

. LEGACY FOR THE 21ST CENTURY

1. Chairman Chung 's Legacy

Economic Aspect

- First, Chairman Chung laid the groundwork for Korean economy to join the ranks of advanced economies**
 - Chairman Chung played a leading role in developing the Korean economy throughout the 20th century, starting with delivering the economy out of the ashes of the Korean War into the industrial era, fostering heavy and chemical industries, and then cutting-edge high-tech industries.
 - Chairman Chung successfully completed major postwar restoration projects such as the Goryung Bridge between Daegu and Guochang, and reconstruction of the destroyed Han River Footbridge, notwithstanding the circumstances unfavorable for such projects.
 - Setting out with his start-up cement factory in 1962, Chairman Chung was at the heart of Korea 's industrial development, as his aspirations were materialized into the automobile industry, heavy industry during the 1970s and electronics during the 1980s, moving on to heavy chemical industry and high-tech.

- Second, Chairman Chung presented a model for independent industrial development**
 - Independently engaging in major industries by carefully considering entry risks, Chairman Chung protected Korea 's key industries from foreign dominance and sought their development.
 - When establishing Hyundai Motor Company, Chairman Chung received offers from Ford to build an assembly plant. Hyundai Heavy Industries was able to sign a technology transfer deal with Mitsubishi on condition that it be limited to vessels smaller than 50,000 tons.
 - Instead of a smooth and safe road of subordination to the enterprises of advanced countries, Chairman Chung chose the rough road of self-sufficiency to stop industrial subordination and thus presented a model of independent industrial development.

- Third, Chairman Chung led the globalization of Korean industries**
 - From the involvement in Korea 's first overseas construction project, the highway construction project in Thailand in 1965, to the largest construction work of the 20th century, the 1976 Jubail Industrial Harbor project in Saudi Arabia, Chairman Chung spearheaded the globalization of Korea 's construction industry.
 - The sweeping performance of Hyundai Heavy Industries in the global shipbuilding market,

Hyundai Motor Company 's outbound exports of its own automobile models and the global market-focused Hyundai Electronics exemplify the global corporate practices Chairman Chung had sought to achieve.

–Fourth, Chairman Chung set standards of Korea 's principal industries

- Major affiliates, including Hyundai Engineering and Construction, Hyundai Heavy Industries, and Hyundai Motor Company were the trailblazers and standard setters of Korea 's key industries.
- Hyundai Electronics is a corporation that has the potential to lead the world 's chip market as a major player in the global semiconductor industry.

–Fifth, Chairman Chung built modern infrastructure for Korea 's economic development

- Even amidst adverse conditions, Chairman Chung successfully restored national infrastructure lost during the Korean War, such as the Goryung Bridge between Daegu and Guochang and the Han River Footbridge, during the 1950s and 1960s.
- Having foreseen that logistics networks would be the basis of economic development, Chairman Chung completed the construction of the Seoul-Pusan Expressway, the " main artery " of the national economy, in 290 days, the record shortest period of time in the world.
- In addition to these landmark achievements, Chairman Chung led the building of infrastructure for Korea 's economic growth and development.

National Aspect

–First, Chairman Chung was a pioneer of Korean reunification, laying the foundation of South-North reconciliation process

- After his visit to the North as the first South Korean entrepreneur to cross the border in 1989, Chairman Chung personally herded 500 head of cattle through the DMZ at the truce village of Panmunjom in 1998 and heralded the era of inter-Korean open dialogue.
- As one of the many natives of North Korea who had lost their homes against their will, Chairman Chung began an unprecedented venture, business with North Korea, which was more symbolic than profit-oriented.
- By helping realize endeavors such as the South-North Summit, reunion of separated families, Mt. Kumkang tourism business and the Kaesong Industrial Complex, Chairman Chung put the inter-Korean relationship back on track in political, economic, social and cultural areas, and helped thaw the ice from the Cold War period.

–Second, Chairman Chung carried out the leading role in national land expansion

- The primary issue on the national agenda during the 1970s was self-sufficiency in food production and national land expansion to fulfill that goal.
- Chairman Chung succeeded in the Sosan land reclamation project, which was given up by the

then-Farming and Fishing Promotion Agency, creating 31,230,000-pyong (approx. 3.3m²) fertile soil on reclaimed tidal flats, 33 times the area of Yoido, and building a large-scale farm.

- At present, the Sosan Farm in South Chungchong Province amounts to 1% of Korea's entire farmland and yields 0.4% of the country's annual rice production, which can feed the entire population of Daejeon City for a year.

Social-Cultural Aspect

– **Chairman Chung's campaign to secure Seoul as the host city of 1988 Olympics raised national prestige**

- Chairman Chung achieved what seemed impossible, securing Korea the chance to host the 1988 Olympic Games in Seoul, and Chung Mong-joon, Chairman of the Korea Football Association, honored his father's wishes and succeeded in the campaign to host the 2002 FIFA World Cup Korea and Japan.
- The 2002 World Cup, the second global event hosted by Korea, has boosted national pride, contributing further to promote Korea to the world.

– **Second, Chairman Chung was an exemplary entrepreneur, who thoroughly denounced pariah capitalism (Pariakapitalismus)**

- The Asan Foundation, created in 1977 with the intent to return profit to society, has been providing medical services especially to areas with less privileged medical services.
- Ulsan University, Hyundai Academy and such educational institutions are fostering next-generation leaders.
- As a gesture of his firm belief, Chairman Chung donated his remaining assets, shares in Hyundai Engineering and Construction, for the revival of the distressed company.
- This embodies Chairman Chung's belief that businesses belong to their employees, the society and the nation, and his basic aversion to self-centered pariah capitalism.

2. Remaining Tasks

– **Tasks left by Chairman Chung, the epitome of 20th-century Korea**

- To continue the spirit of industrialization from the 20th century and sustain economic growth and development in this century.
- To steer business with North Korea in a bid to encourage reunification, the long-cherished wish of the Korean people.
- To break out of the 20th-century business management paradigm and become world-class top businesses.
- To keep alive Chairman Chung's belief in healthy capitalism and "business for people".

–First, economic development in the 21st century should be based on the achievements of 20th-century industrialization

- The government should encourage entrepreneurship that enables liberal corporate activities at the global level, in order for more Chung Ju-yungs of the 21st century to emerge.
- The corporate sector should inherit the kind of spirit seen in the achievements made during the modernization process of the past century to boldly accept the challenges of the new industries in the present century.
- Individuals, the building blocks of the economy and society, should strive to live out their potentials with the pioneer spirit, welcoming challenges.

–Second, business with North Korea should continue to fulfill the historical task of reunification

- Although business with North Korea lacks profitability, Chairman Chung started it with a grand scheme of reuniting what used to be one nation.
- Business with North Korea served as a cornerstone for easing tension on the Korean Peninsula, culminating in South-North Summit and materializing reunions of separated families and the tour to Mt. Kumgang.
- In the current situation, Hyundai cannot pursue business with North Korea, which calls for national efforts to keep the business going.

–Third, Hyundai needs to create world-class businesses, based on the first-generation achievements of the industrialization movement

- The first-generation achievement of Korea 's industrialization created businesses that could race with global competitors out of nothing from the postwar destruction.
- The task lying before the second generation is to further reinforce and advance those businesses and turn them anew into world-class top businesses.
- To that end, the 20th-century business management paradigm, which befitted a closed, protectionist environment in the name of economic development, should first be substituted by a 21st-century business management paradigm that is suitable for the open and transparent business environment of a free market economy.

–Fourth, healthy capitalism and the "business for people" spirit should be pursued

- Pariah capitalism has appeared in Korea as a result of rapid economic development and lack of social consciousness.
- The belief that businesses belong to their employees, the society and the nation should be handed down, so as to establish healthy capitalism that contributes to the society through business, rather than merely satisfy personal greed.
- Chairman Chung 's passing should be a momentum to rekindle the "business for people" spirit by such means as environmental preservation and returning profits to society.