

The Culture of Korean Industry

An Ethnography of Poongsan Corporation

Choong Soon Kim



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For Hak-rok, with gratitude

Preface

My interest in studying industry and industrial workers predates my involvement in the field of business and industrial anthropology. In the early 1960s, as a graduate student of law under the direction of Hahm Pyong Choon, I studied labor law and trade unions in the Korean cigarette and tobacco industry (Hahm, Yang, and Kim 1964). This was before Korean industrialization took its great stride forward, and the Korean economic miracle had not yet impinged on Western public consciousness.

A decade later in 1974, without knowing much about Korea's economic progress or its rapid industrialization, I was conducting a socioeconomic and demographic study of an American Indian tribe in east-central Mississippi, hoping to attract the attention of industrialists to harness the Choctaw labor force (Spencer, Peterson, and Kim 1975). Professor-turned-diplomat Hahm Pyong Choon, then the Korean ambassador to the United States, phoned me at my office at the Choctaw tribal government headquarters to induce me to become involved in an anthropological project on Korean industrialization and industrial relations.

Despite the ambassador's hard sales pitch, however, I was unable to become obsessed with Korean industrialization to the extent that

he had. I had been away from Korea while Korean industrialization was taking its great leap forward. I was not well informed. In the meantime, my Choctaw project evolved into another project, and I dwelt on it. In so doing, I confined myself to the United States for seven more years.

I was still unable to comprehend Korean progress until I witnessed the scene myself in 1981, when I returned to Korea for the first time since leaving for graduate school in 1965. Experiencing so suddenly the results of years of economic development and industrialization, I felt a case of "future shock." The entire country seemed to vibrate with economic progress. When I had left Korea, its per capita GNP was only 105 U.S. dollars: in 1991 it was slightly over 5,500 U.S. dollars.

Korean economic growth and industrialization may mean many different things to different Koreans. To most Koreans of my generation and older, who had experienced a marginal living under Japanese colonial rule (1910–45) and during the devastating Korean War (1950–53), it has special meanings—a sense of pride, self-fulfillment, and great relief. In fact, I remember that near the end of World War II, as the colonial subjects of Japanese rule, most Korean school children were unable to wear decent shoes because materials for shoes had been confiscated by the Japanese for war supplies. Ironically, in 1986, Korea was the world's largest exporter of shoes (1.1 billion U.S. dollars) and leather wear (69 million U.S. dollars). During the Korean War, most Koreans were unable to eat three meals a day. Even a bowl of rice could hardly be found. By October 1988, however, nearly 2 million tons of surplus rice bought from farmers were stored in government warehouses, and in 1989, the government bought an additional 2.4 million tons of rice, which exceeded the storage capacity by over 800,000 tons.

Korea's economic accomplishment since the Korean War is indeed astonishing. From 1953, when the Korean War ended, to 1987, when this project started, the GNP increased to 84 times the 1953 level, and per capita GNP grew to 42 times the 1953 level; the volume of trade expanded to 200 times its earlier size, and the total government budget swelled to 1,672 times the 1953 budget. The total number of business and industrial firms jumped from 3,600 employing 240,000 workers in 1953 to 110,000 hiring 4.79 million workers (*Dong-A Ilbo*, 25 June 1988:6).

In 1987, when I saw a Korean-made Hyundai Excel parked in our university parking lot, I dashed to it and touched the exterior of the car. It was an emotional moment for me to see that a Korean-made automobile had come to a small, remote town in Tennessee. Perhaps the younger generation of Koreans, who have not had the firsthand experience of poverty, starvation, and massive destruction caused by war, may find it difficult to sense the sentiment of an older Korean. Not only I but also many other scholars at home (in Korea) and abroad have been interested to know what has inspired Korea's impressive record of growth and development.

To answer this question, in the late 1970s a group of American and Korean scholars began publishing their findings on Korea's formidable economic success. They employed many adjectives and metaphors to lionize the outstanding Korean performance, such as "a new Japan," "Asia's next giant," and "a miracle," to name just a few. Among these studies, the most notable ones are the work under the joint program of the Korean Development Institute (KDI) and the Harvard Institute for International Development (Jones and Sakong 1980; Kim and Roemer 1979; Krueger 1979; Mason et al. 1980) and the work of World Bank scholars (Hasan 1976; Hasan and Rao 1979; Wade and Kim 1978; Westphal 1978). The list is growing yearly and is now getting crowded.

Most existing literature has focused on highly aggregated and abstracted economic analysis—capital accumulation, government policy, international trade flows. The story of a concrete nexus of social relations in a particular industrial setting that allows Korean industry to function is yet untold. As Hamilton and Orru (1989) have warned us, aggregate economic data on and descriptions of many firms are often misleading and uninterpretable. An overzealous effort to generalize Korean industrial success toward model building or theory making that can be applicable to other late industrializing societies might override local realities. Some social scientists have begun to question the merit of constructing theories designed to have universal applicability (Baker 1981; Booth 1984; Keyes 1983).

Also, the existing literature tends to treat Korean economic progress as if it were ahistorical. In witnessing the manifest growth in the 1960s and after, most literature on Korean economic progress and industrialization tends to focus on that period. Without any doubt,

the most remarkable progress did take place after the 1960s. However, historians can tell us that the national movement for Korean economic development, as well as nascent capitalism, began in the late nineteenth century (Eckert 1991, 1990:117; Eckert et al. 1990: 388). The movement to raise the general level of national consciousness, education, and economic development was inaugurated in the early 1920s, under the colonial rule, by nationalists, particularly by the "cultural nationalists," to borrow Robinson's label (Robinson 1988; Eckert et al. 1990:254–326). In those years, entrepreneurs and manufacturers were viewed as patriots. Such a perception still lingers in the minds of many Koreans.

The recent Korean economic take-off appears to be deeply indebted to unique Korean historical experiences. It is doubtful that any typology or model of Korean industrialization, whatever it might be, can be applicable to other late industrializing countries without considering the unique historical events in Korean history. In his classic work on Japanese industry, Cole (1971:11) remains equally incredulous about the possible application of Japanese experiences to developing countries, because "the historical period during which Japan industrialized had unique characteristics which can never be repeated for the benefit of presently industrializing countries." Furthermore, in an effort to uphold scientific inquiries, the existing scholarship tends to overlook the feelings of the people—entrepreneurs, workers, managers, and government technocrats—who actually carried out the endeavor. Perhaps foreign scholars, as outsiders, might be unable to grasp the genuine feelings of natives toward their economic accomplishment in terms of their own native categories. Often, the literature, especially the work of foreign scholars in English-language editions, romanticizes too much about Korean achievement to be real. Native scholars often make an extra effort not to relate the inner feelings of the natives who contributed to the process to avoid subjective biases because of their being natives. As a result, final reports deal with statistics and policies, not with people.

Whatever the final scholarly analysis might have been, in a national survey conducted on 23 September 1987 by *Joongang Ilbo* (cited in von Glinow and Chung 1989:34), Koreans rated the top five factors that contributed to Korea's economic success as having been made by the efforts of people, not policy. Among them were the cooperation of all the Korean people (46.8 percent), hardworking wage

earners (18.5 percent), the leadership of the president of Korea (11.4 percent), the efforts of businessmen (7.7 percent), and the efforts of government officers (5.4 percent). In this regard, Lewis (1966:270) is perceptive and correct when he says that "the government can persuade, threaten, or induce; but in the last analysis it is the people who achieve."

Hence, free from the existing theoretical models, being less concerned with statistics, I attempt to write this book about the people who are managing and working in a Korean metal manufacturing industry and their rules of industrial relations. This book delineates a holistic picture of Korea's largest nonsteel metal manufacturer, Poongsan Corporation. Anthropologists prefer to use pseudonyms in their publications for the names and places they studied. In this particular study, however, it is futile to do so, given the size and public visibility of the corporation being studied. Nevertheless, except for the chairman, those whose accounts are included in this book are not identified by their actual names.

I attribute the strength of my identity to my being an insider as well as an outsider who has lived in the West for the last twenty-seven years. Thus far, Western scholars have tended to emphasize the positive aspects of traditional values and practices for Korean industrialization, while their native counterparts have stressed the positive aspects of the Western rational model. Hence, those works have a value comparable to the sound, as Zen philosophers say, of one hand clapping. Utilizing my bicultural experiences of living in both the Korean and American cultures, I hope to provide the "other hand" so vital to producing a distinct sound.

In undertaking this project, I am indebted to many people and organizations. Without the earlier inducement of Ambassador Hahm Pyong Choon, I would not have returned to Korea to study Korean industry and industrialization. Without the assistance of Wilfrid C. Bailey, I would not have had an opportunity to study pulpwood industrial workers in the American South (Kim 1972, 1977; Kim and Bailey 1971). This experience enhanced my ability to gain a comparative perspective.

I would also like to express my appreciation to Francis L. K. Hsu, Roger L. Janelli, Thomas P. Rohlen, and Hendrick Serrie for encouraging me to undertake this project. Carter J. Eckert helped me in identifying some references. My gratitude extends to my colleagues in

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Whatever the weaknesses of this book, rest assured they would have been far greater without Roger T. Fisher, Larry C. Ingram, Judy L. Maynard, and Clayburn Peeples, who took their time to read the early version of the manuscript and offered many invaluable suggestions. Maynard also assisted me in the tedious computer work needed to analyze the survey data. I owe many thanks to Phyllis A. Keller, who typed all the tables and reproduced many draft versions of the manuscript.

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Developing Business Relationships with Korea at The Carter Presidential Center of Emory University, Atlanta, Georgia, 25 May 1990.

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CSK

Scenic Hills, Tennessee

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