

CHANG, K.-S., *Developmental Liberalism in South Korea: Formation, Degeneration and Transnationalization*, International Political Economy Series, Series Editor: Timothy M. Shaw, Palgrave Macmillan, 2019, 221pp. Nouha Benjelloun Andaloussi



Benjelloun Andaloussi, Nouha

Nouha Benjelloun Andaloussi
arabia, Arabia Saudita

Paix et Sécurité Internationales – Journal of International Law and International Relations
Universidad de Cádiz, España
ISSN-e: 2341-0868
Periodicity: Anual
no. 8, 2020
domingo.torreon@uca.es

URL: <http://portal.amelica.org/ameli/journal/474/4742150020/>

CHANG, K.-S., *DEVELOPMENTAL LIBERALISM IN SOUTH KOREA: FORMATION, DEGENERATION AND TRANSNATIONALIZATION*, INTERNATIONAL POLITICAL ECONOMY SERIES, SERIES EDITOR: TIMOTHY M. SHAW, PALGRAVE MACMILLAN, 2019, 221PP.

The preface of the book premieres Chang's methodological choice to prioritize the linkages between the state, society, economy and culture in studying what he labels as "compressed modernity" in the South Korean context. He further explains that the complex realities of the South Korean experience of development have been largely politically framed and reduced to a certain number of dimensions, especially in the media.

Chang criticizes the first stages of the implementation of the IMF package for economic recovery following South Korea's call for rescue during the national economic crisis of 1997-1998 as overlooking the socioeconomic setting in which South Korea's development was made possible. Indeed, the South Korean modernization project relied on the sacrifice of grassroots citizens on the premise of (1) the availability of work and (2) the improvement of the living conditions for those who experienced poverty and hunger in the colonial period and the Korean War. However, in the context of the crisis, the policies prescribed by IMF destroyed this foundation and instilled uncertainty for all workers.

The main feature of Chang's book is his progressive and subtle introduction of concepts that could be listed under the large category of "compressed modernization". One of these concepts is "fake middle class awareness", which is the tendency of the South Korean older generation to consider themselves as part of the middle class using as a reference the living conditions of the formerly poor Korea.

The author's overall diagnosis is that South Korea has been developmentally liberal in social welfare, as compared to the "liberally liberal" United States. He states that the purpose of this book is to analyze the basic attributes of this

regime of social governance in South Korea, based on research spanning two decades and on his previous publications. The model of a developmentally liberal polity suggests that the main concern of the state would be the maximization of industrial investment.

The organization of the book is rather interesting as it gradually unveils the historical consequences on the South Korean society induced by the explicit slogan of successive authoritarian governments during the process of rapid industrialization and especially Park Chung Hee's government (1963-1979), calling for "growth first, distribution later". Economic development was first presented as a guarantee of long-term social policy. Therefore, development as a national project was equated to material betterment for all, thus negating the need for a distinct social policy scheme.

Decades later, it appeared that this deeply-rooted mindset of pursuing national development as a greater good and a citizenry project that would end up benefitting everyone in South Korea, has shaped the course of the slow development of social protection measures by the South Korean state and the involvement of local businesses and civil society in filling the void created by the indifference of the state toward the necessity of setting social safety nets. The first part of the book conveys the idea that distortions caused by the rapid industrialization of South Korea culminated in the national economic crisis in 1997, and they have been greatly impacting the lives of ordinary citizens since then. Chang's rationale is that incidentally, aggressive capitalist development in South Korea was concomitant with private developmentalism. It is fairly reasonable to link the inexistence of social policy as an independent political agenda to the exacerbation of grassroots groups' vulnerability against the slowdown of the South Korean economy after a period of rapid industrialization.

Such a voluntary omission of the state was facilitated by what Chang calls the "cooptation of social political constituencies". Citizens were seduced into the idea of investing their private resources for social mobility through education, opening businesses, stock investment or estate speculation and expected a long-standing availability of work for economically-motivated individuals. Although most social security mechanisms implemented by the state were dedicated to those performing public duties, there was no social resistance against this form of exclusion as access to state positions is determined by

fair examinations. In addition, social risks were meant to be absorbed by the mobilization of affiliated groups, through private lending, such as extended family, religious groups, colleagues, university friends or people from the same hometown, yet this system of care and support was fragile and obsolete during the crisis of 1997. In that way, for a long time, South Korean citizens did not question nor challenge the lack of governmental social policies set to protect them.

In the second part of the book, Chang moves on to the effects of labor reshuffling on grassroots livelihood, as a measure proposed by the IMF to recover from the economic and financial crisis at the end of the century. The lack of social protection measures in the political agenda of successive governments has become apparent with the dismay of the underprivileged and workers who faced or risked facing waves of dismissals and at best pay-cuts, underlying the economic restructuring programs for national economic recovery, mainly borne by small businesses at the end of the 1990s.

On a side note, the effect of such a sense of betrayal felt by grassroots citizens, for whom progressive regimes were responsible, slowly trickled down into South Korean voter behavior, resulting in what Chang calls generalized "Park Chung Hee's nostalgia" which led to the election of President Lee Myung-Bak in 2008 and that of Park Geun-Hye in 2013. Indeed, despite proclaiming a new slogan of "pains-sharing" along with neoliberal reforms under the Kim Young-Sam and Kim Dae-Jung governments (1993-1998 and 1998-2003), the democratic transition revealed to be "volatile" and "destructive" as it continued to serve the interests of the same social groups despite attempts to emphasize features of "participatory democracy".

The sacrifice of grassroots citizens went on as labor unions indicated their intention to work together with the state and businesses in a tripartite committee, launched by an initiative of the Kim Dae-Jung government in 1998. Hence labor unions accepted to compromise by allowing structural adjustments in factories, companies and other workplaces “under urgent managerial situations” in hope for a reform of big businesses (*chaebol*), believing that this in turn will successfully push forward the national economic recovery process. Soon enough, those big companies showed that they had no intention to fix their management and fight against corruption, and some of them even resumed their expansion objectives using foreign loans under the national crisis

conditions. Consequently, one of South Korea’s major umbrellas of labor unions (KCTU) withdrew from the committee. At that time, labor unions inevitably lost a great deal of their legitimacy among workers for colluding with the state in the restructuring schemes.

Chang emphasized that some of the consequences of the crisis and its management could have been avoided. The most concerning distortion created by the restructuring has been the alteration of the quality of employment in South Korea (the normalization of temporary and underpaid jobs leading to an increase in on-the-job poverty and youth unemployment), accompanied by the social reproduction issue (low fertility, late marriage, the surge of suicides due to economic reasons and family separation and divorces). Interestingly enough, both phenomena would be dubbed as crises and would require reactions from the governments in place, as evidence of good performance and as a way to regain the trust of electors by showing empathy for the struggle of the mass. As mentioned before, the South Korean development process was highly reliant on the maximization of input mobilization: material sacrifice and citizens’ entitlement to work. Therefore, the recovery from the national crisis of 1997-1998 plundered “the classic foundations of South Korean development” by affecting access to jobs and job security.

In addition, the supposedly timely neoliberal reform of the late 1990s has been consolidated into permanent structural conditions of the South Korean economy with its introduction of distortions in the livelihoods of ordinary citizens. To date, social displacements of various grassroots groups in South Korea are observed. That is because many major firms maintained measures of employment reductions and relocating production for the sake of an increase in their global competitiveness.

Financial entrapment has been an issue of particular concern in the post- crisis South Korea with the rise of indebtedness, alongside the pervasiveness of the use of the poorest categories of exploitative private usurers as a last resort, because they do not fulfill the necessary conditions to take out loans from regular financial institutions. Likewise, class inequalities in South Korea have taken a new shape, with the economic and social subordination of the working class and the underprivileged to the increasingly financialized interests of the ruling class.

In response to the severity of these developments, “politically framed sets of accesses to finance” have been implemented under the governments of Lee Myung-Bak (2008-2013) and Park Geun-Hye (2013-2017), thus rendering the people “disciplined worker-consumer-borrower citizens” in the words of Soederbeg (applied to the US and Mexico) cited by Chang.

In the 2000s, another set of state-driven welfare policies was introduced to counter the effects of the looming threat of a diminishing and aging population. In fact, South Korean citizens started to engage in a sort of “self- imposed structural adjustment in social reproduction of family” to manage the worsening conditions of livelihood in post-developmental South Korea, namely late marriage or low/no fertility. This has been to date one of the main concerns of the South Korean political agenda, which have resulted in the implementation of pronatal welfare policies. However, considering the meager chances of success of this trial and error mode of correcting social safety loopholes dating from the developmental state, there has been a tentative shift of policy direction from explicitly tackling the low fertility issue to a vague policy of pursuing the betterment of the living conditions of the population, in hope for a spillover effect on fertility.

At the near end of the book, the expression “dual transitions” is introduced, hinting at the influence of global neoliberalism on the political economy of South Korea and of other Asian countries. The inbound and outbound globalism in which South Korea and other Asian countries alike has engaged, has marked the irreversible weakening of the developmental liberal regime of social policy, of which communitarian nationalism was an important constituent, through the globalization of corporate business operations, careers, citizenship and the injection of foreign capital in the South Korean economy.

On a more optimistic note, in the aftermaths of the 1997-1998 financial and economic crisis, social safety net has entered public discourse and encouraged a large range of civil social organizations and movements to enact their own social programs, supervise the implementation of state social policy and propose new social policies based on the people’s demands and needs.

In reality, the South Korean case of development and the side effects of such a rapid process give room for the study of a number of factors that have shaped the history of the country until present times. This is demonstrated in the rich composition of Chang’s book. For instance, aside from the main

argument related to developmental liberalism in South Korea, as the title suggests, the three parts of the book give thorough explanations, although scattered, of various realities specific to the South Korean contexts such as the structure of family, labor unions and big businesses versus the struggles of the underprivileged and the formation of civil society.

We found of equal interest the evaluation that Chang implicitly makes of the mandates of different presidents in South Korea in terms of social welfare provision. However, the reader should not take at face value the evaluation of the achievements and shortcomings of South Korean presidents solely based on their contribution to the nexus of development-social policy.

One paradoxical case largely explained by Chang should be cited. The Kim Dae-Jung administration faced a dilemma given the ongoing economic crisis, leading to inconsistencies in speech and in policies, such as the use of economic administrators from the Park Chung-Hee era, marked by developmental statism, alongside the neoliberal measures recommended by the IMF. This dual use was in fact both a teaser of the way neoliberal measures would settle and congeal in the structural features of South Korean political economy to present times, as well as a manifestation of the long-standing workings of collective memory which explain the “developmental nostalgia” among South Korean voters.

This sentiment of nostalgia for the imagined or lived period of socioeconomic improvement is not the only factor explaining circumstantial voting decision in South Korea. Voters choose some presidential candidates rather than others in conjunction with the prioritization of social welfare versus the return of the drive for economic growth at macro-level. For instance, Moon Jae-In was fully aware of the necessity to differentiate his pledges from Park GeunHye’s after her impeachment, so he focused on human-centered development rather than the solidification of the welfare state.

To illustrate the author’s clever and detailed research methodology, we can mention his superposition of (1) the evaluation of macro-level policy at state level through different stages of industrialization, democratization and entry into the era of global neoliberalism and (2) the description of the response in society to such transformations encompassing indifference, involvement (cooptation, resistance and reconciliation) or self-help. Moreover, we believe that scholars belonging to various traditions would find Chang’s generalization

of the implications of developmental liberalism for the integration of Asian economies through their “bilateral and multilateral alliances of developmentally governed economies and peoples” resourceful. Indeed, Chang started from a comparative analysis of specific Asian countries and proceeded to explain interfaces of interaction and influence between Asian economies.

Given the theoretical and analytical strengths of Chang Kyung-Sup, we put together a team in charge of translating his latest work into Arabic in hope for reaching a wider audience in the Arab world.