with the degraded ecstatic trance of Shamans.

3) the point at which the mind experiences calmness, silence and quiet. This level is characterised by spiritual reflection and contemplation. It also involves a spiritual, as opposed to purely intellectual, realisation that the individual is just one part of the larger universe. As one informant notes, "I felt as if I had become a part of nature, that nature and I were the same. I got to the point where I felt at one with the larger universe".

4) the highest level of trance, which is analogous to first founder's religious experience - providing an expression of a more permanent union with god. This phase is also manifested through bodily movement such as shaking and seems to be physically indistinguishable from phase two. However, one informant notes that this phase may be expressed through singing and dancing.

This distinction made between levels of religious experience, and the fact that people can readily expound them when asked, is telling. Such distinctions modify the potential implications of trance, and produce a hierarchical understanding of human religious experience. Consequently, in some very rare instances, ecstatic trance is seen to be an indication of "oneness with God", demonstrating the extremely high spiritual level of those in whom the trance state is manifested. However, other forms of trance are seen, in fact, to demonstrate the spiritual immaturity of the participant. As these forms of trance are physically indistinguishable, who is to judge the legitimacy of them? Perhaps the comments of a

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24 The neo-Confucian philosopher Kwon mentioned previously, made similar comments on his students' propensity to become attracted to the unitary and monist aspects of his theories whilst neglecting to fully comprehend the importance of the multiplicity he introduced within this broader monism (Kalton 1987:20).
religious trainer can best answer this question. I asked one trainer how many believers he thought experience ecstatic trance. He notes,

It is impossible to say how many people experience it - it depends on how they concentrate on *sudo* - and it depends on how much time they spend on it. In my view, *kang nyong* is the ultimate purpose of Ch'ondogyo. *Kang nyong* is very important, so because it is so important, many Ch'ondogyo believers fake it. However, people in high positions can distinguish the fakes as they have a higher spiritual level than the others. The *sudowon jang* and the *kyogu jangs* - religious officials - can tell because they have a lot of experience, so they can tell if the shaking is spiritual or merely physical.

Clearly, such understandings of trance transform the practice and the meanings attached to it.

The unsettling implications of ecstatic trance, and the contradictions it manifests, become a means of legitimising the prevailing power relations - sanctioning the position of religious officials by indicating that their right to officiate and administrate comes from a heightened level of spiritual awareness. It also de-legitimises attempts to invoke Godliness and the implications of this experience - so that trance experiences produce the opposite effect and become evidence of spiritual immaturity. The meaning behind the actions of the religious trainer in the excerpt from my field notes, who restrained the woman whose trance state attracted so much attention, become clear. He obviously judged her to be experiencing a spiritually immature or even degraded form of trance and was trying to set her "back on track". His actions in "helping" her, at the same time branded her to the rest of the assembled participants as someone who could not control herself enough to overcome her "debased" trance experience.

To summarise, ecstatic trance expresses deep structural frissons that exist within Ch'ondogyo cosmology and manifests the contradictions and tensions between the dual understandings of God evident within the broader monism of this cosmology. Because of the multiple meanings attached to the concept of God in the religion, multiple meanings can also be, and are, attached to trance in Ch'ondogyo. It is seen to be an expression of union with a separate and transcendent God, which by its nature must be brief and fleeting. However, it is also understood as an expression of an individual's innate divinity - a manifestation of human perfection. The fact that these multiple meanings are attached to trance has made the practice somewhat problematic for the religion, and it is received with ambivalence. The intersection that trance represents - the clash between the functional properties of God it entails - has lead to subsequent transformations in cosmology as trance becomes increasingly defined in terms of spiritual legitimacy and illegitimacy, clearly indicating that trance acts as a powerful transformative agent within Ch'ondogyo cosmology.

**Conclusion**

Clearly, Korea's main new religious movements: Jeungsando, Taejonggyo, the Unification Church, Won Buddhism and Ch'ondogyo share certain underlying cosmological similarities which stem from these religions' saturation in particular Oriental concepts regarding the potential perfectibility of human nature. However, their focus on innate human divinity encompasses dual understandings of the relationship between the human and divine, which are seen, in each case, to be both separate, but also unified. Although these multiple manifestations exist in a dialectical relationship there is, nevertheless, tension between them - in much the same way that tension exists between yin and yang, despite their unity in a broader monism. Framed in a more anthropological light, this tension can also be understood as the conflict that exists between theory and practice.

These abstracted issues of religious and structural tension become highly relevant when examined in relation to a specific religious context. Ch'ondogyo ethnography reveals that such structural tensions within the religion's cosmology are manifested in lived practice, as ecstatic trance embodies and explores the tensions that exist between competing functional expressions of God in the religion. Trance becomes imbed with immense transformative power as a result of this tension and conflict it reveals. Ultimately, trance becomes the means through which new understandings of cosmology and religious experience are constructed.
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The year 2000 AD has induced numerous prophecies of an apocalypse and a new age. Many Korean new religions, indigenous and Christian-influenced, have predicted specific dates for the End Time, ranging from 1st Oct. 1964 to the year 2000 (No Kilmy6ng, 46, 249-281; Thompson, 227-228). While these last dates and ideas were formulated under the influence of American Christian fundamentalism (Thompson, 139-142; Weber, 224-226), the majority of the earlier nativist new religions and their predictions probably were not, for they relied on calculations and calendars derived from the Yi Ching. They were formed well before Christian millennialism was introduced into Korea (Yi Sang-t’aek, 155). However, because the Gregorian calendar came to be broadly accepted in Korea, as 2000AD approaches, the date has lured more recent doomsayers to it like moths to a flame. The more current predictions then, surely betray some Christian influences. Therefore, the classifications of Christian millennialism provide useful frameworks for studying Korean new religions, as long as they do not impose an alien straitjacket but are used for extending the understanding of millenarianism (cf. Sponberg, 295-296).

These classifications are defined by the position of the millennium in relation to the second coming of Christ. Pre-millennialism is the belief that a thousand-year reign of Christ on earth will occur after his second advent. The pre-millennialists tend to revolutionary outlooks when they believe that the messiah has already come to overturn the existing order. When they anticipate a messiah, the believers tend to a passive withdrawal from society (Nattier, 44-45; Yi Sang-t’aek, 7). The pre-millennialist interpretation of the Bible also differs. The Historicists claim that the scriptures provide a prophetic timetable through their symbols, and that some of these events concerning the Last Days have already happened. The Futurists say that none of these events have been realised yet; all lie in the future after Christ’s return. This will be preceded by a deterioration of the world, which will be controlled by the Anti-Christ in the Tribulation, but in the Battle of Armageddon, Christ will defeat his foe and reign for a millennium. This will end with the Last Judgement, and a new heaven and earth. The faithful will be raptured, either before the rise of the Anti-Christ (pre-tribulation), during the tribulation (mid-tribulation) after the rise of the Anti-Christ, or only after the tribulation (post-tribulation) at the time of the Second Coming (Weber, 10-11). Post-millennialists hold that Christ comes after the millennium, a period of history when the Devil is contained and the world Christianised, resulting in a gradually reformed world. This outlook is favoured by reformers and proselytisers, who see themselves as agents of Christ. Christ will come at the conclusion of the millennium and decisively defeat the forces of evil at Armageddon and conduct the Last Judgement. Thus the present world is viewed optimistically and allows for human action to improve the world (Weber, 9, 69-70, 72, 88-89; Yi Sang-t’aek, 8; Nattier, 46), unlike pre-millennialists who are subjects of God’s schedule. A-millennialists perceived the millennium metaphorically, the millennium is all in the mind. The millennium is the time between the first and second comings of the messiah, whose atonement on the cross restrained evil and assured the victory of good, despite all signs to the contrary (Weber, 9; Yi Sang-t’aek, 8).

Since the nativist Korean new religions do not literally speak of a millennium or of Christ, the classification can be extended with the neologisms of pre-millenarian, post-millenarian and a-millenarian (cf. Yi Sang-t’aek, 7). Elements to be examined include: is there a messiah; a utopia with a limited term; when that heaven on earth occurs in relation to the advent of the messiah (before or after); who is to be saved; whether there is a tribulation or apocalypse; whether there is a telos; whether there are signs of the advent of the end times, or a new dispensation; a predicted date for the apocalypse or not; and how this date is revealed or predicted. While the Christian term “eschaton” has been translated as chongmal, nativist new religions tend to use the word kaebỳôk for the creation of the new utopia and destruction of the old world. Yet the nature of this event varies because kaebỳôk is ambiguous, meaning primal creation ab initio, apocalyptic creation or the gradual transition into a new order. In the original Chinese, kaebỳôk did not necessarily imply a creator; rather, it was an unfolding or opening of Heaven (kaech’on) and the development or splitting apart of the earth (pyôkji). This was a differentiation out of chaos that occurs naturally. The term was familiar to Koreans through a passage in the Samguk yusa, which suggests that kaebỳôk is a form of periodic separation or transformation out of chaos, a cosmogony that does not require a creator (Kim Hongch’ôl, 338-339;
Girardot, 176-178). Here *kaebŏk* occurred in *kalpas* or cycles of the universe (Nattier, 27), there being no telos.

The founder of the earliest Korean new religion, Ch'oe Che'u (1824-1864) introduced the idea of *kaebŏk*, but here it was probably the work of Sangje or Ch'ŏnju (God). In addition to his experience of a shamanic possession by Sangje, Ch'oe Che'u was also influenced by his study of the *Yi Ching*, and Neo-Confucian cosmology. Thus Ch'oe wrote of another *kaebŏk* after 50,000 years had passed, and that this was now drawing nigh (Kim Hongch'o'l, 341). This notion was derived from the *Yi Ching*'s arrangements of trigrams called the “Sequence of Earlier Heaven” and “Sequence of Later Heaven” (Kim Hongch'o'l, 339; Wilhelm, 266-269; Yŏkjang, 138; Yi Kang'o', 115-116). These theories later coalesced into the formulae of *sonch'ŏn* *kaebŏk* (the cosmogenesis of the previous age) and *huch'ŏn* *kaebŏk* (the cosmogenesis of the later or coming age), the turning point being 1860 (Kim Hongch'o'l, 341). In the *Yi Ching*'s arrangement of trigrams, the Earlier Heaven arrangement of Fu Hsi is in fact traced back to Shao Yung (1011-1077).

The first adoption of Shao Yung’s account may have been by a branch of Chungsan’gyo, the P’och’ŏn’gyo, which predicted that the time of transformation would be in 1928 (Yi Kang'o', 275-277). The founder of Chungsan’gyo, Kang Ilsun, an apothecary, may have obtained such ideas from the Tongp’ogam, a medical compendium issued in 1610, which contained an account of Shao Yung’s cosmology. The compendium has been the source for a Ch’ŏndogyo version of the movements of the heavens, which proposes a major revolution of 129,600 years and a massive universal cycle of 16,796,160,000 years (Yi Yongno, 266-270). These cycles are said to be natural, not caused by a god. This is in accord with the first lines of the Tonggyong taejon, the *Tonggyong* *taejon*, the Tonghak/Ch’ŏndogyo scripture (Yun Sŏksan, 3-7) that proclaims that the changes in the universe, which is constituted of *ki* (matter-energy), are self-generated, yet are all the creative power of Hanul (God). Moreover, *chŏhw’a* or “creation” here indicates the processes and changes in the universe, which does not require a creator (Robinet 1997, 8; cf. diagram in Yun Sŏksan, 73).

Over time, Tonghak and Ch’ŏndogyo elaborated their doctrines, making them more humanistic and natural. The teachings of Ch’oe Che’u, the second leader, Ch’oe Sihyŏng, and the founder of Ch’ŏndogyo, Son Pyŏnghui have been compared to levels of schooling (interview with Mr Hong Úit’ae, supervisor of proselytisation at the Ch’ŏndogyo General Headquarters, 12/2/1997). Son Pyŏnghui divided *huch’ŏn* *kaebŏk* into a human and a physical *kaebŏk*, the former spiritual, the latter corporeal. Since the material affairs of the world depend on the human spirit (*chŏngsin*), the latter is primary. Spiritual *kaebŏk* is the development of the mind, and it is this formless *kaebŏk* that will save one in the cataclysmic events which will occur in the transitional period from 1860 on. This implies that people should build a new heavenly kingdom on earth (Kim Hongch’ŏl, 347-350). Signs exist of this growing apocalypse, which according to Ch’oe Che’u, would initially arrive with an unprecedented, virulent epidemic and the military encroachments of the Western powers and Japan (Sin Ilch’ŏ, 430-431; Yun Sŏksan, 33). These signs of the times were detectable in the measured movements of the heavens or cosmos (*tosu*), which determined fate or the place in the cycle (*un*) (cf. Needham, 553-554, 346; Yun Sŏksan, 8-9, 36, 50, 53). These times and cycles are predetermined and natural, “for do not the numbers determine/fix what year it is to be, and fate/cycle itself comes and repeats”. People only need to be aware of this (Yun Sŏksan, 182; Sin Ilch’ŏ, 431-432). This numerology was combined with predictions in the Ch’ŏng Kam nok, a book probably written by marginalised intellectuals in the aftermath of the invasions by Hideyoshi, that the Yi Dynasty would soon fall (Sin Ilch’ŏ, 432; Encyclopedia entry, Ch’ŏng Kam nok; Yi Sang-t’aek, 67-68). In recent interpretations, the “set number is explained as the 50,000 years that have passed” (Yun Sŏksan, 182). The Former Heaven is equated with spring and summer; the Later with autumn and winter. Autumn is when all things come to fruition. Although there will be major changes in the constituent *ki* of the universe, this transition is like that between seasons, gradual. The signs and omens of these changes are at first atmospheric, then climactic, and have been occurring for over 130 years (Yi Yongno, 282-283, 292). This does not preclude sudden change, as with a sudden downpour or an atomic war (Yi Yongno, 296). These signs only apply to the 100,000 years of human existence out of the longer period of 16,796,160,00 years (Yi Yongno, 276-280).

Most religions make predictions, but these are not based on the proper understanding of the universe, only faith. Predictions by individuals now popular, such as those of Nostradamus and Edgar Cayce (1877-1945), who predicted a new world in the year 2000 (Thompson, 204-205), are declared incorrect for that reason. Moreover, one cannot halt the necessary changes in the universe. Even the damage to the ozone layer is not primarily due to human action, but rather due to the unfolding of the principles governing the universe
Because the procession of these cyclical phases of the cosmos is necessary and predetermined, the role of Ch'oe Che'u does not exactly conform to the concept of a messiah. In Ch'ondogyo, God is innate. What Ch'oe Che'u did was facilitate understanding of this innate God, although his possession and talismanic cures suggest that he was a charismatic leader, perhaps a messiah (cf. Yi Sang-t'aek, 116; Yun Sok-san, 18-20, 62-64). But what Ch'oe realised was what the innate Hanul said to him:

"My mind is your mind. How do people know it? They know heaven and earth but do not know the spirit (kwistin). The spirit is myself, and I bring you the inexhaustible Way. Cultivate and practice it, and compose it in texts to instruct people (Yun Sok-san, 64)."

Thus, although Ch'oe Che'u did heal with talismans, for Ch'ondogyo believers, he did not initiate a new age, and so does not qualify as a messiah (cf. definition and problem, Nattier, 46, with Yi Sang-t'aek, 24). Rather, he was the first in a line of teachers who taught the means to survive the changes. The way to survive is to perfect Ch'ondogyo practices and build a blissful paradise on earth, and only these believers will survive. God will use natural processes to bring this about, not particular interventions or dispensations. In that sense, Ch'oe Che'u can be classified as a saviour through teaching, but neither he nor God will come to rule a millennial kingdom, and unlike Christ, Ch'oe will not fight evil (Yi Yong-no, 284-291). The transformation of the spirit within then is a human responsibility. Early Tonghak had elements of pre-millenarianism, and this gave it a revolutionary tendency. But Ch'oe Silhyong and his successors tended to moderation, and Ch'ondogyo manifests traces of post-millenarianism in that it desires to actively build a new world to suit a fresh age, as well as hints of a-millenarianism in that the spirit is within, innate.

In contrast, the Chungsan lineage religions claim a messiah, or rather a God come to earth, in their founder Kang Ilsun (Chungsan, 1871-1909), which necessitates a different nuance for kaebyok. Kang Ilsun claimed that he was the God, Okhwang Sangje, who was called by the gods/spirits and founders of all religions to descend to earth and save humanity from the imminent apocalypse (JeungSanDo Dojeon, hereafter JSD, 39). Thus, Kang/God claimed that through rituals (konsgas) he could "recreate" (kaebyok) the universe. He did so for nine years between 1901 and 1909, instituting the laws that will construct a realm of the immortals on earth lasting 50,000 years in a cosmic autumn (JSD, 288-289, 12). Kang is revered as God, messiah and demiurge, and kaebyok is an apocalyptic "opening up" of the new world through this divine agency.

It should be noted that the state of Chungsan lineage scriptural materials is in great flux, and no scriptures were produced until 1926 (Hong Pomyo, 57-75). Consequently, it is difficult to determine if some of the ideas, and especially the predictions, actually originated with Kang Ilsun.

Kang drew upon the ideas of the Tonghak, possibly those of Shao Yung, and definitely those of Kim Hang (Ilbu 1826-1898). While Kang followed the Tonghak Rebellion without participating, and used part of their incantation(JSD, 51 ff, 124, 188), he turned rather to the ideas of Kim Hang, whom he is alleged to have met in 1897 (JSD, 67-68). Kim Hang had studied with a Taoistic teacher, Yi Un'gyu, who supposedly forged the notions of soon'h'on and huch'on kaebyok based on the study of Confucian texts and the Yi Ching. There was then much speculation about two hexagrams in the Yi Ching. Both contain the trigrams for heaven and earth. Number 12, pi, "decay", symbolises heaven parting from earth and the universe in discord. Number 11, t'ae or "peace" is where "heaven seems to be on earth", all is in harmonious and prosperous (cf. Wilhelm, 48-49, 52-53). It was popularly believed that t'ae was imminent and that the Yi Dynasty would be overthrown (Encyclopedia, entry for Huch'on kaebyok sasang). This may have influenced Kim Hang, who wrote his Chongs Yok (Correct Changes) between 1884 and 1885, concluding that the earlier trigram arrangements by Fu Hsi (Former Heaven) and by King Wen (Later Heaven) were faulty. His third arrangement was correct because it did not require an intercalary day in a 365 day year; his year was exactly 360 days. That meant that all was in order, people could live 800 years, and be in harmony with the spirits (Yi Kang'o, 160-161, 998; JSD, 38-39; Chang-Hee Nam 1999, 293-320, 309). This in turn must have inspired Kang Ilsun to develop the notion that the age of Former Heaven, which was dominated by the mutual conquest of the five elements and the resultant conflict in the physical and human world, would be replaced by the Later Heaven period dominated by mutual production in the five elements (Yokjang, 441, 408; JSD 82-83; Needham, 253ff). This new order would be created by the earth's axis being brought upright from its present angle. This change to the axis is an outcome of one of the cosmic rituals of the kaebyok of earth performed by Kang/Sangje(Kim Hongch'o'l, 342, 352-353). The past age lasted 50,000 years and was dominated by the trigram pi, and the coming age will be governed by the trigram t'ae (JSD, 100-101, 82). However, 50,000 years is a metaphor for a long duration. Kang seems to have adopted Shao
Yung’s calculations of the cosmic year of 129,600 years, each divided into four seasons, the 64,800 years of sŏnch’ŏn being spring and summer, and the kaebıyŏk that involves the po’e shift bringing the world into the cosmic autumn harvest (JSD, 107-108; not in the scripture itself, but the footnotes; cf. Kim Hongch’ŏl, 342, 353; Chang Pyŏngg’il, 52-54). This change will be sudden and traumatic, only a handful of the faithful Igosi kaebyok ida, and it suggests a judgement passed on those who do not keep to Chŏngsando practice.

The apocalypse will be the result also of the changes of yin and yang, but the yin and yang that constituted the universe from its inception would be used by Sangje, and so likewise the change in principle from the former to the later age lies in yin and yang.

In a word, the meaning of kaebıyŏk is the principle of closing and opening; closing being the principle of the blockage (pi) and stoppage of mutual conquest in the Former Heaven, and opening being the way of creation of mutual production of the Later Heaven...for the 50,000 years of the Later Heaven will be built, which is the kaebıyŏk of yin and yang...heaven and earth will bring t’ae/peace (Chŏng Pal 1989, 3-4).

In other words, unlike in the Tonghak/Ch’ŏndogyo realm, for Chŏngsan believers, Kang Ilsun/Sangje actually controls the laws of the universe, and is a messiah and saviour, not simply a prophet or mouthpiece. Thus he made a promise to build this 50,000-year utopia of the immortals of the Later Heaven (Chŏng Pal, 13). Moreover, Kang/Sangje is also the judge in this coming apocalypse, and after Ch’oe Che’u failed to complete the mission Sangje had set, Kang/Sangje said,

I will come instead; I am the great teacher. I will transform heaven and earth, and create (kaebıyŏk) the Later Heaven, and judge the good and evil of the world and open up the limitless great fortune (un) of the immortals’ age of the Later Heaven (Yi Chungsŏng 1992, 329; cf. JSD, 92, 228-231).

Many features of pre-millenarianism are detectable in Chŏngsan teachings. Firstly, God descended to earth, initiated a new earthly utopia, which is soon to arrive after a massive apocalypse, something foretold by seers such as Nostradamus, Edgar Cayce, Phoenix Noah and Nam Sago (1509-1571). Although Kang Ilsun began the cosmic ritual preparations of the new laws (dispensation) from 1901, the signs of the impending apocalypse as forecast by the seers and in natural disasters started around 1980-1982, and may culminate around 2000AD (An Kyongjŏn 1983, I: 288ff. He quotes US mid-tribulation fundamentalists like Mary Stewart Rolfe, she of the 666 scanner scare, for which Weber, 224-225). Kang may no longer be on earth, but in at least some versions, he will be the judge, not at the end of the millennial kingdom, but during the tribulation that marks the changeover to the 50,000-year utopia.

Sinmyŏng Yudo (The New [En]light[ened] Way of Confucianism) is headquartered in Hanhak Village, just to the south of Mt Kyeryong. While it practices much of the lifestyle of the traditional Korean Confucians of the past, it shares with the other new religions considered above the notion that the universe runs on cycles of ages governed by the fluctuations of yin and yang, that kaebıyŏk is the change from the mutual conquest series of the five elements to the mutual production series. This is combined with the Neo-Confucian cosmology and the ideas of Kim Hang (Kwŏn Chŏngsŭ, 20, 30, 56). To this mix is added an idea of God (hanamim, sin): “Heaven and earth, yin and yang, principle and ki united naturally produce a ki called Sangje or Ch’ŏnhwang” (Kwŏn, 65). This is the spirit (chŏngsin) of all things in the universe (Kwŏn, 88). Therefore:

the Way is the order of Nature, which is the path laid out by God, who has already come to directly practice the Way...As a human he is the teacher, as a numinous entity he is God, as the fortune (un) of ki he is Nature. The words of the teacher are the orders of God, and the movement and stillness of the teacher form the order of Nature (Kwŏn, 123).

This God is made human (sin iwa in), and this saviour is none other than the founder, Kwŏn Chŏngsŭ, the son of poor farmers born in 1938 (Kwŏn, 163). He has descended to earth and transformed from Okhwang Sangje into a man who will build a heaven on earth, a paradise, by his teaching (Kwŏn, 166).

All the changes and creation of heaven and earth are in the powers of God (sin), who must be human (Kwŏn, 10). These transformations in Nature follow those movements which are measured (tousu) and follow cycles of 360 degrees (Kwŏn, 21, 14, 52). Those who know this tousu, such as religious leaders of the past, have all concurred in predicting the advent of the great saint, Kwŏn, just before an apocalypse or kaebıyŏk (Kwŏn, 155, 157). This kaebıyŏk will be characterised by a fearful pestilence, and in accordance with the changes in the calendrical or cyclical numbers from those of the Yi Ching to those of the Chŏng Yŏk, will involve a shift in the earth’s axis, first signalled in 1982, but coming to conclusion in 1999 or 2000 (Kwŏn, 88, 111,
develop in the solar system, which will produce cataclysms and then create the resultant fortune of \( t'ae \) or "eternal" peace. Even "our stupid, ignorant selves can feel viscerally that the End Times are approaching, and simultaneously with the Judgement at that time, the mountains will move and the ground overturned, which can be estimated" (Kwon, 124).

The reason the timing can be calculated is that the revolutions have a periodicity. There are 360 days in a lunar calendar year, and 360 degrees in a circle. The traditional day had twelve "hours", which corresponds to 4,320 years in an era. An era multiplied by thirty cycles produces 129,600 years, the sum duration of all existence (Kwon, 89, plus interview with Kwon and his administrative assistant, Mr Yu, 22/1/1997). These numbers reflect Shao Yung's calculations. The seasons are correlated with each of the saints; Yao and Shun for spring; Confucius and Mencius for summer; Sakya Muni for autumn; and Christ for winter. Winter is now ending, and the cycle renews with spring. We are on the cusp of that changeover, for as Tan'gun, the mythical founder of Korea was coterminous with Yao, the year 4333 Tan'gun calendar matches 2000 or late 1999 AD. The discrepancy between the 4,320 years of a season and 4333 is due to the fact that it was 1986 when a new form of consciousness was initiated by the saviour who revealed himself to human society (Kwon, 161-162; interview). At that apocalyptic date, only those few people who kept the good mind of morality would be saved at Sindoan on nearby Mt Kyeryong. This was revealed (\( muksi \)), and those people would be saved by supernatural powers, perhaps in a form of rapture (interview, for Kyeryong, see Kwon, 57, 117).

This new religion owes much to another Confucianistic new religion, Kaejong Yudo or Ilsimgyo and to the belief derived from the Chong Kam nok that Sindoan was the site of the next dynasty's capital and one of the ten safe refuges where sincere, poor people could escape a massive coming cataclysm (Encyclopedia entries, Kyeryong and Chong Kam nok; Yi Sang-t'aek, 69, 76). Therefore, this is a geographically-centred premillenarianism, with a saviour who appears before the apocalypse and the judgement of the End Times. It seems to possess strains of the hope of "rapture", which is found among Futurist premillennialist Christians of the mid-tribulationist variety (cf. Weber, 11). Sindoan is here a New Jerusalem, where the earthly utopia will have its capital, no doubt ruled over by Kwon Chongsu, the avatar or presence of God on earth. Yet the processes governing the changes in the universe are mechanical, predetermined, even though divine forces.

Wôn Buddhism was founded by Pak Chungbin (1891-1943), who was enlightened after a shamanic illness in 1916. He could instantly understand the lines of Sangje's commands to Ch'oe Che'u and lines from the Yi Ching. He interpreted his experiences Buddhistically, and so denied the notions of divine intervention or natural evolution into a utopia accompanied by catastrophes. Therefore there could be no magical cures, cosmic rituals or incantations (Kim Hongch'ol, 367-369). He rejected all that was non-scientific or irrational. Thus the true meaning of kaebyok is of a gradual process in several spheres. Although aware of the Yi Ching and theories of the Former and Later Heaven, he summed up his teaching as, "Since the material has been developed (kaebyok), let us develop the mental/spiritual (chongsin)" (Kim Hongch'ol, 356). The problem humanity faces is that it has developed the material world though science, but in so doing has made humans the slaves of materialism. To create a utopia, humans must develop spiritually through moral cultivation of the mind, as well as the body and material, to bring about a perfectly happy utopia. To be a slave is to suffer. Therefore, Pak urged his followers to material production for welfare activities, and to practice morality. This utopia-building would be a cumulative process, taking forty to fifty years in Korea, and four to five-hundred years to spread throughout the world (Kim Hongch'ol, 357-363; Wôn Pulgyo Chônsô, 1026). This new utopia created solely by human agency is day as compared to night, yang rather than yin, rational and human (Kim Hongch'ol, 354-355, 370). Now then is the dawn of the kaebyok, of a new Buddha Land in the East populated by living buddhas (Wôn Pulgyo Chônsô, 1025; Kim Hongch'ol, 365). Because of this humanistic orientation and reformist gradualism that eschewed all magic and predeterminism, there was no emphasis on huch'on kaebyok. In these respects, Wôn Buddhism has elements of both a-millennialism and post-millennialism, because it stresses the mental and moral development, and the gradual transformation of the world. It has no deadline or an End Time, and so no calculations or predictions are made.

The classifications pre-, post- and a-millennialism do not exactly fit any of the nativist new religions examined. However, the schema does provide a framework which promotes clearer analysis of the differences and similarities of "millenarian" religions. The pre-millenarian tendency is towards predictions...
and dating, in which earthly days are converted to cosmic years, for example (Thompson, 18, 29, 145; Weber, 15, 19), and then applied to history. In the nativist Korean new religions, this dating is based on the Yi Ching or variants of it, and the flow of time is cyclical. But the Futurist and Historicist premillennialists use symbols and times in the Bible to calculate the End Time, and insist on the telos of a linear flow of time. The claim by the (Christian) premillennialists and the (Korean) pre-millenarians is that their leaders have been able to interpret these symbols and signs and formulae an apocalyptic timetable.

Confucian influences at times reduce God to merely a spirit in the universe or a special power therein. The Buddhist matrix of Won Buddhism removes God from the scene totally. Yet in the Confucianistic Sinmyông Yudo, the messiah is God made man, who leads believers out of the tribulation and will create a new utopian age. In Won Buddhism, Pak Chungbin is the enlightened guide who instructs humans how to build their bright future via reason and morality. This differs completely with the Christian millenialist conceptions of God and the saviour, and consequently the apocalypse. This suggests that the classification “millenarism” does not necessarily require either God or a saviour to be valid, and that Christian millennialism is a special subset of millenarianism, which can be atheistic in belief systems that stress the primacy of Nature and cyclical time.

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ESOTERIC BUDDHISM IN KOREA

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Definitions of esotericism:
1. intended to be communicated only to the initiated, as distinct from exoteric, and passed down from Master to Student;
2. secret, profound, abstruse, belonging to the select few;
3. Tantric, magic, mysterious, supernatural, occult.

Whilst much of the transmission of Buddhism to Korea came from India by way of Central Asia and China, this paper explores the evidence of direct transmission from India to Korea. It also raises for discussion the significance of the influence of Orissa in this transmission.

The earliest recorded arrival in Korea from India is the legendary princess Ho Hwangok from Ayut’a (Ayodha) in Eastern India who married the King of Kaya (Samguk Yusa II pp 108-113.) Kyomik returned from India to Paekche in approximately 526 AD after studying in Central India, bringing with him the Tripitaka Master Vedatta. Yon-gi, a priest originally from India, chose the site for Hwaom-sa in 544. He also founded Yon-gok-sa in 545, Pan-gwang Pagoda, and Popge-sa on Chirisan in 548.

Others of Indian origin who made their way to Korea were Marananta who came to Paekche by sea in 384, Mukhoja, who arrived in both Koguryo and Shilla during the mid fifth century, and Vimala, a traveller to Shilla in the sixth century.

Hye-Ch’o of Shilla travelled from Southern China by sea to East India in approximately 724 AD. The story of his pilgrimage through India, Central Asia and China is recorded in his diary found in the Tun-huang caves in 1908. Hye-Ch’o had studied in Ch’ang-an under the Tantric Masters Vajrabodhi and Amoghavajra. After his travels he returned to Chang-an where he spent the rest of his life translating the scriptures which he had brought back from India, particularly the Mahayana-yogavajra-prakrtisagara-manjusri-sahasrabahu-sahasrapatra-mahatantraraja-sutra The preface to the sutra states that in 780 AD, Hye-ch’o took the translation to Mount Wu-t’ai to be copied (Yang 1984 pp 14-15).

Hsuan-tsang (596-664), a monk from T’ang China, had travelled through Central Asia and India from 629-645. The account of his travels includes a description of Pushpagiri monastery in the country of Odra, situated along the eastern seaboard of modern Orissa. Hsuan-tsang lists 100 monasteries, 50 temples and a number of stupas, in addition to “a myriad Brethren all Mahayanists ... and the various sects lived pell-mell” (Watters 1901 p. 193). “During his travels Hsuan-tsang obtained and translated 657 Sanskrit Buddhist works as well as receiving the best instruction he could find ... he returned to China ... by the southern trade route via Khotan ... retired to a monastery devoting his labours to translating Buddhist texts until his death in 664 A.D.” (Yang 1984 p. 11.)

An interesting link between Korea and India concerns the transmission of the Gandavyuha sutra, the last chapter of the Hua-yen (Avatamsaka or Flower Garland) Sutra, the section which describes the journey of the youth Sudhana in search for truth (Ch’en pp 313-4) when he meets Miruk, the Buddha of the Future. This sutra, which became the basis of the Hwa-om school, arrived in Korea in the early ninth century by way of T’o-gun (Buzo and Prince 1993 p. 57).

The original of the sutra, now held in Nepal, came from Khotan, an oasis town on the southern edge of the Takla Makan desert famous for jade and silk. The sutra was first translated by Buddhabhadra in 418-21, assisted by Hui-kuan, probably in the Chinese city of Nanking. A copy of the Sanskrit sutra arrived in Odra, present day Orissa (Watters 1961 p. 193), a state on the east coast of India, by the hand of Chih Fa-ling.

The Pushpagiri Mahavira university / monastery at Ratnagiri in Orissa was a centre of Mahayana Buddhism from the first century. It was here that the Bhaumakara kings ruled in the eighth and ninth centuries, at a
time when the Vajrayana sect of Buddhism prospered in Orissa. King Subhakara (Subhakaradeva), the third of the Kara dynasty, was a devout worhipper of the Buddha. I visited the Ratnagiri site in 1995, where sections of the buildings and some statues can still be found.

A Buddhist monk named Prajna from Kashmir or possibly Kipin/Kapin (near Kabul) came to study yoga in the monastery at Ratnagiri. At this time Ratnagiri was flourishing as a centre of Tantric Buddhism, art and dance. The king wrote a letter to the Chinese Emperor Te-Tsong to accompany a manuscript of the Gandavyuha sutra. The manuscript, which the king had copied with his own hand, was entrusted to Prajna. Arriving in Chang-an in 795 (Dehejia 1979 p 6) Prajna was then given the task of translating the Gandavyuha sutra, a task which he completed in 798 (Nanjio 1883 p 34).

Visiting Indian monks continued to come to Korea in the Koryo period - Mahura in 929 and Hongbum from Magadha in 938 (Won and Lim 1992 p. 39.)

The purpose in describing these Indian links is to raise the possibility that some elements of Tantric Buddhism may have been transmitted directly from India to Korea, as well as indirectly.

What evidence of Tantrism has existed or still exists in Korea?

There are five main divisions in Korean Buddhism today - Chogye Order (Son) founded by Chinul, T’aego (Hwa-om) sect founded by Uisang, Ch’ont’ae-jong founded by Uich’on, Chingak sect founded by Hye-t’ong in 665, and Won Buddhism founded by Sot’aesan / Pak Chung-bin in the early 20th century. Of these schools, the Chingak-jong is the most esoteric. It closely relates to the Japanese Shingon sect, however, according to Jun-hee Lee, “in Korea the deity Vairocana was not transformed into the esoteric deity, Mahavairocana, in all likelihood because the esoteric teaching of the Mahavairocana Buddha never developed a strong enough following.”

In Korea other names sometimes used for the Chingak sect are Shinin-jong (the sect upholding divine mudras), Jinun-jong/Chinon-jong, Chen-yen, and Mi-tsung (as in China.) The sutras listed as important for this school are: Tae-il-gyong (Mahavairocana or Great Sun / Cosmic Buddha), Kunggam-jong (Diamond Peak), Taesung chang-om powang, Taesung-I Chuiyuk paramilta, Samhak, Sojae and Chongjo-pop. The seventh century Buddhist Master Myongnan’s esoteric method is credited with contributing to the formation of this sect. Myongnan had travelled to China and later built Sachonwang-sa. It is said he used esoteric methods to help in Shilla’s defence against a Chinese invasion (Won and Lim 1992 p. 27.)

Hyet’ong, after returning from Tang (China), propagated Tantric Buddhism and is credited with setting up a “cornerstone for establishing later on a sect called Jinunjong” (Won and Lim 1992 p. 27). Hyet’ong is one of many credited with powers of healing gained from Tantric practices. Legend has it that Hyet’ong drove out the dragon causing the illness of a Chinese Princess through the use of spells. (Inoue in Lancaster and Yu 1989 p. 63).

It is also claimed that Milbon, a Tantric monk in the mid seventh century, performed spells in an attempt to exorcise demons (Samguk Yusa pp 331-333).

The ‘Calamities-Solving Ritual” was often held during the Koryo dynasty. This was “an esoteric Buddhist ritual ... an event to suit the needs of the court, and to wish for royal longevity” (Jong-myung Kim abstract 1995.)

Henrik Sorensen claims in a 1996 abstract that in the Koryo dynasty, Buddhist rituals had increasingly come under the influence of the esoteric tradition, and that this trend continued under the Choson as well. He writes:

Strong milgyo influence can be seen in rituals such as those dealing with cremation, liberation from the torments of the Netherworld, feeding the “hungry ghosts,” etc. Even rites designed for rebirth in the Western Pure Land of Amitabha can be seen as having assimilated esoteric elements. By the middle of the dynasty ... ritual manuals appeared such as the Chinon chip (Collection of Mantras), the Pomum chip (Collection of Sanskrit Sounds), and the Chakpop chip (Collection of Methods for Rituals).
Worthy of further research are the following:

- Sanskrit letters: as seen for example, on a bronze incense burner created at Sabok-sa in 1218 AD. This piece has "a Sanskrit letter written at six points on the flat side of the rim and at four points along the main portion of the body ... Offered on the occasion of the 100 day prayer, the inscription also supplicates for the welfare of both the kingdom and family. The incense burner is now kept in the Ho-am Art Museum in Seoul." (http://www.hoammuseum.org/english/kac/budd/bg06.html)

  Sanskrit letters are also found around altars in temples such as Pulguk-sa and Naksan-sa. The fact that Sanskrit letters are of significance in Japanese Shingon Buddhism suggests the possibility that they may be or have been used in Korea, such as in Buddhist chant.

  Master Jinpyo developed a peculiar propagational method called Jeomchal’yobub – a method of divination in the esoteric school by means of the Sanskrit letter ‘a’ " (Won and Lim 1992 p. 28.)

- Mantra (Chinon): an illuminated mantra can be seen in the Ho-Am Art Museum. It dates from the Koryo dynasty, 1275. The handscroll contains a collection of mantras written in 14 character columns.

- Dharani: a Buddhist spell. One was found in the Sokka T’ap (Sakya Stupa) in Pulguk-sa in 1996, and dates from approximately 706 AD (Sorensen 1987 p. 13.)

- Mudra: In a 1995 abstract, Jun-hee Lee discusses two images of the Korean Vairocana Buddha image in the wisdom-fist mudra. “This mudra symbolizes the harmony of two elements, phenomena and principles, in Tantric Buddhist iconography.” Lee suggests that one of the images found painted on the Avatamsaka Sutra could have come about due to the influence of Buddhism in the southern route, from south India via Indonesia. (See map.)

- Statues: for example the gilt bronze figure of Avalokitesvara, the “Goddess of Mercy” dating from the Unified Shilla period, in the 8th century. This particular figure is striking for its ‘three bends’ pose, reminiscent of the dance style from Orissa. A characteristic bhangi or sculpturesque pose in Odissi dance is the ‘tribhanga’ or three bends pose, a feminine pose derived from Hindu iconography (Patnaik 1971 p. 75). The statue is located in the Ho-am Museum.

Yon-gi’s carving of a three-storied lion pagoda (National Treasure number 35) can still be found at Hwaom-sa. (http://korea.insights.co.kr)

- Ritual dance: In northern Asian countries influenced by Mahayana Buddhism, ritual dance is confined these days to Korean Buddhism and Tibetan Lamaism.

  On the night of Buddha’s birthday celebration in May 1995, I was among a great number of people crowded into the service at Pongwon-sa in Seoul. This temple is well known for preserving the tradition of ritual performance. A group of dancers wearing large, brightly coloured head dress performed the Nabi-ch’um (Butterfly dance). The dancers held peony flowers in each hand. Another dance was the Para-ch ‘um or cymbal dance. In the glow of thousands of paper lanterns, six priests danced vigorously whilst performing with pairs of large cymbals.

  The service at Pongwon-sa included traditional musical instruments, such as the large barrel drum, also the ch’wit’a ensemble. Four male musicians dressed in bright yellow military uniforms and conical hats made up the ensemble. Their instruments included a conch shell horn (nagak), a clarion (nabal), cymbals and drum.

- Doctrine: for example, sudden enlightenment through mind-to-mind transmission as found in Son Buddhism, and Ilsim (One Mind) doctrine which underlies both Son and Milgyo, as described by Sorensen (1999 p 112).

- Lamaism: Stupa-shaped Sarira Reliquary set for the Koryo dynasty, 14th century. “The long tradition of
pagoda construction in the Far East has its origin in ancient India where hemispherical stupas were built to enclose the sarira (or remains of the flesh and bone) of the ‘enlightened one.’ Sarira reliquaries were often modelled after architectural pavilions and pagodas. The example found in the Ho-am Art Museum is “a fine example of the ornamental Lamaist style which was introduced under Yuan influence and was discovered inside a stone pagoda near Kumgan-san.

There are other aspects which have not been raised in this paper due to the constraints of access to resources. The questions concerning the significance of Tantric Buddhism and the influence of Orissa warrant further extensive research. They in turn raise further questions, for example, the influence of Korea on Japan prior to Kukai’s departure for China and the establishment of the Shingon school in Japan upon his return. Some other areas for research might include a comparative study of Buddhist chant and ritual dance, or a study of the use of mantras and dharani in Korean Buddhist practice.

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346
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GLOBAL FOOD SYSTEM AND ROMANTIC AGRARIAN NATIONALISM IN 1990S: SOUTH KOREA

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Introduction

In a new upper-middle class town, Pundang, near Seoul, there is a very modernized department store: Samsung Plaza. The department store has stylish restaurants and a food market. A shop in the food market displays a signboard stating that it sells "Korean beef" -- in Korean, Han-Ou. In addition, the sign says Kuknaesan in parenthesis. Han-Ou means Korean beef, Kuknaesan means "produced in Korea". Although Korean beef can not be imported, the shop has the word Kuknaesan to assure consumers that it sells 'true Korean beef'. Few consumers feel the duplicated expression strange. However, before the globalization of the beef market in Korea, consumers usually call Korean beef just "beef". Changing the name from beef into Han - Ou (Kuknaesan) -- Korean beef (produced in Korea) -- tells us about identity politics under a global food system.

WTO and Rice Import are striking examples for restructuring the global food system which involves identity politics in Korea. Against this restructuring of food system, romantic agrarian nationalism exerted great influence in Korean politics in the 1990s. Agrarian nationalism emphasizes the role of agriculture for national development and prosperity. Since the Korean government did not neglect the importance of agriculture nor discard protection of domestic food against foreign agricultural products until the late 1980s, agrarian nationalism was not romantic. However, once it lost government protection against foreign foods, Korean agrarianism became more romantic, which dispenses with rational or economic basis. Romantic agrarian nationalism is well expressed in the logos Shintoburi (the unity of body and soil), used by this movement.

The four syllable Chinese-Korean word Shintoburi originally meant the organic relationship between the human body and soil. The leaders of the Shintoburi movement in Korea changed the meaning by coloring the word with nationalism. Thus, in a Korean context, Shintoburi means that Korean food is the best for Korean people and Korean people have to eat Korean food in preference to foreign food. Considering that there are many restaurants of foreign origin and fast food restaurants in Korea, the Shintoburi movement seems rather romantic. In its first stage, especially in 1992-3, the movement was very influential. However, after the Korean government announced the acceptance of the GATT's rice import liberalization policy, the influence of the movement has become less and less. It is not difficult to see the movement's slogans on food markets and food packages in Korea, but the slogan is more a brand name for some food. It lost its momentum as a powerful ideology.

The demise of the movement is closely related to the pronounced weakening of Korean agrarian nationalism. In the 1990s, the strong traditional agrarian nationalism was discarded in South Korea. Since the 1920s, agrarian nationalism in Korea has been very dynamic; sometimes progressive, sometimes reactionary to social trends. More provocatively, although agrarianism has worked for conscientizing and encouraging farmers to do right things, it, especially the romantic type, may also be mobilized to blind people so that they can not see the changing reality. Especially in the 1990s, Korean society has been drowned in agrarian slogans and words. In the age of globalization, agrarian nationalism still sticks to protectionism and isolationism, or exceptionalism. For its purpose, it mobilized anti-Japanese historical figures such as the brave heroine Ms Yoo of the Independence Movement of March 1919 or hero/martyr Mr.Yoon BongGil of the hand grenade throwing incident of 1932. The leaders of the Shintoburi movement appealed to Koreans' anti-Japanese feeling to fight against foreign food and to arouse food patriotism among people. The loss of domestic food market to foreigners was considered equivalent to losing the country. Here, food is used to evoke national tastes, the historical collective memory, and national identity, etc. Since it is not directly related to any economic policy, it is sort of romantic agrarian nationalism. This paper discusses agrarian

1 For the relation between food and identity, see Caplan 1992.
nationalism in South Korea of the 1990s, well represented in the movements called Shintoburi. In analysis, I used Korean books and newspaper articles about stories of Shintorburi. The data are listed in the reference section in this paper.

Globalization and Romantic agrarian Nationalism

As the Korean economy industrializes with unprecedented high speed, so it has become rapidly globalized. Although we can not ignore American food massively imported under the American Public Law 480, Korean food markets were not internationalized before the late 1980s. Since the late 1980s, especially in 1992-3, the Korean food markets have been globalized. Many countries, starting from the US, harshly criticized the protection of Korean domestic food market by the Korean government. Beef and tobacco markets opened under the pressure of the US. Finally the rice market-- the last unopened market-- opened to foreign rice by the introduction of the WTO born of the Uruguay Round.

As rice import was liberalized by the WTO, the last bulwark against foreign food was destroyed. In Korea, rice was the last item to be imported by free trade. In fact, before the installation of WTO, the domestic food market in Korea has been full of foreign food. Young kids and new rich enjoyed exotic and fancy foreign foods in stylish restaurants. As in China, eating fast food is considered as a form of participation in foreign exotic culture. Although fast food may be considered as junk food in America, in East Asia, including Korea it is taken as food for the upper class. This is demonstrated by the fact that the fast food industry has grown so rapidly in Korea. In addition, some upper middle class people tend to buy foreign food that they find in the food markets of some luxurious department stores. They often believe that imported foods in department stores are tastier and healthier than local foods. Compression of time and space (Harvey 1989) enabled the newly rich of Seoul to enjoy California oranges. Thus, globalization of the Korean economy has entailed internationalization and globalization of food consumption (The Korea Food Research Institute 1996). As can be imagined, the Shintoburi movement harshly criticized this un-national diet.

In addition, many processed foods are consumed by the domestic market. With the advance of food technology food is no longer the same as agriculture. Processed food is more like an industrial product. International trade and food processing blurs the demarcation between local and foreign food. There will be a big difference where food is produced as unprocessed agricultural products and where food is finally consumed after processing. Under the global food system, the distance between food and agriculture gets longer. We may call it 'distanciation between food and agriculture', to borrow Giddens' terminology. Distanciation of food and agriculture attacks traditional food nationalism. That which was not questioned before is now questioned: what is Korean food? The Shintoburi movement does not go deeper into the question.

As the domestic food market becomes internationalized and globalized, leaders of farmers' movement and farmers try to fight off imported foreign foods. Like the nationalist leaders of the 1920s and 1930s, people in the 1990s held up slogans of nationalism and patriotism to fight against foreign food. They emphasized the national way of life and the national diet for the prosperity of the country in the era of globalization.

They praised agrarianism and nationalism at the same time. Agrarian ideologies may easily be found in any rural countries. The basic tenet of agrarianism is that agriculture is the basic industry of the country. As such, it is also known as agrarian fundamentalism. Agrarian value and rurality are considered as national moral assets to be preserved. Farmers are thought to be honest, diligent, hard working, etc. The countryside is a hot-spring of good morality and moral development. Rural communities are described as those full of love and mutual trust, which have no relation to alienation and crime. As urban crime and the decay of urban communities become more severe, these agrarian values are more emphasized. Thus, agrarianism has two tenets: one is agriculture as an important industry, the other is farmers' ethics. Most Koreans think this agrarian ideology originates from traditional Korea, more specifically, that is rooted in Confucian tradition. According to Confucian doctrine, literati as the dominant class are the most important social group in society, the second are farmers, the third artisans, the fourth merchants. There is no doubt that in pre-modern society, agriculture was the most important industry for the upholding of society. In addition,
ideologically the farmers' way of life -- working hard on the land -- was considered to be the standard way of life. In contrast, commercial behavior was not considered as productive. Merchants are often considered to be dishonest people. Thus, the Korean state officially praised agriculture. It is well displayed in the seven syllable Chinese-Korean slogan nongja-chonha-ji dae bon (Agriculture is the great foundation of the state). Despite the popular notion that agrarianism is specific to a Confucian tradition, a similar ideology can be found, for example, in America.

Agrarianism has been a very nationalistic ideology in Korea, combined with nationalism. Agrarian nationalism is a modern phenomenon as is nationalism is. In the 1920s of Korea, agrarian nationalism was very conspicuous in rural crisis under Japanese imperialism. Against the rural crisis, which was exacerbated by the Great depression, nationalist leaders proposed many agrarian programs for the future of Korea. Rurality and agriculture were considered as part of the national identity. The leaders proposed protection of agriculture and farmers for the preservation of the national culture (Shin and Han 1999). This agrarian nationalism worked in Korea in one way or another until the 1980s. It was not hard to hear phrases of food security and agricultural development announced by the Korean government until the days. Up-to the 1980s, agrarian nationalism went hand in hand with the economic policies of the Korean government. However, since the late 1980s, the government began hesitating to identify itself with agrarian nationalism. Accompanied by the initiative of big business, the government tried to emphasize the necessity of opening domestic food markets in the late 1980s (Han 1999). This change was a herald of the emerging global food system which vitalizes food politics in Korea.

Nationalism was very effective to fight against foreign food. People wrote books and articles saying that rice and Korean food are integral to the national culture and tradition of Korea. Korean rice itself is said to be part of our bodies. Thus, the food was considered as an expression of national identity (See Gustavsson and Lewin 1996). As Delamont (1995:24) described, our beliefs about food are usually unexamined and buried deep within ourselves. However, with the flood tide of food nationalism, these beliefs took on vitality. Foreign observers tend to point out that Korean people are very nationalistic. This observation can be substantiated in matters of food as well as in other facets of life. Food nationalism in Korea expressed hatred of foreign food without reservation. On the contrary, it praised Korean food. It reminded observers of the tobacco nationalism in the 1980s against opening the Korean tobacco market to foreign cigarettes. Nationalism in tobacco politics and the Shintoburi movement showed very fundamentalistic attitudes, which resembled communal movements with the rise of network society (Castells 1997).

The meanings of "Shintoburi" before the movement

Contrary to the fact that most Koreans think it is a native Korean word, the fact is that the word Shintoburi was imported from Japan. The phrase was not so popular in Japan as in Korea. The statements of the unity of body and soil was introduced by a former president of the Korean National Agricultural Cooperative Federation. In 1986, Han Hoson introduced the expression by translating an influential book of cooperative movements, The Way to Cooperative Community (written by Hasumi in 1984 in Japanese). Although he introduced the word by translating the book, he did not adopt it as a slogan for the movement until he attached it to the Buy Korean Food Movement in 1990.

According to Hasumi, it was Ishitsuka (1851-1909), the pioneer of the Natural Food Movement in Japan, who used this concept for the first time in Japan. Ishitsuka used Shintoburi based on his theory of regimen. By this concept of the unity of body and soil he emphasized the organic unity of the human body and soil. Thus, this expression of the unity of body and soil could be an appropriate slogan for organic farming or natural farming movements (Park, C 1996). According to Hasumi, in a Buddhist text, we find a similar phrase: The human body and soil are not two thing in origin. He explained the Buddhist teaching as saying that human health and soil

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2 In 1997, two Japanese sociologists visited Seoul to do research on a lineage village in Korea with several Korean sociologists. One of the Japanese asked us about the meaning of Shintoburi he saw at Seoul Station. After explaining it, I told him that the word was imported from Japan by a Korean intellectual. This episode shows that the phrase is not used in Japan as widely as in Korea.
are not separable and connected to each other in a circle. He thinks soil equals food and agriculture. Buddhist teaching of Shintoburi, according to Hasumi, expresses Buddhist teaching of Samsara (transmigration).

Hasumi, the author of the book, The Way to Cooperative Community, originally used the word to emphasize the importance of local food for school lunches. He criticized the dislocation of local food system which fails to connect local suppliers to local consumers. For example, food item A is produced by local farmers. Although they could find local consumers for their agri-food, local foods go to a big city or a trade center in big cities. Local consumers who live in the same locality with the producers do not have contact with the producers. Thus, local consumers have to buy their 'local' food through traders from concentration centers of agri-food. To him, the dislocation of the local food system is absurd. Moreover, students can not have fresher and healthier food for school lunches under the dislocated local food system. To solve this problem, Hasumi developed his idea of cooperative community based on the concept of Shintoburi. He preferred to keep production and consumption at a community level, thinking this is the best way to revitalize and develop a community. However, he did not ignore the its original meaning. He says:

Most people of organic farming get accustomed to the philosophy of Shintoburi. The Japanese Association of Organic Farming has its journal titled Soil and Health. The title shows the ideal of those farmers that healthy soil guarantees healthy food and healthy food guarantees people's health (Hasumi 1984: 209)

Although Hasumi tends to use the word for his cooperative community movement, he has in mind that the word emphasizes the organic relationship between human health and soil, and between human body and food. In this sense, he combines his community movement with the organic farming movement of Shintoburi. What I am arguing here is that the organic farming movement of Shintoburi has nothing to do with nationalism or chauvinistic attitudes. On the contrary, it has an open mind toward diverse and creative movements based organic and healthy food.

**Nationalist Co-optation of the Shintoburi movement: Buy Korean Food Movement**

As mentioned above, the Uruguay Round precipated the emergence of the Shintoburi movement in Korea. The Uruguay Round started in September 1986 and ended in April 1994. Owing to the success of the Uruguay Round, the WTO was established (Choe et. al. 1996). Since the late 1980s, farmers movement strongly protested against the Uruguay Round. In the mean time, they organized the Buy Korean Food Movements. The Korean National Agricultural Cooperative Federation, the largest farmers' organization, launched very systematic movements of Uri Nongsanmul Aeyong Undong (the Movement for Buy-Korean-Food) in 1989. Since the Federation was born under the military government after the military coup in the early 1960s, it often attracted criticism and attacks from farmers and intellectuals. Critics say the Federation works for the government and big business groups, not for the farmers. In the late 1980s, Korea society began experiencing democratization. Combined with this wave of democratization, the Federation had to launch some movement for farmers. In light of this calculation, it chose the Buy Korean Food Movement.

In the first year, the slogan of The Unity of Body and Soil was not used in Korea at all. It was the top leader of the Shintoburi movement, Han Hoson, who introduced the phrase to the Korean audience. When he translated Hasumi's book in 1986, he brought the phrase into Korea from Japan. He took up the phrase as a slogan for mass movement in 1990 for the first time. Thus, from 1986 through spring 1990, the word was used in Korea but not as a popular catchphrase. In the spring 1990, the Korean National Agricultural Cooperative Federation adopted Shintoburi for its nationalist movement of Uri Nongsanmul Aeyong Undong. In the spring of the year, the Federation hung a huge placard Shintoburi, on its headquarters building. It was 17 m. wide and 24 m. long. This is the start of the Shintoburi Movement (Park C 1996). The Federation made cartoons for children about Uri nongsannul Aeyong. In 1993, a pop song called Shintoburi was made.3

As it may be noticed, when Han introduced the word by translating Hasumi's book, the slogan did

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3 Lyric was by Kim Dong Chang, music by Park Hyun Chin.

351
not have any nationalistic meaning. It was not until the National Agricultural Cooperative Federation started its militant and nationalist movement of Buy-Korean-Agri-Food that the phrase got its current nationalistic content. Since spring 1990, the slogan is very conspicuous in every place where the National Agricultural Cooperative Federation find place. Some Koreans criticized Han and the Federation for the reason that the Buy Korean Food Movement uses the phrase of Shintoburi, a word imported from Japan. To combat this criticism, the Federation made great efforts to find its genealogy outside Japan. It did its best to find the origin in Korea. The effort had no success. However, the effort enabled the Federation to successfully find its genealogy tracing back to the Genesis and a Buddhist text. After this partial success, the Federation colored it with more and more nationalism. Thus, with the Uri nongsammul Aeyong Undong, it lost the meanings of organic farming and ecologism. We can clearly see the change from a dictionary. In 1996, a new Korean language dictionary included the word Shintoburi for the first time. According to the definition of the word in the dictionary (Essence Kuko Sajon 1996:1437), Shintoburi means that "As the literal meaning says that the human body and soil of his or her home town are inseparable, so food produced in Korea is the best for our body". It is not so strange that a new word is included in a dictionary. What needs our attention is the changing meaning and naming. Shintoburi originally means that the human body and soil are inseparable, which is sort of philosophical. However, the dictionary defines Shintoburi as the inseparable relationship between the human body and the soil of his or her home town. That is, locality is inserted here. This reminds us of the Japanese sense of the word. As mentioned before, the Japanese scholar used the word for cooperative community and healthy school lunch. It is common knowledge that local food produced in the locality is healthier and more fresh than food transported from a distant area. The Korean counterpart goes beyond the Japanese naming, and asserts that Shintoburi signifies that food produced in Korea is the best for Korean people. As might be noticed, it has a pronounced nationalistic smell. The changes are as follows: human body and soil (nature) --> human body and soil of hometown --> human body and nationally produced food. The important thing is that this change has narrowed the meaning of Shintoburi and made it more chauvinistic.

To borrow environmental sociologists' (Catton and Dunlap 1980) terms, the New Ecological Paradigm changed into the Human Exemption Paradigm. The original meaning of Shintoburi emphasized that human body or human being and soil are not two things in origin, which is the New Ecological Paradigm. However, under the Uri nongsammul Aeyong Undong, the Shintoburi tells us that Korean people have to Korean food and to avoid foreign food. In terms of its closeness, this logic goes too far, even compared to the human exemption paradigm. It can be a national exemption paradigm. It praises its own national food just because it is national food and condemns the food of other nations just because it is of different.

The Shintoburi movement4 mobilizes dichotomies of foreign and Korean, evil and good, safe and unsafe, etc. What is more, we can observe a dichotomy of patriot and traitor. That is, while those who consume Korean food are patriots, those who eat imported foreign food are traitors to the country. The basic tenets of Shintoburi are patriotism versus betrayal of one's country, safe Korean food versus unsafe foreign food. The movement or discourse criticizes the importation of foreign food as 'immoral business'5.

The following quotation vividly shows the chauvinistic attitudes of Shintoburi. The paragraph came from a popular book for children. Consuming imported food is considered as animal-like behavior and exhibits an inability to think (Yang 1994: 135).

Assuming that I am not dying today and foreign rice is cheaper than Korean, you may eat imported foreign rice with a near sighted mind. If you all eat imported foreign rice, you will have to launch a movement to revive Korean rice as there is a movement to revive Korean wheat. Human beings are different from animals because human beings have ability to tell the difference between what is wrong and what is right. To discard the ability resembles animal-like behavior.

Another book of Shintoburi says "If you eat imported food, you can not be healthy, nor live a long

4 Strictly speaking, Shintoburi is not a movement but a catchphrase. The name of movement is the Buy Korean Food Movement. In this paper, I use the Shintoburi movement and the Buy Korean Food Movement interchangeably. In analysis, I use textbooks too. Thus, the scope of Shintoburi movement is wider than that of the Buy Korean Food Movement.

5 See many articles from Nongmin Shimun (Farmers' Newspaper).
It is very ironical to see that the leaders of the movement or authors of the books emphasize the importance of exporting Korean food to foreign countries. In October 1994, the Korean National Agricultural Cooperative Federation and Seoul Shinmun held a Kimchi Festival to develop the international standards and to promote the export of kimchi to the world market. Chung (1994) is proud that since Korean kimchi has lots of vitamin C and is alkaline, it is exported to the whole world. While he criticizes import of foreign food into Korea, he is proud of exporting Korean food to the world market. It is a very clear food ethnocentrism equivalent to the Shintoburi movement. The movement goes beyond this point when it compares Korean agricultural products with foreign products. For example, when Park Changso (1996) compares Korean rice with imported rice, he mentions only Korean rice in terms of medical effectiveness. He does not mention medical effectiveness of imported rice. Thus he hints that Korean rice is better than imported one even in medical effectiveness.

Although it is very nationalistic and chauvinistic, the Shintoburi movement has been extensive. It included several movements for the revivals of almost extinguished Korean crops. The movement to revive Korean wheat started in November 1991. The number of members of this movement increased very rapidly. The movement to revive Korean bean started in July 1993. The movement to save our countryside, by Korean Catholic Church, started in June 1994. Since 1989, most agricultural cooperative banks opened a shopping center of Buy Korean Food for their customers. They changed the name of shopping centers into Shintoburi centers. It is not right to say that all these movements are totally chauvinistic. The movements of rural urban cooperation and mutual visiting programs are not chauvinistic at all at their face value. However, we can not ignore the closed logic of the Shintoburi movement under the global food system.

**Shintoburi and Identity Politics**

By using a typology of possible food movements, I would discuss changing meanings of the Shintoburi movement. Thereby, I would clarify the closed and simplified logic of the movement. Two parameters are employed to make the typology: One is the origin of food, the other the quality of food. The origin of food means the place from which the food comes: local community, Korea, and outside Korea. The quality of food is classified into three categories: organic, non-organic, and non-safe. Among the three categories of food quality, the organic one is defined as the best. In light of the original concept of Shintoburi, this assumption is acceptable. That is, if a food is locally produced by organic farming, the food belongs to the strict definition of Shintoburi food.

<table>
<thead>
<tr>
<th>Patterns of Buy Korean Food Movements</th>
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<tbody>
<tr>
<td>Foreign Food</td>
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<tr>
<td>Organic food</td>
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<tr>
<td>Non-organic food</td>
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<tr>
<td>Non-safe food</td>
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</tbody>
</table>

As shown in the table, nine ideal types are created. Movements are to be diversified according these nine types. A movement against imported foreign unsafe food can be easily found and proliferated with great enthusiasm. We may recall civil anger and movements against fruit imported from the area contaminated by the Chernovyle nuclear power plant accident. A similar story can be true of imported American fruits containing cancer causing materials. Since the late 1980s, Korean newspapers and TVs have talked a lot about imported fruits containing carcinogens. In reporting the stories about fruits containing carcinogens, sensationalism minded mass media try to persuade people that imported foreign food has problems of carcinogens. This mentality is closely related to the Shintoburi movement of 1990s. They do not pay attention to the differences among the three types of imported foreign food: type I, II, and III in the table.

As explained above, the Shintoburi movements use the simple dichotomy: Korean food is healthy and imported foreign food is unhealthy. If we strictly apply the logic of health, only food of type III, not the whole foreign originated food, can be the target of the Shintoburi movements. However, the movements attack all the foreign foods because they are not produced in Korea. We understand the reason why the
leaders of the movements maintain that they are patriotic movements.

As a movement, the Buy-Korean-Food effort, it is very effective and efficient to appeal to nationalism and patriotism. However, nationalistic mentality tends to simplify the complexity of the food system, thereby depriving farmers and citizens of the precious opportunity to take advantage of the changing global food system. The Shintoburi movement already shows its contradiction by emphasizing that exporting Korean food is the most challenging and important business for Korean agriculture of the next century. Although the movement started as a movement for Buy-Korean-Food and against the consumption of foreign food, it began turning its eyes toward foreign food markets. No articles and books of the Shintoburi do not notice internal contradiction in this change. As a reality, it is natural that leaders of Buy Korean Food and Shintoburi movements do not neglect the importance of exporting Korean food because under the global food system the international trade of food is unavoidable. The central and local governments of Korea make great efforts to promote the export of Korean food. If they admit the role of international trade in the food system, it is contradictory for them to oppose import of foreign food. Thus, as the import of foreign food increases, the movement of Shintoburi is to lose rational basis. Then the movement will be more romantic and will tend to take advantage of nationalistic sentiment.

When consumers think some foreign foods are safer than some Korean food, the logic of Shintoburi will be challenged. As the world becomes smaller thanks to the development of information and telecommunication technologies, it is not difficult for Korean consumers to enjoy clean and fresh foreign food, often cleaner and more fresh than Korean food. Then type I and II, especially type I, can not be an easy target of the Shintoburi movement. In addition, tastes of consumers may be internationalized. A survey (Park, C 1996:65-66) says that the number of people who want to buy Korean food at more expensive prices than imported food tends to decrease. The Korea Food Research Institute (1996) shows that the number of foreign-originated fast food restaurants grows very rapidly.

Closed logic of Shintoburi face other challenges from within Korean agriculture. One is the development of organic farming. The other is identity politics among Korean food. Organic farming grows fast as environmentalism becomes more and more influential. As personal income increases, people are more and more sensitive to the issue of health. Consumers look for healthy food. They do not think all Korean foods are good for them. They want to distinguish between healthy and contaminated, between organic and nonorganic. The leaders of Shintoburi have neglected this change of tastes of consumers because they are immersed in nationalistic narratives. The price of organic food is higher than that of nonorganic. Farmers do not want their food to be included in the same category with type V and VIII, let alone with type VI and IX. From the table, type V and VIII belong to the category of Shintoburi foods which are produced in Korea. However, as farmers of organic food do not want to be identified with farmers of non-organic farming, the movement of nationalistic Shintoburi is challenged from within Korean agriculture.

Let's turn to the second challenge originating from within Korean agriculture. I call the second challenge identity politics. Korean food has to compete with Korean food in domestic market. As information and telecommunication technology rapidly develop, the movement of Korean food gets freer and faster. Thus the competition among Korean food producers gets keener and keener. We may expect competition among farmers of the same village. If a person lives with his or her colleague farmer in the same village but belong to a different cooperative or to a different marketing network, they do not want to share information about the market situation from fear of competition. It is easy to see competition among localities in the food markets. For example, in the past, we know Kyonggi ssal (rice from Kyonggi Province) or Ichon ssal (rice from Ichon county). Now a farmer want to have his or her own identity on the rice he or she produced. On the package of rice, we often see photos of producer's face. That is, farmers do not want to be included within the same category even if they live in the same county or province. Instead, they want to put new and fancier brand names on their products to attract more consumers. Consumer who go to big food markets, especially food markets of the National Agricultural Cooperative Federation, may easily find stylish brand names on local food. The movement of brand making is called a movement of olgul itmun nongsanmul (food with a local brand). Let me have a few typical examples. Hanulare sannamul (wild edible greens from deep mountains), bimujang jidae ssal (rice from the DMZ), dume gamja (deep mountain potatoes), memil ggodongne gamja (potatoes from villages of buckwheat flowers), Arirang chal oksusu (Nongmin Shimmun, 7 December 1994.)
arirang sweet corn), etc. Sociologists would call this movement an expression of localization.

Thanks to the global food system, since the second half of the 1990s, the organic farming movement, and identity politics, the typical nationalistic Shintoburi movement is not so influential in Korean society as before. In terms of the number of slogans we can see, the movement may seems to grow. In reality, it is losing its influence. As mentioned before, the movement is getting more like a symbol or brand. If nationalistic feeling which upholds the movement decreases, the movement may possibly disappear. Even though it disappears as a chauvinistic movement, the important meaning of Shintoburi -- the inseparable relationship between human body and soil-- will remain. In risk society(Beck 1992) full of contaminated substances, this word Shintoburi will regain its original meaning for new ecologism.

Concluding Remarks: Toward an open paradigm of the movement

Since Korea launched its ambitious modernization project, the role of agriculture is not so much emphasized as that of industry. The primary goal of the government was to export as much as possible during the decades of economic development. However, the government, even business sector, could not dare to say they could live without agriculture until the late 1980s. Up to 1980s, the role of agriculture was emphasized and not just because of its economic weight. Agriculture was ideologically considered as the foundation of the nation. It was not difficult to see college students go to the countryside to help farmers. These activities of college students are called rural activities or V-Narod (Russian) movement. College students went to farmers despite oppression of notorious Korean security police. Students thought they have to give something to farmers in return because agriculture is the foundation of the nation. Since the 1980s, the landscape has changed. Agrarian nationalism in economic policy decreases. The rural activities of college students diminish. What is worse, in the late 1980s, the state and the industrial sector decided to divorce themselves from agrarian nationalism, and to provide some divorce settlement and alimony. This settlement consists of “the agricultural development fund”, which the government and business sector raised. By doing so, they discarded agrarian nationalism. As a result, agrarian nationalism became socially isolated and lost its confidence on the political stage. Although praise of agrarian values can still be heard, agrarian nationalism has since the late 1980s disappeared from the political agenda in Korea.

Since it lost its rational basis, agrarian nationalism in the 1990s has become more romantic. It mobilized historical heroes, historical events, and some imported phrases to legitimize this romantic gesture. The quite impressive slogan of Shintoburi (the unity of body and soil), used by this movement, for example imported from Japan. In the 1990s, agrarian nationalism emphasizes saving the home village, the unity of countryside and city, saving national culture and the national way of national life, the unity of body and soil. These kinds of cultural movements go back to emphasizing the possibility of individual spiritual solutions to the problems of society, instead of rational economic policies. Possibly its reaction to the open economy will blind people to its harsh reality.

It is interesting to see that Korean agrarian nationalism of the 1920s was influenced by Japanese agrarianism (agrarian nationalism). Romantic agrarian nationalism of the 1990s is also very much influenced by Japanese agrarianism. The commonality is evident in the banner of the unity of body and soil that a Japanese scholar invented. However, most Koreans think that the phrase of the unity of body and soil is invented in Korea— by the former President of the Korean National Agricultural Cooperative Federation. Here again, romantic and populist agrarian nationalism blind people to the real facts.

In contrast to common acceptance that agrarianism (nongbon-ju-i) originates from the Confucian social doctrine, agrarian nationalism we face is a modern phenomenon. In this paper, the author maintained agrarianism or agrarian nationalism in Korea has been very dynamic; sometimes progressive, sometimes reactionary to social trends. More provocatively, although agrarianism has worked for conscientizing and encouraging farmers to do right things, it may also be mobilized for blinding people so that they lose the opportunity for catching the changed reality. Especially around the negotiation of the Uruguay Round, Korean society has been drowned in agrarian and nationalistic slogans. While Korean economy itself is put in the middle of the world economy, agrarian nationalism still tries to stick to agricultural protectionism and isolationism. To achieve its goal, it mobilized anti-Japanese historical figures such as the famous heroines and heroes who bravely fought against Japanese imperialism for their mother country. It is undeniable that
this cultural nationalism is to a certain degree effective in mobilizing the masses in a social movement. However, we should not ignore that cultural or romantic movements blind us to the dynamic of reality, thereby preventing us from responding at the right moment to the changing reality.

Against the diminishing influence of the nationalistic Shinoburi, it can be very useful to recall its original meaning. The philosophical meaning of the organic unity of human body and soil may teach us much in risk society. In addition, we may realize the importance of ecological movement and organic farming to which the nationalistic Shintoburi blinded us.

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Japanese

English


BODY POLITICS IN KOREA: THE VIRGIN BODY, POWER AND DISCOURSE

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Last year I underwent an operation where my womb was taken out because of cervical cancer. At that moment, my mother did not want to tell even the closest relatives and friends this event. She was ashamed of the very fact that the operation was concerned with reproductive organs and she was worried about the fact that I lost an essential ability as a woman - I cannot have a baby. I should have spent unhappy times, not only because of pains accompanied by the operation, but also because of the other's thoughts that they treated me as 'imperfect woman' or 'defective woman' even though I did not have a plan to have a baby any more before the operation. For the first time I realised what relation there was between my womb and myself as a woman. One of my mother's friends encouraged me, pointing out that I still have ovaries and I could do a woman's duties. What 'woman's duties' means that I can do my service as a wife - a sexual intercourse. Anyway I realised my disqualification as a woman. One more label - a woman who cannot have a baby - was added to my labels. Still, I want to keep my womblessness secret. I can not tell publicly why I don't need a sanitary pad. (a 38-year-old woman)

I began to have menstruation when I was twelve years old. I was so embarrassed about the blood on my pants. When I told my mother, she was concerned that I began to menstruate too early. She gave me some advice regarding how to deal with the menstruation. Giving some cotton diapers and red pants for the period, she told me that you should be careful when dealing with these things not to be seen by my father and brothers. At that time, there was no paper napkin. Moreover, she said she couldn't wash my underwear from now on. I would have to wash diapers and pants. I hated that work. I was sick of that work. Once a month I would wash those things secretly usually at night time. At that time I realised that my destiny would be different from my brother's. I regretted I was born as a girl. Whenever my mother met the female relatives, she never forgot to tell my story. "I am so worried about her, She can do 'woman's duties' or 'woman's roles" (A 38-year-old woman)

Starting from a personal experience or women's voices

"The personal is the political" is still valuable motto to research women's experience. One of the characteristics of feminist research is incorporation of the researcher's personal feelings and experiences in the research process(Neuman, 1998:80). The feminist research should take account of the researcher's own feminist consciousness and her experience of being a woman. The site of research can be the venue where the researcher or the researched can communicate and share their experience, pain and hope. Most feminist researches have been written through 'telling our stories each other'. This writing, therefore, begins from my experiences surrounding my body.

Whenever I experienced my physiological change, there have been discourses surrounding my bodies. These discourses made me feel happy or unhappy. Among them, what has oppressed me the most was the discourse about my height. My parents, especially my father were so worried about my short height. My father bought some equipment to help me grow. I took some vitamins and nutritional medicine. In spite of our efforts, I stopped growing up at 155cm. When I entered the university, 'meeting' (where groups of male and female university students would meet for a date) and 'introducing'(where individual male and female students would meet for a date) was popular. At the moment, I couldn't be a 'king card'(it refers to a person who has a good physical condition) because of my shortness, I couldn't dare to dream of dating with 'king card'. Since then, my shortness has always been a trouble when attempting to enter a company, marriage or work. However, I have become aware of what has made me get into difficulties was not 'my body itself' in a biological sense, but discourses that have evaluated and interpreted my body ceaselessly in a social and cultural sense.

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In Korea, women's bodies have been controversial. Women's bodies have always been differentiated by norms. Women's bodies have always been evaluated by standards such as height, slimness, beauty, reproductive ability and so on. For example, in Korea, hiring qualifications have required more strict physical conditions until the late 1980s particularly when women workers are employed. According to hiring qualifications of one bank, all applicants for 'a elevator girl' are required to meet this condition: height '162cm-167cm', weight 50 and less kg, and sight 1.0. (Cho 1994) Besides, it is true that women's beauty has been an implicit condition in marriage or employment. Women have struggled to adjust themselves to these norms. Beauty industries such as the cosmetics and clothes industries have been prosperous. 'Plastic surgery' to improve one's beauty has been especially fashionable in Korea. In Korea, there are various norms concerning women's bodies: the sexy bodies, the fertile bodies, the chaste bodies. In this writing, I will focus on the chaste body. In Korea, chastity is still thought of the first virtue of women. Emphasis on the chaste body, in reality, makes women commit suicide and become insane. 'Chastity ideology' or 'Virginity ideology' (the term 'ideology' is not used as technical term by myself but used generally in Korea as a compound word, borrowed from English to explain the phenomenon of chastity or virginity.) is the strongest trap to control or regulate women's whole lives including sexuality. I will use these terms in the same sense in my writing. I could not find an emphasis on virginity ideology anywhere in the contemporary western feminist writings. The almost universal emphasis on virginity ideology seems peculiar to Korea. I will investigate the discourses regarding the virgin bodies operating in Korea based on the concept of 'bio-power' of Foucault and the recent feminist argument on body. I will focus on how these discourses construct women and how women reproduce these discourses themselves. And I will explore how those constructions have had an effect on women. I will make an attempt to uncover power relations that inhere inside the virgin body discourse in Korea.

Feminism and Body

Feminists have exhibited a wide range of attitudes and reactions to conceptions of the body and attempts to position it at the center of political action and theoretical production. Feminists have made women's bodies a critical issue in relation to abortion, contraception, sexual violence and even surrogacy (Gatens 1988, Grosz 1994). However, for a long time, the body has been regarded as 'a conceptual blind spot in both Western philosophical thought and feminist theory' (Grosz 1994). It is argued that feminism and philosophy share a common view of the human subject as a being made up of two dichotomously opposed characteristics: mind and body. This dichotomy is associated with the opposition between male and female; man: mind, woman: body (Grosz, 1994, p3-4). Thus, women's bodies have been used to explain and justify the different positions and cognitive abilities of the two sexes. Women's bodies have been represented, even constructed, as frail, imperfect, unruly, and an unreliable subject. Female sexuality and women's powers of reproduction have been defined as characteristics of women, and, at the same time, women have been regarded as vulnerable, in need of protection or special treatment because of these functions (Grosz 1994, p.14). Women have been considered as somehow more biological, more corporeal, and more natural than men.

According to Grosz, there have been three positions regarding the female body among contemporary feminists (Grosz 1994). Firstly, egalitarian feminism, including Simone de Beauvoir, Shulamith Firestone, Mary Wollstonecraft, and other liberal, conservative, and humanist feminists, even ecofeminists, argued that the specificities of the female body, its particular nature and bodily cycles - menstruation, pregnancy, maternity, lactation are regarded as a limitation on women's access to the rights and privileges of patriarchal culture. They have thought of women's bodies as an inherent limitation on women's capacity for equality, while they have considered women's bodies and experiences to provide women with a special insight, something that men lack. These feminists defined the body as biologically determined and fundamentally alien to cultural and intellectual achievement. They argued that there is a distinction between a sexually neutral mind and a sexually determinate body. Thus modification and transformation of biology itself should be required to achieve equality between women and men (Grosz 1994, p.16). It seems that for this position, the male body
can be norm while a female body is treated as deviant and lack. And they do not consider the impact of society and culture on the biology.

Secondly, in recent times social constructionism has given effect to the majority of feminist theorists such as Juliet Mitchell, Julia Kristeva, Michele Barrett, Nancy Chodorow, Marxist feminists and psychoanalytic feminists. They all emphasised the social construction of subjectivity. In this position, the body is regarded as naturalistic or precultural. It is argued that it is not biology per se but the ways in which the social system organises and gives meaning to biology that is oppressive to women. The distinction between the "real" biological body and the body as object of representation is a fundamental presumption in their argument. Their interest lies in not overcoming the bodies or biological functions but giving them different meanings and values. Presuming that biology or sex is a fixed category, feminists, in this position, have tended to minimise biological differences and to provide them with different cultural meanings and values (Grosz 1994, p.16-17).

The third position including Luce Irigary, Helene Cixous, Gayatri Spivak, Moria Gatens, Judith Butler, has focused on sexual difference. For them, the body is considered as crucial to understanding woman's psychical and social existence, but the body is no longer understood as an ahistorical, biologically given, acultural object. They are concerned with the lived body that is represented and used in specific ways in particular cultures. For them, the body is regarded as interwoven with and constitutive of systems of meaning, signification, and representation. In their account, on the one hand, body is a signifying and signified body, on the other hand, it is an object of systems of social coercion, legal inscription, and sexual and economic exchange. (Grosz 1994 p.18)

This position tends to throw out the sex/gender distinction. They have tried to transcend the dualism or the dichotomy such as body/mind, sex/gender and nature/culture, instead of seeing sex as an essentialist and gender as a constructionist category. These feminists, thus, do not assume a precultural, presocial, of prelinguistic pure body but the social body - a body as social and discursive object, a body bound up in the order of desire, signification, and power (Glosz 1994, p.17-18). In this account, the body may be understood as the crucial term, the site of contestation, in a series of economic, political, sexual and intellectual struggles (Grosz 1994, p.19, Gatens 1992 p.68). In brief, the body is both the means by which power is disseminated and a potential object of resistance to power (Grosz, 1987). It seems that norms of the body diversified and differed according to each discourse. Norms seem to be localised depending on time, social and cultural context. The current feminist thoughts on the body have been greatly influenced by Foucault's notion of body. Particularly, his argument on the body as an historical and culturally specific entity has received the most attention from feminists (McNay, 1993, p.128)

**Foucault and body**

The body is central to Foucault's analysis. According to Foucault, the body is produced through power.

[D]eployment of power are directly connected to the body- to bodies, functions, physiological processes, sensations, and pleasures (Foucault, 1990, p.151)

For understanding Foucault's body, we must know what is 'power' in Foucault's account. He calls a new kind of power 'bio-power' which Western society has developed in order to regulate and control the body. In Foucault's thinking, 'bio-power', 'starting in the seventeenth century', denote the invasive means by which power is disseminated and a potential object of resistance to power (Grosz, 1987). It seems that norms of the body diversified and differed according to each discourse. Norms seem to be localised depending on time, social and cultural context. The current feminist thoughts on the body have been greatly influenced by Foucault's notion of body. Particularly, his argument on the body as an historical and culturally specific entity has received the most attention from feminists (McNay, 1993, p.128)

Disciplinary power constitutes the body as machine: its disciplining, the optimization of its capabilities, the extortion of its forces, the parallel increase of its usefulness and its docility, its integration into systems of efficient and economic controls, all this was ensured by the procedures of power that characterized the disciplines: an anatomo-politics of the human body (Foucault, 1990, p.139).

Disciplinary power policed and perpetuated by the desire to conform to its norms and
Disciplinary power exerts itself through the identification by the individual with particular subject positions within discourses. Thus, the norms of body are always produced through disciplinary power inherent in the discourse.

Here we need to note the relation among discourse, body and power. Foucault explained 'discourse' in relation to 'power'.

Discourse transmits and produces power; it reinforces it but it also undermines and exposes it, renders it fragile and makes it possible to thwart it (Foucault 1990 p.101).

For Foucault, power is defined as 'the multiplicity of force relations immanent in the sphere in which they operate and which constitute their own organization'. (Foucault 1990 p. 92) Power is exercised within discourses in the ways in which they constitute and govern individual subjects. Foucault also defines 'resistance' in relation to 'power'. The possibility of resistance is an effect of the processes whereby particular discourses become the instruments and effects of power.

In brief, power, discourse and subjectivity were closely interrelated. For Foucault, power is defined as 'multiplicity' and 'productive'. That is, power functions not only in the repressive ways but also in the productive ways. In other words, power produces subjectivity through discourse. Therefore, discourse analysis on the body allows one to consider not simply how discourses and practices create ideologically appropriate subjects but also how these practices construct certain sorts of bodies with particular kinds of power and capacity; that is, how bodies are turned into individuals of various kinds. (Gatens 1992 p.67).

I use 'an oral story' as a discourse which has come from individual experience in this writing. All the cases except 3 cases [I interviewed 2 cases and one case is mine] are selected from the newsletter of KSVRC (Korea Sexual Violence Relief Center) and the book 'Distorted Sex- Culture, Rethinking Sexuality' (in Korean). This book is known as the first book concerning sexuality in Korea written by feminist scholars and feminist social workers on the basis of their various experiences in the different practices in relation to sexuality in Korea. This book includes many cases- 'oral stories' or vivid experiences. I selected cases connected with the virgin bodies. This method is taken from Foucault's argument about discourse, power and subjectivity as mentioned above. Particularly, Weedon's account, as below, encouraged me to use these 'oral stories'. She writes:

Discourses exist both in written and oral forms and in the social practices of everyday life. They inhere in the very physical layout of our institutions such as schools, churches, law courts and houses. ... To be effective, they[discourses] require activation through the agency of the individuals whom they constitute and govern, in particular ways, as embodied subjects. The discursive constitution of subjectivity addresses and constitutesthe individual's mind, body and emotions(Ween 1993, p.111-112).

I think that 'oral stories ' in every day life as a discourse reveal how the females body has been constructed. The body might be seen as a 'discursive field' where each discourse is competing. It is also argued that it is only by looking at a discourse in operation, in a specific historical context, that it is possible to see whose interest it serves at a particular moment.(Ween 1993 p111). Furthermore, discourses constitute the 'nature' of the body, unconscious and conscious mind and emotional life of the subjects which they seek to govern. Neither the body nor thoughts and feelings have meaning outside their discursive articulation, but the ways in which discourse constitutes the minds and bodies of individuals is always part of a wider network of power relations, often with institutional bases(Weedon 1993 p.108). Therefore, we can disclose the power relations inherent in the female body through investigating the discourses operating on the female body. Thus I will investigate the dominant discourses and reverse discourses regarding the virgin body from this theoretical point of view as reviewed above.

**Virginity Ideology in Korea**

In Korea, "virginity" refers to one who has never experienced the act of sex. Whether hymen exists or not is a very focal point to discern whether woman is a virgin. It is said that virginity can be distinguished from the blood of 'the first night'. It is said in the dictionary that hymen refers to 'a fold of skin partly closing the
entrance (vagina) to the sex organs of a women who is a virgin'. In reality, no body knows what the virgin exactly means and how to distinguish it in Korea.

After my family went out, my cousin came over to my home. He did something strange to me. He touched my 'pussy' and the other part of my body. I lost my virginity, didn't I?
-a middle school girl (KSVRC, P. 193)

I didn't know that the site where urine comes out was different from the site where menstruation comes out even in my high school. And I thought that the hymen might be like a thin paper located deep inside my body-womb.
- woman, early 20s (KSVRC, p.35)

As for me, it's quiet hard to discern who is a virgin or not. Actually there are a lot of different kinds of hymen. For example, I have seen one of my patients having two vaginas. So hymens are totally different in size, shape and thickness depends on each woman.
(35 year-old male gynaecologist)

Nevertheless, women have regarded as the virginity as the valuable thing. They have taken the virginity ideology for granted without examination of the truth. They have internalised the virginity ideology as the norm to conform. While women have not consider what virginity means to them, others such as men and male dominant society have told them what is the significance of virginity for women. This can functions as a mechanism for male privilege in our society. According to Singer (1993), the absence of a female identified discourse adequate to representing women’s sexuality-body in its difference is both a symptom of and instrumental to the continued subjugation of women within the patriarchal order(p, 147). Women who do not know and cannot represent their needs and desires and right are regulated by the norm that others impose on them. As a result, male dominance is maintained by a phallocentric organization, based on a masculinity which distributes pleasure and entitlement differently according to gender in a way that disadvantages women, and which inscribes bodies of both genders with a logic of male dominance (Singer, 1993, p.147). Therefore, Virginity ideology has existed as an internalised norm among women, and this might be one of the strategies to uphold patriarchal order in Korea.

Even though I had a sexual relation with him, I felt so guilty. I was distressed by the virginity ideology that I had been told from childhood. ... We talked about whether our act was right or not. Our conclusion was that it was not certain whether our act was right or not, but this was not the wrong thing. If our relation could continue, we will marry within 5-6 years.
- A woman, early 20s (KSVRC p.39)

'The virginity' has been the most critical issue mostly among young people before marriage. In Korea, the virginity of women has been thought of 'something that should be kept' before marriage. In the marriage market, a woman who does not keep her virginity has been evaluated as 'second hand goods' or 'damaged goods'.

A few days ago my virginity was taken by a customer. What shall I do? I am now a very dirty woman. How on earth could I marry to have a happy family? I just want to die. I would rather marry a disabled man or a missionary to sacrifice my life for him. How could I dare to enjoy a normal life with a nice husband?
- a 23-year-old woman
(KSVRC, 1992, p 45 translated from Korean to English)

I was sexually assaulted by a cousin in my childhood. At the moment he was so young that he couldn't penetrate with his penis. In my memory he just put his finger into my vagina. I am going to marry next month. I am so anxious about whether I have a hymen or not. If there were no blood on the first night. If my husband would doubt my virginity. Should I tell him what happened to me?
- a 20-year-old woman
(KSVRC 1992, P 49 translated from Korean to English)
On the report of a survey about sexual consciousness and the conduct of the male high school students, conducted in April of 1996, 42.8% of the subjects said that virginity was more important for women than men. (Weekly TOP- The Korean Newspaper in Australia No. 224 p.15 translated from Korean to English)

In fact, the virginity ideology has been imposed mainly on women.

As he's got drunk, he said to me, "Frankly speaking I went there (a prostitute). I couldn't help joining my friends. But the true reason is that I want to keep your virginity."
- a woman, early 20s (KSVRC p 40)

I couldn't give my virginity to him even though we are engaged. However, I could feel that he suffered from sexual needs. I introduced a girl-prostitute for him. I couldn't have it any other way. After marriage, they couldn't stop their relations. For this, I had spent hard times in the first part of my marital life.
- a 40- year-old counsellor

The double standard of sexual norms: sexualization and sex-education

To understand this situation, we should know how differently women and men are sexualized in Korea. For example, in Korea, sex-education has been totally different according to gender. Boys have learnt the pleasure of sex through secret, private channels such as pornography, magazines, and computers. On the other hand, girls have learned the danger of sex through public channels. Sex-education for girls has focused primarily on menstruation, pregnancy and virginity. In fact, sex-education for girls in school and home was the same as the virginity education. Through this sexualisation, women and men have become accustomed to different norms. Men are allowed to enjoy sexual relations regardless of marriage while women are not allowed. They are confined to the marital relationship.

In addition, what needs attention is division between women on the basis of virginity. There has been a dichotomy; the virgin / non-virgin, wife/prostitute. According this, women was divided again into the "women who deserved to be protected and women who don't deserve to be protected. For these very reasons, in the rape courtroom, the victim's job, sexual herstory and dress is considered important to prove that she was in fact raped.

Teacher talked about the virginity in my middle school. That teacher explained the virginity, using the metaphor like 'new shoes' and 'old shoes'
(KSVRC p.33)

After I entered middle school, my mum frequently said, "don't be late" or "a woman who does something wrong should be unhappy even after marriage" or "please take care of your bodies because a woman is the same as the ripe fruit."
(KSVRC p.33)

Sexual violence and virginity ideology

In this situation, it is rape victims who suffered extremely from the virginity ideology. In Korea, sexual violence is said to be the first issue to endanger women's lives. It is estimated that out of every 100,000 women, at least 9.8% have been victims of rape. This number is ranked third to the United States(41.2) and Sweden(16.4)(The Korea Sexual Violence Relief Center 1994). In spite of the fact that they are raped against their will, the rape victims think that they have had a sexual relation, thus lost virginity. Above all, for them, 'losing the virginity' is the most distressing thing in Korea. Thus counselling for them has focused on overcoming this.

In the stage of healing and recovering self-esteem of the clients, what was an obstacle to taking further steps was 'virginity ideology'. Because she has been inculcated with the virginity ideology, she has suffered from the feeling of losing virginity. Especially after she was raped by her father at age 9, she was told by her father that she could not marry anyone because she was not a virgin any more. After then, she has felt that her virginity was damaged. She depended on the Christian religion to get solace, but she was hurt again by the strict ideology of chastity that has been imposed on women. She suffered with an obsessive feeling that
she was 'a black spot' among the white crowd in the church.[She is 20 years old incest victim. Her father was a minister]

(NaNumTeo, 1995. P5 translated from Korean to English)

In Korea, rape victims take the blame for the rape and should endure cold looks against them instead of getting appropriate help. In Korea, most victims of sexual assault have suffered from 'broken virginity' - in Korea, the metaphor of glassware is often used to explain the female body and sexuality. so when a woman has been sexually assaulted, she usually says, 'my body was destroyed or my virginity was broken. They think they have no other solution but committing suicide or becoming insane they often give up their lives such as work, marriage and family. Furthermore, this has led the victims to remain silent. They will not/cannot speak out about sexual assault experiences because that means their lives are over.

30-YEAR-OLD WOMAN WHO WAS GANG-RAPED COMMITTED SUICIDE BY DIVING FROM HER APARTMENT

According to her family, Kim has suffered from the severe aftermath, such as a mental disease and aphasia, after she was dragged to be raped by youths in their twenties at the back gate... in late March of 1981. She was in the second year of 00 women's university in Seoul. Kim attempted suicide by taking lots of sleeping tablets 15 days after the accident and she had her stomach pumped at the hospital of Keokuk university. However, within 1 year she attempted suicide again, but she failed. In the end, she has been taken to hospital for treatment for 6 months. (HanKyeoRae Daily News Paper, 1991, 9, 13 translated from Korean to English)

My daughter, in the first year of primary school, was raped in the school a couple of days ago.... I took my daughter to a gynaecologist. I was told that my daughter's vagina was broken. She got the operation[repair of the hymen]. I was so ashamed that I couldn't go to the hospital near my house. I couldn't speak to 'her dad' because I was afraid that he would blame me for not looking after her. I want to move. If this thing was known to the school and neighbours, what would happen to my daughter?
-33 years old woman
(KSVRC 1992, P 46 translated from Korean to English)

I was so ashamed that I couldn't tell anyone. I had thought that I would rather die... I changed my mind. I heard about the surgery that can restore a broken vagina. I will do that. If then[by this operation], I could free myself from this pain. I would feel less guilty when I would marry someone one day.
-29-year women
(KSVRC 1992, P 52 translated from Korean to English)

In general, women are simply defined relationally to men. women are neither subject nor agent. women are regarded as object. Women's essence is located in their feminity. Feminity is based on the body, particularly the virgin body which is often discerned depending on existence of the hymen. Therefore, sexually assaulted women not only lose their virginity but also they suffer a loss of identity or self. Not only are their bodies damaged, but also their self identities are ruined. Their damaged body and identity cannot guarantee their status as wife, mother and carer, which are grounded on their identity. Therefore, they cannot talk and they will not speak out for their lost self and identity. Their statement are void and meaningless. Up to now, I have analysed the discourses surrounding the virgin body. I have focused on how these discourses construct women in every day life and how women reproduce discourses themselves through oral stories. In summary, women's body, sexuality and desire have been manipulated. Women's sexuality was confined to marital relations with one man, the husband. The virgin female body was represented fragmented, objectified and symbolised by the hymen. Virginity is defined as 'the damage of hymen' regardless of sexual relations or sexual violence. The virgin body was regarded as' the valuable thing which has to be kept' not for women themselves but for men. The virgin body was to be protected by men, for the virgin body was something like property that deserved to be protected. What is the most significant thing is that the Korean women can be seen to respond to 'interpellation' of the virginity ideology through 'identification of subject position in the domiant discourses' regarding the female body. In other words, Virginity Ideology has not been forced to women by violence, legal system or special regulation, they have
voluntarily conformed to this norm. This is considered as a good example to show how Disciplinary Power is operating in female body. As Sawicki argued, disciplinary power is not exerted in a repressive way. It does not operate primarily through ‘violence against or seizure of women’s bodies or bodily processes, but rather by producing new objects and subjects of knowledge, by inciting and channelling desires, generating and focusing individual and group energies, and establishing bodily norms and techniques for observing, monitoring, and controlling bodily movements, processes, and capacities’ (Sawicki, 1991, p.83). Disciplinary power control the body through this mechanism. Such institutions as culture, religion, family system, medical system, economic system and the legal system, along with every day life, have produced discourses on the virgin female body and circulated and promulgated these.

**Male dominance, Confucianism and economic inequality**

What could the power relations be that exist inside the virgin body discourses in Korea? Firstly, what has affected the virgin body discourses the most in Korea is considered as male dominance. The Korean society in a broad sense is defined as a patriarchal, capitalistic and democratic society. Particularly, inequality between women and men has been deep-rooted in Korea since Confucianism was introduced from China in the 1400s. Confucian ideology was adopted as a state religion in the Chosun Dynasty (1393) and has widely accepted among the Koreans ever since. Confucianism is a system of norms and values regarding hierarchical relationship between people, concentration on the problem of how to establish moral right and harmonious relations (Kim, Young-ock, 1987, p.33). Women were confined to their roles of giving birth to their husband’s sons and rearing them to perpetuate their family name, providing every service to her children, husband, and husband’s family, and preparing sacrificial rite for ancestors at home. Furthermore, the space for women was limited inside home. Keeping women inside the home and separating from men from at the age of seven, was one of the strategies to control women’s body and sexuality through their lives. In particular, faithfulness to their husband was strictly demanded: during marriage, women were subjected to being expelled from the home by their husband’s family if they committed adultery. Emphasis on woman’s sexual fidelity to her husband in the Confucian ideology was implemented in Korean society by coercion through law, inducement by various means of compensations by the state, and socialisation by local community educational institutions (‘Hyang-kyo’) and family (Lee, Ock-kyung, 1985, 38-63). In the mean time, various rewards were given by the state to the kin and family of the YEO-yeo, the women who did not remarry and were chaste even though widowed at a very young age, or who had committed suicide to keep their chastity (Lee, 1985. 45-48). Owing to both coercion and encouragement from the state, the sexuality of women became a great concern to the whole family and kin for their prosperity. women’s behaviour was watched by all the family members. And women were taught that when they were raped, committing suicide was the only way to restore the family prestige. For instance, during the invasion by Japan in 1502 which had lasted for 7 years, The Book of Virtuous Conduct of the Chosun dynasty recorded 556 cases of women who killed themselves either before being raped or afterwards (Kim, 1987, p.34). This illustrates the strength of the ideology in controlling female body and sexuality. At the end of the dynasty (19th Century), severe criticism of the Confucian Ideology was followed by the introduction of the concept of equity for all men and women in front of God by Catholics and by the idea of equity of Donghak (Kim, Kyung-ai, 1982). In addition, at the time of the GAB-O Reformation in 1894, the laws prohibiting women from remarriage and their offspring from applying for government examinations to become public officials were dissolved and support from the state abolished (Kim, Kyung-ai, 1994, pp. 35-43). However, a fundamental change of the social norms seem not to have taken place in Korea. Traditional Confucian Ideology is still maintained and embraced in the culture in Korea. Confucianism has been the strongest ideology to regulate female body and sexuality ever since. Confucianism confined female body and sexuality to reproduction. According to Confucianism, female sexuality for reproduction which guarantees legitimacy of the family line has been regarded as norm since then. For this, the female virgin body should be emphasised. Virginity is considered as the first virtue for women to conform to. A female reproductive virgin body was considered as the most important factor for femininity women are the means to reproducing offspring for men. Female virgin body is property which belongs to men. Thus women have no right to their bodies. They are willing to be at their owner’s disposal. They have no autonomy for their bodies. In contrast, men were allowed to unlimited sexual freedom. A Concubine system which is a kind of polygamy and Giesang system that means a group of comfort women existed to meet men’s sexual privilege. This double standard of sexual norms are still prevalent in Korea.

365
Secondly, what affects the female virgin body discourse can be found in economic status between women and men. In reality, work opportunities have been limited for them, even though women can get jobs, their wages, promotion opportunities and work environment have been unequal. For example, the wages of women, on average, are half that of men. As a result, women in Korea are not able to be responsible for themselves. They cannot live independently without relying on their father, their husband and particularly in their old age, their son. That is, they need men to survive. In this situation, marriage is the only strategy for survival for women. While men make efforts to get a good job, women spare no effort to find the best husband with a good job such as lawyers, doctors or businessmen. In the Korean marriage market, women are treated as the goods To become a qualified goods, women should be beautiful, virginal and healthy. They should have ‘femininity’. Among the conditions, the virgin body is necessary. If the virgin is damaged, they lose value as ‘the goods’. They are treated as if they were ‘second hand goods’ or ‘broken glasses’. Therefore, the virgin body must be kept. Even though the virgin body was damaged, it must be repaired in order to survive.

Writing women’s bodies as resistance

Writing women’s bodies from a woman’s point of view seems to be one of the valuable strategy as most feminist writers have argued. By resisting repressive male dominance through writing, women’s discourse can disrupt or subvert a sexual order that has historically depended on women’s silence. Because of the silencing of women has been a tactic used to keep women in their place, women’s breaking silence by writing can work subvert the existing order. Cixous argues that ‘woman has never her turn to speak’ even though this chance including writing is ‘precisely the very possibility of change’ (quoted in Singer, 1993, p.148) As long as women keep silent and do not make any discourses in terms of their own, other discourses written mostly by men will continue to reflect and solidify male interests and male privilege. In addition, Foucault argues that resistance exists inside power relations themselves, resistance are achieved through reverse discourses. Weedon also points out that the subjected subject[women] of a discourse can speak in her right through reverse discourse.( 1993, p. 109)

Where there is power, there is resistance, ... this resistance is never in a position exteriority in relation to power. ... Their existence depends on a multiplicity of points of resistance, ... Theses points of resistance are present everywhere in power network( Foucault 1990, p. 95)

Along with this, all women including feminists and others will need to investigate the conditions responsible for producing this absence of the discourses on the female body and sexuality. Furthermore, as the study and discourse has blossomed from a neglected area, we feminists may still need to find new ways to speak about body and sexuality. Considering the contemporary state of affairs on the female body and sexuality, we urgently need to generate new discourses, scripts and stories on the female body.

What might be reverse discourses regarding the virgin body?

Firstly, there are discourses that women and men must keep their virginity. According to one survey which was conducted on male high school students, 33.9% of subject answered that women and men should keep their virginity(The Weekly Top ).

Secondly, some writers including feminists publicised to uncover the mystified virgin body. Through these discourses, the virgin body such as hymen is represented by women themselves. Virginity has been redefined and reconstructed by women in terms of sexual autonomy and freedom. Thirdly, discourses that focused on sexual autonomy have appeared, particularly around the legal discourses. For example, the special law for sexual violence which was legislated in 1994 in Korea define sexual violence is a violation of woman’s sexual autonomy. Women should learn that ‘freedom lies in our capacity to discover the historical links between certain modes of self-understanding and modes of domination, and to resist the ways in which we have already been classified and identified by dominant discourses’( Sawicki, 1988,p.186). Women need to discover new ways of understanding ourselves and each other, refusing to accept the dominant culture’s characterisations of our practice and desires and redefining them from within resistant cultures. Therefore, we shouldn’t forget that women’s empowerment in confronting men’s dominance being with our ability to reclaim our own experience and claim our bodies as the venue of our own desires. One Korean female poet wrote:
If there were no love, virginity does not matter. Virginity should be regarded as, not a moral thing but as an always changing and flowing concept. (KSVRC 1992, p.57)

While I am writing this paper, new discourses surrounding virgin body are producing and reproducing. These discourses are constructing women, women are responding to them. And women reproduce their discourses for resistance. My body has been always constructed by discourses. I can resist them because I can speak out. Maybe resistance might begin from producing discourses. I will finish this writing such resistance as below.

One day I attended a lecture by a male gynaecologist. The lecture was arranged for counsellor training for the sexual violence victims. One of counsellors asked about the aftermath of hysterectomies. He said, for those who have finished childbirth, the womb did more harm than good. In addition, he emphasised that the womb is the most useless organ after childbirth. And he added an example that in America, he had met a few women saving money to get rid of their wombs. What was most encouraging to me after the operation was his comment 'the most useless organ'. Still I was trying to change my mind. Sometimes I speak to myself. 'You really enjoy a sexual relation without fear of pregnancy and without any help from contraceptives. Do you know how much you save money on sanitary pads every month?' Moreover, I often dare to dream of even having another baby. Of course, I know I can't have a baby. But I know I can have a baby through other methods as well (a 38-year-old woman).

When I said to my relative who was living in our house that I had begun menstruation, she said with a delightful look, "congratulations! Menstruation is a sign that you become a real woman. From now you can have a baby." I knew I was not a girl any more but a woman who can have a baby. Owing to her encouragement, I was even able to feel proud of myself (a 38-year old woman).

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367


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THE COLLECTIVE ACTION FRAMES OF CHUNKYOJO: SETTING THE AGENDA FOR EDUCATIONAL REFORM IN SOUTH KOREA

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Introduction

On August 8 1999, the lead article in The Digital Korea Herald's national section was a report on the most recent developments in the long-standing efforts of many Korean teachers to improve conditions for themselves in schools and, also, to achieve reforms in the school educational system. The article reported that two allied union bodies, the Korean Teachers Union (KTU) and the Union of Teaching and Educational Workers (KUTW) had been recognised in July this year, following the coming into force of legislation passed in January 1999 allowing teachers to form trade unions. The alliance of these groups stems from their common origins in the Korean Teachers and Educational Workers Union, Chunkyojo, which formed in 1989 and waged a ten-year struggle with successive governments for legalisation and educational reform. The decision to legalise teacher unions was one of the biggest gains of the Korean Federation of Trade Unions, under whose umbrella Chunkyojo is located, in the negotiations with Kim Dae Jung over industrial restructuring, particularly the rationalisation of labour in industry following Korea's economic crisis.

It was one of the more interesting points of negotiations, involving the future of one group of workers - teachers - who were not facing redundancies and lay-offs due to the national economic hardships.

The August 1999 article commented that these newly legalised teachers unions were to enter into direct negotiations with the government on August 16, but that such negotiations were confined to living standards, like wages, working conditions and welfare. Other matters to do with educational policy, such as class sizes, curricula and professional aspects of teachers were legally defined as the domain of the Korean Federation of Teachers Associations, a government-sponsored body that has been in existence since 1949. The KFTA also has the legal approval to negotiate on wages, a right which it gained under the new legislation, against the wish of the Ministry of Education. Thus, the situation can be summarised as there being three legal representative bodies for teachers in Korea, one of whom can sue for industrial, policy and professional reforms, while the other two are legally restricted to negotiating for limited industrial goals and, although recognised as unions, are denied the right to collective industrial actions like strikes and work slowdowns. The article cited an unnamed analyst's comment there was likely to be division and confrontation between teachers from the KTU and the KFTA 'over issues surrounding school operation and other educational policies.'

The current situation of educators in South Korea, then would appear to represent the beginning of a new cycle of confrontation and school disruptions, into which students, parent groups and groups from non-education industries may become embroiled. The resolution of complex issues seems as far away as ever, and many of the foundational concerns of the teachers movement seem to have been displaced in the struggle for power and survival. Even the reformist zeal of the Korean Teachers Union must suffer as they struggle to force a revision of the special act that gave preferred status to the KFTA, even as it legalised Chunkyojo. At the same time Chunkyojo is locked in a struggle with the government over such procedures as wage payments for teachers while engaged in union activities.

These current issues have emerged from long-standing efforts of many teachers to reform fundamental aspects of the education system in South Korea. These efforts produced one of the most powerful and significant social movements in Korea, and indeed the world, during the last decade. After a period of local mobilisation the formation of a national movement was announced with the so-called YMCA Declaration of 1986, which expressed a range of grievances and set out a determination to press for reforms. The movement was formalised as a union in May 1989, drawing heavy repression from the government, which

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resulted in the imprisonment of several leaders, including the president for a year, dismissal of some 1700 teachers, hunger strikes, protests by teachers and students in schools, student suicides, mass rallies and intense public debate and conflict over the issues. The dispute lasted a decade and produced many disruptions to the school system, but it also focussed attention on the characteristics of that system, both at home and in comparative education circles and, also, drew into the dispute bodies such as the International Labour Organization. Given the recent developments, it is timely to re-focus attention on the grievances that set the movement in motion and motivated its members to endure considerable sacrifices in pursuit of their goals for reform.

Since 1990 I have been investigating the social movement for educational reform in Korea, particularly focussing on the emergence and development of Chunkyojo. In this research, the identification of a set of core grievances and frames of collective reference has provided valuable insights into understanding the motivations and broad objectives of the teachers' union movement, as well as shedding insight into the bases of resistance and the strategies of management of the crisis by the government. The remainder of this paper will introduce and examine briefly some, but not all, of the core grievances of the movement and indicate how these grievances are located in historical and sociological features of Korean society. As well, the examination of these grievances, will indicate important features of Korea's relationship with external and global forces and actors. These international contexts influenced internal social and cultural institutions, such as education, and contributed to the complexity of the problems in achieving Korean educational reform.

Understanding Collective Action Frames:

Generally regarded as emerging from Goffman's Frame Analysis (1974), the use of this perspective in social movement theory has centred around the writings of Snow et al. (1986) and Snow and Benford (1988; 1992). The works of Gamson (1992), Tarrow (1994), Eyerman and Jamison (1991) and Johnston and Klandermans (1995) have also explored the concepts and approaches to collective action frame theory in the study of social movements. In Snow and Benford's words, a frame is an

interpretive schemata that simplifies and condenses the "world out there" by selectively punctuating and encoding objects, situations, events, experiences and sequences of actions within one's past or present environment (Snow and Benford 1992, 137)

Tarrow (1994, 123) commented that frames identify an injustice, attribute the responsibility for it to others and propose solutions to it, a central activity of social movements. Johnston (1995, 217) stated that collective action frames are cognitive schemata held by individuals and shared amongst social movement members that are employed in 'the interpretive task of making sense of presenting situations.' The collective definition of a situation, its interpretation in the form of symbols that encapsulate the grievance and indicate a course of action, and the cognitive and affective transformations that accompany these processes were regarded by Snow and Davis (1995) as the core features of social movement theory in the Chicago school approach. This perspective emphasises that the actors in a social movement seek to change the social meaning of a situation and, indeed, contest a hegemonic definition of a social situation and exert their own definition as they engage in a process of interaction with outside institutions, the community and other movements. Snow and Davis (1995, 202) regarded this process as a 'highly interactive, dialectic position' whereby the movement's character and course of action is shaped through 'a dialectic between collectivities and the problematic reactions of mass audiences' (Snow and Davis 1995, 203).

The development of collective action frame theory is widely attributed (e.g. Gamson 1992; Tarrow 1994; Johnston 1995) to a series of articles by Snow and associates (e.g. Snow et al. 1986; Snow and Benford 1988; Snow and Benford 1992). For their part, Snow et al. (1986, 464) regarded their work as an 'extension' of Goffman's (1974) work on frame analysis in understanding social interaction. Goffman's (1974) work was, nevertheless, just one of a number of discussions of 'frames' in the early 1970's (Snow and Benford 1992). For example, Minsky (1985, 259) stated that he 'first conceived of the idea of frames in the early 1970s, while working on a robot that could see, and I described the theory in a 1974 essay entitled
"A Framework for Representing Knowledge". Minsky (1985, 244-245) stated that frames are 'structures we've acquired in the course of previous experience'; 'a frame is a sort of skeleton'; 'our frames affect our every thought and everything we do'.

Goffman (1974, 21) developed a similar meaning of the term. He described frames as 'schemata of interpretation'. He wrote, 'a primary framework is one that is seen as rendering what would otherwise be a meaningless aspect of the scene into something which is meaningful'; 'each primary framework allows its user to locate, perceive, identify, and label a seemingly infinite number of concrete occurrences defined in its terms'; 'social frameworks provide background understanding for events' (Goffman 1974, 22). The following comment from Goffman provided an indication as to how the concept of framing could be applied to a group situation, such as a social movement:

*The primary frameworks of a particular social group constitute a central element of its culture, especially insofar as understandings emerge concerning principal classes of schemata, the relations of these classes to one another, and the sum total of forces and agents that these interpretive designs acknowledge to be loose in the world. One must try to form an image of a group's framework of frameworks - its belief system, its cosmology* (Goffman 1974, 27).

In its application to social movements, Tarrow (1994, 122) stated that 'framing' represents 'a special category of cognitive understandings - collective action frames - that relate to how social movements construct meaning.' The concept was first adapted to social movement theory by Snow et. al. (1986, 464) who used Goffman's (1974) concept of frames to propose that 'frames function to organize experience and guide action, whether individual or collective.

When applied to social movements, the framing concept is understood as the set of definitions of a social condition, with the understandings, beliefs, and meanings that form the 'collective action frame' of the movement. Gamson (1992) emphasised that collective action frames are 'injustice frames' generated by movement participants through their analysis of a social condition. The social movement engages in the process of challenging the dominant and legitimated frame of the established order. 'Indeed', Gamson wrote, 'one can view social movement actors as engaged in a symbolic contest over which meaning will prevail (Gamson 1992, 67). Snow and Benford (1992, 137) wrote that collective action frames 'punctuate or single out some existing social condition or aspect of life and define it as unjust, intolerable and deserving of corrective action.'

A central concern of collective action frames becomes the process of 'interpretation of events and experiences relevant to participation in social movement activities and campaigns (Snow et al. 1986, 465). The grievances at the basis of social movement mobilisation are, thus, core elements in the collective action frame of a movement. Tarrow (1994, 123) expressed this feature thus:

*Inscribing grievances in overall frames that identify an injustice, attribute the responsibility for it to others and propose solutions to it is a central activity of social movements. That work is what Snow and his collaborators call 'framing work.'*

Snow et al. (1986, 465) stated that there has been a 'tendency to gloss questions' of grievances in social movement studies, due to a disregard for the interpretivist approach in social movement research. The recognition that the emergence of a social movement requires an analysis and re-interpretation of some aspect of social life and 'defines the actions of an authority system as unjust and simultaneously legitimates noncompliance' (Snow et al. 1986, 466) has signalled the study of collective action frames and the grievances embedded in them as key areas of social movement study. Nevertheless, Shefner (1995) noted that the study of grievances was still an undeveloped area of research in social movement studies. Using these understandings, the theoretical perspective of collective action frames provided an approach to investigate the research questions of this study. Such concepts served to provide a framework for understanding the crucial link between the actions and representations of the Chunkyojo movement and the social origins of the teachers' grievances.
The data for this study was collected through several years of critical ethnographic fieldwork in Korea, involving extensive interviews and focus groups with movement members and other stakeholders in school education, participant observation, document analysis and extensive reviews of the history, structures, politics and practices in Korean education. From this comprehensive study, the following examples of frame identification and analysis have been presented to indicate how the grievances of the teachers who embarked on the path of unionisation emerged from socially and historically constructed features of South Korean schooling.

Teachers and Identity

In reviewing the development of teacher unions in fourteen different nations around the world, Cooper (1992) observed that a common ground for opposing the establishment of teacher unions has been the view of government officials and many members of the public that the distinctive social identities and roles of teachers necessarily excluded them from participation in union-type activities:

Some have argued that teachers, those paragons of civic virtue and moral responsibility, should hardly join (or form) a union or engage in collective action (bargaining, strikes, grievances, political pressure) and assert collective action. Others wonder how teachers as professionals can submit to union discipline and control when they need autonomy and freedom to do their jobs (Cooper 1992, 6).

In the South Korean case, the issues of appropriate teacher roles were placed at the centre of the government’s opposition to the movement, as shown in the following comment:

the Korean government argues that teachers are degrading themselves and their profession by calling themselves workers and by organizing a trade union, which is something only labourers do (Chunkyojo1990a, 17).

The significance of this statement in the Korean context can be recognised through the words of the teacher who commented in interview that ‘every country has its own tradition. Teachers, according to Confucian tradition are clergymen. In order to develop our society, labourers must relinquish their rights to demand. So must teachers. Economic development comes first’ (Jung Young-Chae 1990). Yun Young-Gyu, the founding President of Chunkyojo shared this notion in saying ‘Confucianism says the labourer is humble, while the teacher is of high status, so a teacher should not be a labourer’ (1990). The recognition that older cultural roles had an influence in the role requirements for teachers in modern South Korea was also shared by outside analyses of the conflict, so that a Human Rights Watch report (1995, 27) could state that ‘the government says that under the circumstances that Korea is a divided nation, it cannot allow a teachers union. It reinforces that with reference to Confucian ideology that a teacher is not a worker’.

In a broad sense the representation of the notion of teachers as ‘clergy’ referred to a simplified expression for cultural and historical roles associated with teachers that were sustained as ideological concepts through the twentieth century, long after such roles had passed out of practical existence, and which were promoted as distinctively Korean concepts of teachers that were founded on specific historical and cultural idealisms. The term ‘clergyman’ is a widely used translation of the Korean term ‘sungjikja’ and means ‘man whose life is devoted to religious service.’ Over a long and relatively stable history of educational practice from the fourteenth to nineteenth centuries, a broadly accepted understanding of ‘teachers’ positions in the social order developed in such a way that ‘sungjikja’ was the term used to identify the teacher role. In various ways, through the twentieth century that construction of identity was invoked as a means of socialising teachers into roles that served excessively political rather than educational outcomes. Particularly, the notion was invoked during the period of Japanese colonial rule, when schools became explicit instruments of social control and teachers were forced to become agents of the repressive colonial government. The emphasis on the subservience of teachers to the aims of the state was reincorporated during the modernisation and economic development phase after 1960. The unionised teachers regarded the ideology of teachers as clergy as a social practice that excluded them from active and democratic participation in school decision-making, curriculum formulation and professional development. It was also integral in non-critical, rote-learning classroom pedagogy that characterises Korean school education. The concept was recognised as a central social value that prevented teachers from participating in efforts to reform education.
and their own professional definitions, thus its existence was a core grievance of the movement, which they sought to replace with an identity of teachers as practitioners of 'True Education,' which was a progressive, democratic educational philosophy oriented around teachers as empowered professional educators.

**Education and Development**

The collective action frames of *Chunkyojo* contained a number of issues and grievances whose origins, when examined, related to educational aspects of economic policy and activities in South Korea. According to their accounts, the policies were experienced by the teachers as unremitting demands to produce school graduates who would participate in the national economic programme, not only through the achievement of skills and content, but also through the acquisition of amenable values and dispositions that were socialised into students through the highly competitive and authoritarian institutional processes of schooling.

The teachers in the social movement pointed out the negative experiences of students in the pressurised system and maintained a sense of responsibility to change the system, such as in this statement: ‘In the face of the pained cries of the students and their reality, teachers have become determined to initiate reform of the education system through *Chunkyojo*’ (*Chunkyojo* 1990a, 9). In another document, the union stated that, ‘our students who have some right to seek truth and pursue becoming whole people and humane members of our society are suffering from the severe competition and culture of commercialism under the malevolent educational conditions’ (*Chunkyojo* 1990b, 1). When analysing the extreme pressures that existed in the school system, the *Chunkyojo* teachers identified national economic issues as the driving forces behind school practices, which they reported to the United Nations Social and Economic Committee in these words: ‘Governments have considered education an institution producing a labour force equipped with simple functions to accelerate industrialisation, neglecting the intrinsic functions and quality of education’ (*Chunkyojo* 1994, Section 6). The concerns of the teachers in this regard extended across all of the grievances identified by the movement, such that the impact of the economic policies in education were seen to negatively affect teacher roles, industrial relations, administrative practices, curricula and pedagogical practices.

The criticism by *Chunkyojo* of the negative practices in schooling that they regarded as consequences of the economic development model found many receptive ears in Korea. An editorial in *The Korea Herald* (1990, April 21, 7) noted that the current system ‘instills a strong sense of competitiveness. The students have few friends and spurn co-operation.’ The editorial endorsed the *Chunkyojo* position that ‘raising well-rounded persons is unthinkable under this type of education’ and, the editorial noted, the current education system ‘does not produce the well-rounded citizens needed in a democratic society.’ The teachers union also found support in their grievances from many parents who had become overtaxed and disillusioned with the system. As early as the Y.M.C.A. Declaration in 1986, which signalled the formation of the movement, the teachers movement declared:

*Our parents are very confused at our absurd social structure and educational system which cannot fulfil any of the parents demands, and they cannot consider their educational needs, being so pre-occupied in complying with the competition which is imposed by the system, that kills their dear daughters and sons* (*Chunkyojo* 1990b, 1).

This ‘pre-occupation’ of parents with their children’s success at school was demonstrated by the results of a national survey of total education expenditure in South Korea which revealed that each family of school-aged children spent an average amount of US$400 per month on extra tuition for their children, to make them more competitive in the system, and that a massive 80% of the total education expenditure in Korea was spent on private tuition (*The Korea Times* 1997, May 28, 3).

The South Korean school education system became incorporated into the economic development strategy over thirty years, but was founded on schooling practices established during the period of Japanese colonial rule. In short, the modern system can be seen to have been shaped by the following factors:

- The Japanese colonial and subsequent US military government influences on the school system;
- The introduction of the policies of education for economic development.
Within the context of these foundations, the reformist teachers identified the following specific aspects as their principal grievances with the school system.

- The ideology of education for economic development and modernisation;
- The dominance of the school examination system;
- The use of teachers as agents of the economic development programme;
- The organisation and administration of school education;
- The financing of school education;
- The content and transmission of knowledge through textbooks and the curriculum.

It is impossible to discuss all of these features in detail here, but I will present some central examples that show how schooling was incorporated into the national economic development program.

**Ideology**

The driving values and policies of modern education in Korea were established during the government of Park Chung Hee and maintained through successive governments as Korea pursued its export-oriented industrialisation program. Early in his rule Park grasped the principles of using education to produce human capital and the required dispositions towards a modern, industrial society and he used every opportunity to promote his educational agenda, for example in the following statements to graduates from Seoul National University in February, 1967:

> On all occasions when I spoke to graduating students I emphasised to them the need to cultivate national consciousness, and directed their concern to the importance of the consciousness of common unity...a constant productive effort for 10 to 20 years will prove to be the shortest cut to success in society...Unless you clearly recognise your role in this rapidly changing society and in this progressive current of the times, you will incur failure and defeat...it must be borne in mind that your effort, be your job in the financial world or in the government, becomes valuable only if it is directly linked with production, and that your effort in agriculture or social service will become useful only if it is connected with production and construction...my dear young workers...join me in renewing our pledge to work harder for the modernisation of our fatherland (Park 1970, 77-79).

A feature that emerged in the new system was that industrial development and national productivity were related, in Park’s perception, to the maintenance of strong social order. Statements emphasised his view of the relationship between economic development and authoritarianism, as in the following words: 'the historical experience that prosperity is accomplished upon the rock of social order is an index of modernisation we have to learn' (1970a, 86). These values served to reinforce the historically authoritarian practices in school education but reinvented them towards the values of the national economic program.

Park, in a speech on the aims of South Korean education at the conference of university presidents, college deans and educational superintendents on January 24, 1967, articulated the objectives and ideologies of South Korean education in these words:

> We are at the threshold of a new stage where we must solve problems affecting our education, and readjust and strengthen the content and structure of our education, so that it can truly support national development.

> The generating force behind our modernisation drive is, ultimately, national education.

> "Human education for modernisation" and "scientific education for production" are the two most urgent tasks facing our education, if our younger generation is to be educated into workers on whose efforts a better tomorrow of Korea depends.

> Since our modernisation drive can be more effectively carried out when we succeed in modernising man through education, adoption of right educational ideology and rational management of educational plans are the cornerstone for our national development (Park Chung-Hee 1970a, 88).
The most forceful and complete expression of the mission of education in Korea during the industrial development period was the National Charter of Education, proclaimed on December 5, 1968 which became an enduring presence and significant ideological element, constituting a major feature of the 'symbolic architecture' (Bourdieu and Passeron 1970) of schooling in South Korea. At the proclamation ceremony, on December 5, 1968, President Park declared that the composition of the Charter, being an 'index of national education,' was the fruit of many consultations with members of the public and 'embodies principles of national ethics based on a crystallisation of the people's wisdom' (Park 1970b, 116). It was, most importantly, a symbol of Park's vision for South Korean education, and he meant it to penetrate deeply into the society, as in comments such as, 'I hope not only that the ideal national image drawn in this Charter will be an index in all kinds of school education, but also that it takes root deeply in the general life of our countrymen' (Park 1970b, 117).

The Charter remained the most significant single proclamation for education in the modern period. Its full text was reproduced at the front of the annual review of education, *Education in Korea* published by the Ministry of Education continuously until 1988 as well as in the front of school text books, and teachers were obliged to ensure that students knew its contents by heart. While the Charter, as a specific symbol became less prominent under the regimes of successive presidents, its core values were retained, particularly those relating to the policy of education for national economic progress.

The National Charter was officially withdrawn for revision in November 1993. Announcing the decision, Education Minister Oh Byung-Moon said 'The spirit of the National Education Charter has lost its meaning in this changing social order, so there is a need for a re-orientation of the nation's education' (quoted in *The Korea Times* 1993, November 12, 3). Since the review, no single manifesto has emerged to replace the Charter. The economic policies of 'globalisation' became located in the arena of schooling, however, as a new incentive for national productivity and increasing modernisation.

Throughout the period when *Chunkyojo* was formed, the National Charter most formally pronounced the values of education and the system of schooling. Financing, administration, pedagogy, curriculum and daily practices in schools were all marshalled to the Charter's goals. The *Chunkyojo* movement regarded these ideological practices in education as extremely oppressive to teachers and students in the system. The practices were regarded so unacceptable by the late 1980's that, according to a movement publication, 'teachers proceeded with the organising of the union despite the anticipated repression. The determination was based on the ardent aspiration for the reform of the education system and the realisation of genuine education' (*Chunkyojo* 1990a, 9).

As a final comment on the pervasiveness of the ideology for economic development in South Korea, in a 1994 survey of 'National Consciousness on Educational Development', 82.6% of respondents expressed awareness of the role of education in economic development, while a near-identical figure of 82.7% of respondents expressed 'total dissatisfaction' with the education system (Korean Educational Development Institute 1994, 87). Those surveyed also indicated an awareness that the reform goals of *Chunkyojo* were directed towards the oppressive impacts in schooling of the education for development programme.

**The dominance of the school examination system**

One of the main grievances of the movement, shared widely in the community, was against the dominance of the competitive examination system that was the controlling mechanism for human capital policies in the schools. The contradictions in the education system produced by the examinations were expressed by one author thus: 'One the one hand it has continued to produce a literate, highly skilled work force. On the other, it is flawed by underfunding and stresses caused by extreme competition for placement in the universities' (Lee 1996, 45).

One *Chunkyojo* publication summarised the impact of the examination system in these words:

*The existing educational system in Korea prevents students from a healthy holistic development and fails to nurture a spirit of true learning and free thinking. From the beginning of primary school, all students are*
forced to focus on the single goal of passing the university entrance examinations. Students who fail to be accepted by a first-class university suffer deep stress and depression. The obsession with examinations and grades has tragic consequences. An average of 100 students commit suicide every year. This has been a serious social problem for some time (Chunkyojo 1992, 3).

The dominant structural manifestation of the human capital model in South Korean education was the examination system which virtually determined an individual’s future prospects in the society. As stated previously, the Chunkyojo movement regarded the examination system as a central feature of oppressive and inhumane conditions in Korean schools and linked its practice to the economic arrangements in society, for while most students studied hard for the exam, only a minority were successful, and the rest were destined to become the well-educated workers in the industrial system, as one Chunkyojo document decried:

The students, compelled by parents, are forced to engage in inhuman competition. The absolute majority of students are unable to enter universities. However, they are socially conditioned to believe that their social worth and recognition are granted only if they can go to and graduate from a university. Students who 'fail' to proceed on to university education are forced to regard themselves as 'failures'. When they become workers in factories, they are forced to feel ashamed of the fact that they are manual workers. They are forced to feel 'I work in the factory because I failed in my studies' (Chunkyojo 1990a, 9).

These comments emphasise the influence of the entrance examination in social relations in Korea: parents to children, teachers to students, workers to each other. Children’s relationships to each other were also greatly affected, as one young person recalled, ‘most Korean students have to regard their favourite friends as rivals, because of the entrance examination for college which only twenty-four students among one hundred applicants can pass’ (Lee 1990, 2).

One of the consequences of the pressure and alienation of the examination system was a high number of student suicides, numbering about 100 each year. In their submission to the United Nations Social and Economic Committee, Chunkyojo submitted the following statement:

The biggest stumbling block to the development of the Korean education is that education is focussed on passing the entrance examination for a college. The educational aim of Korea is to help all Korean people perfect their character, attain desirable qualities of citizenship, contribute to realizing the ideal of the commonwealth of human beings. However, this goal is not accomplished because of cramming education, preventing youths from developing their creativity. This is a serious problem, in the consideration of Korea's traditional viewpoint on education - education should be a far-sighed national policy. The education system does not merely affect students involved, but their parents and the entire Korean society. Many students suffer from exam society and depression, and some commit suicide because of their poor school records (Chunkyojo 1994, Article 13, 1).

The on-going occurrence of student suicides has been a social tragedy in Korea for over two decades. Directly related to the pressure of 'ipshi jiok' (entrance examination hell) and the human capital model underpinning the education system, the suicides were a visible example of the contradictions in the system that brought about the teachers' union movement.

Industrial Relations Contexts of School Teachers

The frame of industrial relations was a concern of the Chunkyojo movement that primarily related to teachers' opportunities to respond to the negative practices in schools. Thus, Chunkyojo insisted that the attainment of legal status for the organisation was an essential step in the process of educational reforms in Korea. The movement also regarded its on-going illegality as a significant example of the social oppression of teachers, as members of the work force, as a result of the drive for national economic development, views which were expressed in statements such as the following:

Though Korean workers have made the greatest contribution to Korea's economic growth and development, they suffer some of the worst working conditions in the world, receiving low wages while having very long working hours. The government's harsh suppression of the labour movement has earned South Korea the
In the emergence of issues in the collective action frame of the movement, the thrust towards legitimacy of Chunkyojo as a union organisation emerged well after the movement for educational reforms started. There was an escalation in attitude and strategy within the movement from the small discussion groups and networks in the early 1980's, to the collective action of the Y.M.C.A. Declaration in 1986, to formation of a National Association in 1987, and finally to the establishment of the union in 1989. This shift towards a formal industrial organisation can be interpreted as an increasing recognition by the teachers, based on their collective experience as a movement, that union status provided the only institutional avenue for pursuing their goals of educational reform. For example, the unionised teachers believed that problems in schooling such as the competition, overcrowding, shortage of classroom resources and intrusive political ideology could be addressed only through a teachers' union organisation which had the legal status accorded to unions. They recognised that the issues which they were struggling with on a daily basis in schools were manifestations of structural conditions that could be addressed only through the actions of an organised and legitimated teachers' industrial organisation. They identified the existing legislative controls on teachers as a major structural feature defining the nature of teachers' work and constraining the movement's efforts to secure a basis for reform in educational culture in Korea. The teachers pursued the path to unionisation after the 1986 Y.M.C.A. Declaration, when they asserted that 'teachers rights should not be interfered with' and that 'independent teachers' organisations should be established and their freedom of activities should be guaranteed and government interference and repression of these organisations should be prohibited' (Chunkyojo 1990b, 2). The labour principles that came to be identified and expressed in the collective action frame of Chunkyojo were the three basic conditions of trade unions:

- the right of teachers to form their own organisation to represent their interests to employers (the right of free association)
- the right of the teacher's organisation to negotiate with employers on behalf of its members (the right of collective bargaining)
- the right of the teachers' organisation to call for and co-ordinate activities by member teachers in support of their negotiating position (the right of collective action).

The issues underlying the frame of industrial relations were complex and linked back to the past as well as the present. They comprised the following elements:

- The impacts on teachers of labour conditions in the development society
- The legal contexts of school teachers
- The Korean Federation of Educational Associations

I will discuss two aspects of these broad features. The first of these refers to the industrial model of schooling in Korea, how schools and the conditions and relations of the administrators, teachers and students within them reflected the conditions and practices in the industrialising society. Then the discussion will focus on the legal contexts of school teachers.

**Schools as training ground for industry**

Teachers were an essential force in the economic development programme and the working conditions of teachers in every respect were controlled by the overall values, official ideologies, policies, workplace practices and legislation that controlled other workers. Within the broad social context, the school system operated as 'an integral part of a national project to strengthen and develop the country for national survival' (Sorensen 1994, 14) and can be regarded as performing two functions in its role of supporting industry control of workers. Firstly, schools produced in students the behaviours and attitudes that would make them suitable workers and the examination system - a 'testocracy' (Sorensen 1994, 17) - was the evident structural mechanism for this. Sorensen (1994, 10) quoted an early Minister of Education as saying that
through schools ‘human propensities and the structure of consciousness must be reconstructed as the driving force of social reform.’ Teachers’ roles in this were obviously vital, as they were required to model and teach, formally and informally, the required behaviours of the workplace (cf. Illich 1971). Chunkyojo claimed that the only allowable sources of legitimate knowledge were government-written text-books which provided work-place information for students, and quoted the following excerpt from a middle-school textbook for the subject called Industry:

*The only way to eradicate industrial accidents is for workers and business owners to become one in heart and mind. Together, they must become thorough in maintaining safety management. The absolute majority of industrial accidents result from the loss of concentration by the workers. They take place when workers lose interest in their work and lack safety-consciousness* (Chunkyojo 1990a, 10).

Such statements were meant to regulate student behaviours in school as well as prepare them for work.

Members of the Chunkyojo movement, in interviews and documents, stated that teachers were also expected to organise work-experience programmes in industry for students from industrial high schools. In these ‘field-experiences’ it was reported that students were required to ‘become one of the labourers who are assigned to a post on the assembly line’ and they were required to write a pledge stating such commitments as ‘I will be ready to be punished if I desert my post without notice’, ‘my parents and I will take the responsibility of every accident happening during field training’ and ‘I will never join the labour movement during field training’ (Chunkyojo 1994, Section 2).

Other ways in which teachers, whose reports in this research were supported by external analyses such as that of the Korean Educational Development Institute (1994), were located in the general contexts of Korean labour were in working conditions such as authoritarian control by principals and Ministry bureaucrats, including teachers being openly abused and physically struck by principals and senior teachers; overcrowded classrooms; long teaching hours and compulsory extra-classes such as supervising *chayul hak'sup* (autonomous study) sessions in exam preparation that could last until ten o’clock at night; demands for activities such as raising funds for the schools; and unpaid administrative work. The working conditions in schools also reflected the harsh environment of many industrial sites, being under-resourced, overcrowded, cold, run-down and poorly maintained. These conditions served to shape and control many aspects of teacher-student relations such as the harsh and punitive controls placed by teachers on students, the authoritarian language and behaviour of teachers towards students and the general climate of classrooms as sites for intensely hard labour, rigid timetables and deadlines, constant scrutiny, harsh examinations, submission by students and domination by teachers, and the enduring of the harsh physical and psychological conditions without complaint.

These issues can be recognised as features of Korean schooling that located schools and teachers’ work in the general context of industrial relations, worker controls and workplace conditions that operated in Korea through the period of its ‘dazzling economic performance’ (Human Rights Watch 1995, 5) over three decades from 1960 onwards. Teachers served, with other employees, in bearing ‘the tremendous cost of this achievement’ (Weingartner 1988, 79). The costs were witnessed in teachers ‘declining social status and menial monetary rewards’ as pointed out by columnist Rhee Chong-Ik (1990, 5) so that ‘the once respected title of a teacher no longer means much to anyone.’ According to the teachers reform movement, in an open letter to the Minister of Education, the problems emanated from the Ministry of Education serving its political and economic agenda so that it ‘damaged our image as a teacher by arranging and chaining us in front of the students and parents’ (reproduced in Chunkyojo Shinmun 1987, October 1).

**The legal contexts of school teachers**

The principal laws that were used to regulate the activities of teachers in South Korea were the Labour Union Law, the Labour Disputes Adjustment Law, the National Public Servants Act and the Private School Act (Choi 1989). Supporting this group of laws was Article 33 of the Republic of Korea Constitution which guarantees the right of employees, except public servants, including teachers, to organise collective bodies. In addition, there was a range of other legislation that was used to contain teachers and other employee
groups, particularly the National Security Law which has been a major instrument of repression and coercion in modern South Korean history.

In addition to restrictions articulated under the laws discussed above there was specific legislation that applied to all public servants in South Korea, including teachers, which had major significance for the movement. The National Public Servants Act, Article 66, states: ‘Prohibition of Collective Action: Civil Servants may not take collective action for labour movement purposes or other purposes outside of public duty,’ while another law applying to non-government schools, the Private Schools Act, Article 55, states, ‘The provisions concerning the duties of teachers of national and public schools shall apply mutatis mutandis to the duties of teachers of the private schools’ (both quoted in Human Rights Watch 1995, 10, footnote). Thus, teachers in private schools were placed under the same industrial controls as their state school counterparts. These legislations were the basis of the South Korean government’s position that teachers could not form a union. The dismissals of the seventeen hundred teachers who joined Chunkyojo in 1989 were carried out under the legal clauses cited here, which prohibited collective action by public servants.

From the time of their formation as a union, the Chunkyojo members sought to change the legal arrangements that restricted their activities. The central legal issues which Chunkyojo campaigned about were the restriction on their labour activities and the denial of their opportunities for political involvement. In their submission to the UN Social and Economic Committee (1994) Chunkyojo declared that the ‘denial of Teachers’ three labour rights and their freedom of political activities was a major stumbling block not only in teachers’ participation in the decision of educational policies and the settlement of educational problems’ (Chunkyojo1994, Section 6) but in their overall capacity to function as free citizens in a democratic society. The political activities from which teachers were excluded meant in their words that:

They are not eligible for election for education committee members, representatives of provincial parliaments and representatives of National Assembly. They are not allowed to assume official posts and be engaged in political activities, or to reflect their opinions on national policies (Chunkyojo1994, Section 6).

The restrictions imposed on teachers by the various laws discussed above were regarded as principal obstacles to educational reform, as Chunkyojo president Yun Young-Gyu asserted in a newspaper interview in these words:

By the laws, the government tends to make teachers obedient to the government and not protest any issues. I think it’s impossible to improve the educational environment under the current laws. That is why ninety percent of teachers feel the need for and support Chunkyojo. Through modern Korean history, there have been many changes to the education law, but it has brought no changes to Korean education (Hankyoreh Shinmun 1990 June 27,13).

In early 1990, Chunkyojo members initiated some hundreds of court cases as a test of the legal system under which they were restrained. The cases were lodged at different levels of judiciary, including the District Courts, the Supreme Court and the Constitution Court. The basic argument of the teachers cases were the same in each judiciary, being that the restrictive provisions of the National Public Service Act and the Private School Act were unconstitutional because the Constitution (Article 33) guarantees freedom of assembly, the right of equality of workers and the rights of workers’ organisations. The teachers also contended that a provision in the Constitution for the independence of education extended to the independent activities of teachers. In each of the cases, the courts rejected the teachers’ applications.

On April 4, 1990 the Seoul District Court ruled that the Private School Law limiting teachers’ labour rights does not breach the Constitution. The presiding judge Park Young-Sang stated that, ‘we reject the move because private schoolteachers, like any other government employees, should serve the people as members of the public education system’ (The Korea Times 1990 April 5, 3). One week later, Justice Ahn U-Man of the Supreme Court decreed that the provision of the National Public Service which denied teachers the right of collective bargaining did not violate the Constitution. The particular case was an appeal against his sacking from his teaching post at Haksong Middle School, Wonju, by Won Yong-Man, a Chunkyojo branch president.
Shortly after these rulings, the Constitutional Court hearings on eighty-three lawsuits brought by Chunkyojo members commenced. While the teachers representatives, including Lee Soo-Ho, vice-president of Chunkyojo, asserted that the Public Service Acts Articles 55 and 58 denied the rights of teachers guaranteed under the Constitution, the lawyers for the government claimed that the Chunkyojo members were ‘security risks’ threatening the stability of South Korea. Lawyer Kim Sang-Chol argued that ‘the teaching force, that is crucial to national security, the maintenance of law and order as well as public welfare should be under government control.’ In a letter to the court, the Minister of Education claimed that ‘the legalisation of Chunkyojo would only provide a foothold for left-leaning teachers to indoctrinate students with anti-government and communist ideologies in classes’ (quotations from report in The Korea Times 1990 April 17, 3). The labelling of the unionised teachers as communist-inspired subversives of the education system was a constant tactic of the government throughout the whole period of the conflict. Not surprisingly, the decision handed down by the court rejected the teachers’ application.

With no further opportunities to pursue the legal issues within Korea, Chunkyojo turned increasingly to international legal avenues to establish their case. In 1991 Chunkyojo gained the support of the ILO and the Korean Confederation of Trade Unions newsletter reported that the treatment of the teachers of Chunkyojo ‘has become a regular feature in the ILO deliberations over Korea, and the continued source of embarrassment for the Korean government and its officials attending the various international fora’ (Korean Confederation of Trade Unions 1996, 1). In a series of statements from 1993 onwards, the ILO insisted to the Korean government that, under international principles, teachers and other public servants in Korea should be able to exercise the right to organise trade unions, as in the following:

As regards the prohibition on the right to organise of public servants and private and public teachers, the Committee draws the Government’s attention to the principle that workers, without distinction whatsoever and notwithstanding their particular status under national law, should be able to form and join organisations of their own choosing to protect their interests and calls on the Government to take the necessary measures to enable public servants and private and public teachers to exercise freely the right to organise (Statement of the 255th Session of ILO Governing Body on March 1993, quoted in Chunkyojo 1995, 8).

Human Rights Watch called the restrictions on teachers under the civil service laws, ‘another serious infringement of human rights’ and argued:

The South Korean government contends that teachers’ unions have no legal basis because teachers are public officials and cannot, in any case, be treated as ordinary workers. However, this position contradicts ILO standards. ILO Convention 151 specifically protects the right of public workers to organize. It mandates that public employees’ organizations ‘shall enjoy complete independence from public authorities (Human Rights Watch 1995, 10).

The International Federation of Free Trade Unions frequently expressed its support of Chunkyojo based on the right of everyone to join free trade unions as embodied in the Universal Declaration of Human Rights, the International Covenant of Economic, Social and Cultural Rights and the International Covenant of Civil and Political Rights. Teacher Union groups from around the world also supported Chunkyojo’s claims to legitimacy, including Educational International, representing teacher and education employee organisations in 146 countries, with over 23 million members, which urged the Korean government to accept the legalisation of Chunkyojo (Education International 1997). National teacher unions from Germany, Australia and the United States also supported Chunkyojo, including through providing union training to some Chunkyojo members.

The issue of Korea’s entry into the OECD proved to be a significant step in the Chunkyojo quest for legitimacy. The continued exclusion of the teachers’ union was regarded unfavourably by the OECD delegation that had been sent to review Korean education. According to the newsletter of the Korean Federation of Trade Unions:
Korean Teachers' Union was one of the major sources of ‘embarassment for the Korean government in the OECD Council’s deliberation over Korea’s membership. And according to the Education International, the international umbrella organisation of teachers’ unions and organisations, KTU featured as one of the key concerns of President Bill Clinton as he directed his ambassador’s position in the OECD’s deliberations over Korea’s membership (Korean Confederation of Trade Unions 1996,1).

While the OECD strictly maintains a policy of not interfering in the internal affairs of member states, the chair of its committee of review of Korean education, Mr. Alan Royce informed me in a brief interview at an OECD Forum in Brisbane, June 1997, that the committee specifically informed the Korean Minister of Education that there were clear expectations that Korea should legalise the teachers’ union.

To summarise, the previous discussion has argued that the teachers shared the broad industrial conditions, provisions and restrictions of labour generally in the social mobilisation towards economic development within the NIC model, and that this was a reflection of the ways in which education in South Korea was incorporated into the development process and harnessed to the political goals of successive authoritarian governments.

The discussion has indicated that the grievances that motivated the formation and subsequent experiences of Chunkyojo were embedded in the general framework of industrial relations and legislation in Korea and, were therefore, intrinsic to the economic development programme of South Korea. While the South Korean workforce were applauded for being well-educated yet they accepted some of the lowest wage levels, longest hours and worst conditions in the industrial world. The disposition to accept such conditions were formed in the educational system, as indicated by a Korean Educational Development Institute (KEDI 1994) survey that showed 82.6% of parents and teachers believed that schools promoted ‘national consciousness’ of economic development, and 95.5% of respondents believed schools promoted awareness of ‘political and social development’, yet 82.7% of respondents expressed ‘total dissatisfaction’ with the school system.

Thus, a raft of legislation and informal controls ensured that teachers remained under control in the workplace and restricted their interests and activities to those areas decreed by the government as supporting the development programme. The formation of Chunkyojo can be understood in this respect as a significant challenge to not just policies in education, but to restrictive legislation and practices affecting a whole range of workers in Korea. This fact may be a major reason behind the continuing support for Chunkyojo by the KCTU. The resolution during the 1990’s of the legal issues surrounding Chunkyojo became a very strong indicator of the Korean government’s willingness to abide by its expanding international obligations under the ILO, OECD and other treaties. In the words of the KCTU:

The controversy surrounding the Korean Teachers Union (KTU) is not something teachers have created. Nor is it something which can disappear by KTU’s willingness to withdraw itself from the field of debate. The KTU issue, in the final analysis remains the test of the Kim Young-Sam governments democratic credentials and the sincerity of its international commitment (Korean Confederation of Trade Unions 1996, 2).

As indicated at the outset of this discussion, the most recent government under Kim Dae-Jung has indicated its willingness to proceed with the complex and far-reaching reforms necessary to set up the industrial relations structures that will bring legitimacy to Chunkyojo, yet these have also been cast in the broader context of industrial restructuring throughout the nation.

Conclusion

The foregoing discussion has sought to provide some insights and understanding into current developments taking place in Korea in respect to school teachers and their efforts for unionisation and educational reform. I have tried to indicate how the current issues have emerged from a long-standing set of grievances of teachers that emerged as a result of their experiences in the school system, which constituted collective action frames that mobilised the movement and shaped their agenda for reforms. My analysis has shown that the systemic features which the teachers have challenged over the past decade reside in the social and historical foundations and political constructions of school education in Korea. In this paper, I have
reviewed some of the key grievances: teachers identities, the impacts of economic development, and the industrial relations contexts of teachers – but there were several other core grievances I have not discussed here, such as the engagement of schools as instruments for Cold War propaganda against North Korea and the general militarism of the school system, which had its foundations in the Japanese colonial period, then was mobilised as part of the US-driven international war against communism, a strategy continued by successive Korean governments. In this aspect, schools functioned to build enmity against North Korea and teachers were the key agents of this process.

While they recognised the genuine threat of North Korea, the teachers in Chunkyojo advocated an educational approach to the conflict that makes students 'recognise the necessity of the reunification of the Korean nation, which can be started with ending teachings which inspire hostile attitudes towards North Korea (Chunkyojo 1990a, 18). Lim (1993, 267) discussed emerging policies of détente in 1992 and the four issues that would have to be settled for a peaceful solution to the conflict, as follows:

*First the South and North should recognise each other and establish a mechanism of peaceful coexistence. Second, the South and North should be able to function as responsible members of the international community. To this end, the two should enter world organisations, in particular the United Nations. Third, the four major powers with a stake in the Korean Peninsula should cross-recognise South and North Korea. Fourth, military tensions on the Korean Peninsula should be eased, and the issue of foreign troops resolved.*

The views of the Chunkyojo teachers on reunification were very much representative of the views of a broad section of the population, including students, the growing middle-class, and the unionised work-force. The teachers focussed on the issues in schools and believed that the existing model of reunification education had inherent flaws that maintained the national division and served the internal political interests of the South Korean government. The teachers claimed, additionally, that the dominance of the national security agenda supported authoritarianism and the centralisation of power in the school system, which left teachers disempowered and alienated. Examples of practices to which teachers objected was the official prohibition against teachers discussing in school classes the official textbook approaches to North Korea, communism and the process of reunification, the Ministry of Education's expectation that teachers would impress on students the official position and, also, the expectation that teachers would model anti-North attitudes in their own views and actions. The movement members complained that, particularly in this area of education, 'teachers have not been allowed to go beyond the boundary of the prescribed text books and their classes have been closely watched' (Chunkyojo 1990a, 18).

The Kim Dae-Jung government appears to be pursuing a path of détente in its current diplomatic efforts towards North Korea. In the educational context, the extent to which schools in the south can extrapolate themselves from their deeply embedded role of anti-communist institutions to peace-building institutions may well depend on the capacity of the teachers unions to move beyond the struggle over industrial rights and issues, to pursue their broader program of educational reforms. However, the current scenario appears to indicate that, for now, industrial issues dominate. The teachers unions have been explicitly banned from pursuing educational reforms and that role has been assigned to the traditionally conservative Korean Federation of Teachers Associations. In this scenario, it would seem that far-reaching changes to Korean schooling are a long way off.

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383

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Published by
The Korean Studies Association of Australasia

ISBN 0 7334 0612 2
1999