

Session VII

Neoliberal Globalization and Its Impact on Koreans

Prof. Hyo-Je Cho (SungKongHoe Univ.)

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The topic of tonight's talk is neoliberal globalization and its impact on Koreans. Any task of talking about globalization nowadays, or more precisely, about 'opening up to the outside world' from a Korean perspective, seems to be daunting and frustrating at the same time: daunting because of its vast scope, frustrating because of its sad historical déjà vu. Before discussing our chosen theme, it may be interesting to briefly go back in time one hundred years.

In the year 1907, Korea was on the verge of the full annexation by the imperial Japan. In July of that year, King Kojong, the tragic ruler of Chosun dynasty in her final days, was forced to abdicate from the throne. In August the entire standing army of Korea was officially decommissioned at the Japanese coercion. In the following month, perhaps in an ironic turn of events, the Ikimaru, the first direct ferry liner between Pusan in Korea and Shimonoseki in Japan, set sail on her maiden voyage. All these historic events of an unprecedented magnitude took place just less than two months, breathtaking speed indeed even by today's hectic standard, leaving in their wake a trail of animosity and bitterness.

Fast forward to the year 1997, Korea was again embroiled in a catastrophic social and political crisis after a collapse of the interconnected regional financial system. But it must also be remembered that by the time of the economic crisis, the record number of Korean manufacturing industries were reported to have been relocated its

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production line to abroad to seek cheap labor, with south-east Asian countries as its main destination. One must have a tragic sense here: does history repeat itself?

Hundreds of thousands of people lost their jobs, careers, and livelihood overnight. The image of thousands of homeless, soulless people straddled in the subway stations in the icy winter of that year is permanently inscribed in our psychological repository of historic memory. Many of you here tonight who have first hand knowledge about the calamity would agree that the life of Koreans at the time – in the aftermath of that mighty show of transnational capital power – was indeed “solitary, poor, brutish, and short.” Such was the trauma associated with this kind of experience that it is no surprise that encounter with the external world is often resisted, feared and equated with the loss of sovereignty and the sense of impotence in Korea’s national psyche.

Again fast forward to the present, the year of 2007, the situation I believe is essentially the same, maybe not as obvious externally as it really is, but actually more incipient and chronic internally. Many young people are losing their faith in the system altogether because of a slim chance of getting a job, leading a decent life and planning a reasonable future. Many of those who are on the payroll are in a precarious condition because of short-term contractual nature of their employment. The proportion of unionized work force is all time low. More and more people are facing mid-life crisis not because of some existential anxiety – which may be regarded as a luxury in this context – but because of a sudden loss of job in their forties or even in thirties without any prospect of setting out a new career path. Last month a street vender took his own life by setting fire on himself to protest against the local government’s draconian policy to ‘cleanse’ the street. It happened right in the middle of Ilsan, just a few minutes’ drive from where we are now. Suicide level and divorce ratio are among the highest in the world. Crime rate, particularly serious crime rate, is ever soaring. It is reported that more than two thirds of people would prefer to find a new home in abroad if a chance arises. At present people’s trust in the public school system could not be lower.

Why this misery? Why this hopelessness? Why this disillusionment? Is it not that hard evidence points to the opposite direction? For example, wealth in this country has been exponentially increased during the last decades in spite of the economic crash in the late 1990s. Financial health at least on document seems to be on a firm foundation, although occasional hiccups are sensed here and there. Growth rate has been over four percent a year continuously in the past several years, not exactly the

best in the world to be sure, but no doubt among the most robust. The government's foreign currency reserve has reached a record high, which I suspect, is the envy of many outsiders. According to the recent statistics Korea is rated as the eleventh in the world in terms of economic competitiveness and the twelfth in the total trade volume. Furthermore, Korean students studying at the American universities constitute the third largest foreign student body in the United States. One can keep parading this kind of impressive statistics and figures. Let us consider then, on how we could possibly explain this discrepancy and contradiction – a huge gap between objective picture and perceived reality. Why such unhappiness and frustration in the middle of this apparent prosperity and success?

I think the answer lies in the ever-widening gap between the haves and the have-nots, and its associated sense of relative deprivation. The rapid polarization of economic state of affairs in this country is indeed breathtaking. Only a decade ago it was customary to talk about a gap between the upper twenty per cent and the lower eighty per cent. Now the contrast is much steeper: a gap between the upper ten per cent and the lower ninety per cent is not an exaggeration. Perhaps it may be more accurate to speak about a gap between the upper one per cent and lower ninety-nine per cent. This trend in widening inequality is reported in every aspect of society in a multitude of ways. This is exactly the point Karl Marx made when he famously declared in the mid-nineteenth century. "A house may be large or small; as long as the neighboring houses are likewise small, it satisfies all social requirements for a residence. But let there arise next to the little house a palace, and the little house shrinks to a hut. The little house now makes it clear that its inmate has no social position at all to maintain."

In addition to this blatant inequity, the lack of social safety measures is identified as the source of all fears in this society. In spite of some progress in health insurance and basic sustenance protection measures, the majority of people including the elderly, the chronically sick, the disabled, the unemployed or the semi-employed are largely left to their own devices. Yet even the smallest move toward some basic level of welfare provision is often denounced as an anachronistic idiocy with an anti-business slant. So it may come as no surprise that some commentators call Korea's economic model a 'killer capitalism' whose naked audacity would take even the fervent supporters of neoliberalism elsewhere by surprise. What is the reason for this blind worship of

unfettered free market?

I would dare to locate the root cause of this tendency in the longstanding misconception about the true meaning of modernization and development in Korea. For us, development is not so much a penetration of maturity to every aspect of society as a pursuit of the path the developed west had gone before as closely as possible. What the west preaches Koreans feel compelled to emulate, or over-emulate I would say, in order to live as a proudly westernized nation. The 'west' in Korean parlance of course is almost synonymous with the United States. So the gospel of neoliberal tendency in an American mould has been sown in the fertile ground of this already U.S.-worshipping society. The result has been disastrous: unless you are 'on message' with the U.S., goes the logic, you will be consigned to oblivion in history as we did in the late nineteenth century. No other place on earth, I suppose, is the full-blown neoliberal teaching received with such a fervor and enthusiasm by politicians, policy makers and business community as it is in South Korea.

In this sense, maybe we Koreans are more American than the American. This kind of bare-knuckle capitalism is imported and disseminated as an only answer to our survival as a nation via the influential epistemic community, which consists of the technocrat-academic-business complex. Most of them are trained in the U.S. Their message has always been starkly presented in an unequivocal term: catch up with all-or-nothing globalization or we will forever perish in this winner-takes-all world. Let us take an example. A select group of 'eminent' academic economists in Korea published an open letter to the next presidential candidate just a couple of weeks ago. In it they called for a number of policies for 'sound' economic development including full-scale deregulation, accelerated privatization and special measures to further increase growth rate. Under this black-and-white economic view there is no room for alternatives, different nuances, or dissenting voices. Either you follow the neoliberal prescription in its full dosage or you are doomed to be condemned as anti-capitalist fanatics.

Having said that, those are the standard description about negative side of globalization which might be more or less the same in everywhere. But we may advance our discussion by focusing on distinctively Korean aspects of discourse on neoliberal globalization, or on anti-globalization for that matter. First of all, the brutal force of neoliberal onslaught hit South Korea hard, right at the time she was undergoing an arduous process of democratic consolidation. The history of successive

pro-democracy civilian governments during the last decade can be summarized as struggle against the harsh economic reality while at the same time providing fledgling democratic institutions with concrete policy substance and expressions. The result is rather mixed: although the pro-democracy governments have strived in managing the swirling tide of neoliberal assault with some modest successes, the subjective life experience of the public has turned considerably sour by the day. This has led to two related consequences. One, it has created a widespread perception that democratization and democracy may have nothing to do with actual quality of life, and that democrats were good at fighting for power but they are grossly incompetent to run the government. Two, therefore, it is widely perceived that people's well-being may be better protected and promoted, not by enhanced welfare arrangements against neoliberalism but by more efficient, able handlers in a neoliberal economic model. In other words, democrats are recognized to be those who can claim some historic success but who's sell-by-date is now well passed.

Second, as a result of the prevailing neoliberal paradigm the entire outlook of our society is subtly but thoroughly penetrated by materialist ethos both from the against-camp and from the for-camp of neoliberalism. The corollary of this incipient trend is the virtual disappearance of non-materialist counter-discourse from the public debate. In today's Korea major societal problems are so invariably framed through a neoliberal lens that even the anti-neoliberal forces tend to see the world basically in an economic frame of reference. Terms of debate revolves around a quintessentially materialist theme: accumulation versus distribution, more work versus less work, irregular labor force versus regular one, free competition versus regulated choice, and so on. The trend increasingly moves the whole focus of debate away from a non-material dimension of society towards explicitly monetary means and ends, with the virtual evaporation of the former from the public sphere. The casualties include a cultural 'parallel polis' in society independent of the state and the market, an appreciation of life and environmental sensibility and a spiritual dimension separate from economic relations. The logical end-point of this trend might be a barren social landscape where material abundance or scarcity seems to be the only yardstick with which to judge our standing in the world. Because of this I suspect that the current pervasive discontent people may feel will not be alleviated no matter how much they acquire materially under these circumstances.

Third, general fear and worry wrought by the economic fundamentalism have led

many people to seek an essentially inward-looking, national solution with little regard for what's happening in the wider world. Understandably this introvert attitude may be related with our repeated experience of deprivation and frustration in relation to our encounter with the outside world. Once trapped in this thought pattern, everything that is inside is associated with a strong self-serving 'victimhood' sentiment, and everything that is outside is viewed with a conspiratorial suspicion. As I said earlier this attitude is something that defies reality. In economic terms we are one of the biggest traders in the world. In terms of broadband Internet connectivity and mobile communication, the country is also among the most densely networked societies in the world. But the people's attitude still seems to be fixed inwardly. This means we do not usually care much about the lives of other peoples; or rather we do care about the lifestyle of western people with scarce attention or compassion with other non-western people.

I think the reason for Korea's indifference to her neighbors is the fact that the country has been forced to interpret the outside world through the lens of external entities throughout history. As a result, Korea has maintained its world views through a Chinese perspective until the late nineteenth century, a Japanese perspective in the early twentieth century, and an American perspective in the post-War period, respectively. This has led to the absence of interest in the world through a genuine Korean perspective. Korea's latter-day reliance on American supremacy has left a particularly negative legacy on Korea and Korean civil society. In this heavily Americanized world view there was not much room for non-American world, let alone the non-west such as Asia. There is no doubt that South Korea was under massive American influence for a long time, culturally as well as politically. To our eyes the term 'international relations' was usually reserved for the 'Korean-American' relations; and to us America was a synonym for the world itself.

At the same time, Korean civil society has been preoccupied with the question of the nation and reunification. As the last divided modern state in today's world system we have been agonizing over our incomplete nation-statehood. This yearning for reunification went in tandem with nationalistic fervor, resulting in a strangely insular, parochial form of nationalism; this casts a stark contrast for a country with a global credentials of trade and economic growth. This has created a bipolar perception of the world: on the one hand, the outside 'world' was the same as the U.S. either as an angel or as an evil; and on the other hand we were busy wrestling with our own problem of two Koreas. In this bifurcated, polarized mind map, such areas as Asia

simply disappeared from our mental cartography. Compared to this longstanding ignorance, the sudden surge of interest in Asia and the contemporary rise of Asian discourse in contemporary Korea may indicate that Korean civil society has finally freed itself from its old dichotomized iron cage (America-centered world vs. Korea-centered nationhood). In other words, it has become more assertive, more able to look the other way, and more mature to care for its neighbors. But that is simply not enough; there is indeed a long way to go.

The consequence of this bipolar attitude is two-fold: first, we Koreans are very much concerned about the negative neoliberal impact on us, but not concerned about its impact on others who happen to be less fortunate than us. But on the other hand, on a more practical side, this closed mindset inadvertently robs us of the necessary information from and solidarity with other people in the same situation. In this way, we voluntarily rid ourselves of the most powerful weapon against the imperious neoliberalism – that is, solidarity and universal struggle. This gap will not be filled unless, I think, we are open to the idea that peoples everywhere must learn to find our common destiny locked in a global Noah's ark.

Fourth, we tend to consider the issue of peace and reconciliation in Korean peninsula to be separate from that of neoliberal economic tendency. Furthermore, there pervades a vague sense that once the question of peace is within our grasp the problem of the latter would somehow wither away without any conscious effort. This, I believe, is a gross misconception. Neoliberal expansionism is like a Hydra with a thousand tentacles. This beast knows no limit and leaves no place untouched. It would be very difficult, if not impossible, to raise awareness on genuine peace between the two Koreas from a radically stratified society like ours. Moreover, corporations and business community may see the peace initiative as a pretext for a huge opportunity for commercial expansionism. Who knows whether business community will not succumb to temptation to see North Koreans merely as convenient cheap labor force? For the South Korean public which is so accustomed to treat others in terms of the differential economic status, North Koreans from much lower economic means would be very easily seen as second-class citizens or, even worse, the untouchables. Let me repeat my fundamental thesis here again: from a long-term perspective, unmitigated neoliberal economism cannot and must not be allowed to exist side by side with the peace and rapprochement process of two Koreas.

Last but not least, the overwhelming emphasis on economic efficiency means that the

utilitarian consideration has become the single most important source of the policy principle. As a rule of thumb the majority is a natural focus under the utilitarian rubric while the minority is legitimately ignored. No wonder then that in this coldly calculating atmosphere of commodification more and more groups on the wrong side of the track are subject to a moral and ideological attack. These include the usual suspect: deprived women, 'illegal' migrant workers, and silenced voice of people on the margin on account of their color, conscientious dissension, international marriage, or sexual orientation. One should not expect that inter-Korean peace and ultimate reunification can be achieved where those less visible persons' pain is conveniently glossed over and hidden underneath the carpet of the 'nation-first' discourse. Peace is simply a mockery where there is widespread discrimination on minorities of every kind. It would be absurd to suppose that true reunification and peace between seventy million people of two Koreas will prevail when no more than ten thousand North Koreans who found asylum in the South have had to face discrimination and unfair treatment on a daily basis. Therefore we must not assume that 'big' peace is still possible where 'smaller' injustices abound. Of course national reconciliation and eventual reunification is absolutely important for us all. But one must not forget. A right to self-determination is one thing; a right of a group over its members is quite another. When the right to self-determination and reunification claims a permanent superior position at the expense of minority voices, the moral force of the former is inevitably in question. Therefore should we not ask ourselves: when our eyes are closed to these sufferings around us, how can we see and find the way for peace? Perhaps more importantly, what kind of peace will we get after all?

So let me wrap up tonight's talk by re-stating my firm belief. Our duty as people seeking peace and justice in front of the ferocious neoliberal domination must be blindingly obvious. We need to walk a fine line between growth and de-growth, fuse a material dimension and a non-material dimension, seek a national as well as a trans-national solution, and endeavor to integrate a 'majoritarian' democratic ideal with respect for minority voices all at the same time. For this undertaking, a sign of hope must be found in the spirit of solidarity. We must understand that peace in Korea cannot possibly be pursued in its own right, but only through our participation into the humanity's shared sense of destiny and concerted action for a better world – both on a national as well as on an international level. Only then will the innermost key to

making peace in this land be revealed in its entirety. Martin Luther King once gave us a passionate plea, which should be an appropriate parting shot for all of us tonight. “We must learn to live together as brothers or perish together as fools.”

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