

## V&amp;S Digest

The following are abstracts of papers appearing in this issue of 『Vision & Strategy』.

## The Rule of Law and Economic Development

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For an economy to develop freely, it must be regulated by laws. Without laws, the society cannot prevent economic freedom from being violated, nor can it redress the damages from such events. The economic system envisioned by Korea 's constitution is a market economy based on the sanctity of contracts, protection of property, and responsibility for errors. In addition, however, the constitution tries to ensure decent living standards for all citizens, as well as guarantee economic democracy, or a market economy with social justice.

Reform of private law is being actively discussed in Japan. Unlike Europe or the US, Japan 's modern state was not the result of popular revolutions, but was led from above by the government. Therefore, although Japan became a democracy in form, it was actually a bureaucratic authoritarian system. With the limits of this system becoming clear, many are pushing for the removal of the bureaucracy-led system with political democracy and a market economy based on the rule of law. The rule of law is needed for democracy and the market economy to work properly.

Japan 's private law reforms include several proposals. First, the number of lawyers should be increased to quicken the legal process. One method is to double the number of people who pass the bar exam from 1,000 to 2,000 a year. Second, lawyers should be educated in a graduate program focusing on practical application rather than a theoretical undergraduate program. In addition, members of the judiciary should have other professional experience before becoming judges.

Third, in light of the shortage of lawyers, businesses should let professionals with similar qualifications, such as judicial affairs experts or patent lawyers, represent them in court. Fourth, the legal infrastructure should be improved to allow for faster trials by increasing courts ' budgets and creating semi-official substitute organizations such as a fair trade commission. Finally, new legislation should be passed to regulate economic actions such as merging or splitting companies, founding holding companies, or shareholder class action suits.

Private law in Korea is in an even worse state than in Japan. The shortage in the legal profession makes it difficult for small businesses or individuals to hire lawyers. Many judges, prosecutors, and lawyers are inexperienced, and judges are often younger and less experienced than lawyers. Therefore, reforms to increase the number of lawyers, improve their training, and rationalize the judicial system should be adopted. 

## Win-Win Negotiation and Dispute Resolution

**Moo-Ki Bae**


*(President, University of Ulsan)*

Recently, there have been a string of large, onerous disputes in Korean society, with interest groups wrangling over issues such as combining local and job medical insurance, unification of agricultural, fishing, and livestock cooperatives, a new monthly wage system for taxi drivers, and introduction of a system to prevent pharmacists from prescribing drugs.

How can such seemingly unavoidable disputes be prevented or effectively resolved once they arise? The win-win method of negotiation may be the best way to prevent or resolve such conflicts. In this method, the underlying interests of the two sides are the focus rather than their surface positions. Based on these interests, compromise that both sides can agree to is reached. The compromise should be as neutral and objective as possible so the two sides can abide by it painlessly.

For new reforms to occur, the existing system must be changed, but this will bring resistance from established interest groups. To effectively prevent or resolve such a conflict, a mediator should consider the positions of all groups, try to identify their interests, and create a proposed solution that would respect these interests. This approach would reduce the chance of a situation where groups escalate the conflict by insistently repeating their positions at the negotiating table.

As one can see, the role of mediator is key to the process. Ideally, the mediator should be neutral, objective, and independent from the interests of any of the conflicting groups. Expertise in the relevant field, reliability, and credibility are also important attributes. In the case of labor disputes, public sector experts who are not affiliated with either labor or management would be the best mediators.

Most of the recent social conflicts and disputes were caused by interest groups rejection of hastily or carelessly planned policies whose side effects were not considered. As a result, the new policies have brought excessive costs and suffering to the involved groups and the general public. If reform had been pursued using the win-win negotiation strategy, losses and costs would probably have been reduced. Although reform is important, it should be pursued in a wise and efficient manner, with possible conflicts prevented and existing disputes objectively resolved. Therefore, although it may seem difficult or indirect, the win-win method should be used as often as possible. 

## Social Values for Korean Development

**Kwang-Kyu Lee**


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Korea transformed from an agricultural economy to an industrial economy in 40 years, and is now adopting a post-industrial structure. Despite the rapid economic development, the values of all three types of society: feudal, industrial, and post-industrial, still exist side by side. While most of the older generation think of themselves foremost as Koreans, there are also those who see themselves mainly as citizens of a nation-state, while others identify more readily with the global community. While Koreans need to have a sense of global citizenship in the digital era, they first need a sound idea of who they are as a nation.

Koreans need to have a national consciousness similar to the nationalism that Western countries had after the French Revolution. This attitude realizes that a nation's people created the nation and are its sole owners. Such an attitude may exist on both external and internal levels. Externally, this consciousness is expressed as self-sufficiency, while internally, it is manifested as civic awareness.

A person with civic awareness is sincere, honest, hardworking, and responsible. A person will become sincere if he realizes that each person, as part of a democracy, is the owner of his country, sincerity is the most important virtue in civil society. Honesty is also essential for the functioning of a democratic society. A keen work ethic is the backbone of a capitalist society. Finally, members of a civil society should have a strong sense of responsibility.

One effect of Korea's industrialization is that it has become dependent on other countries in that it needs to import raw materials and export its manufactures to survive. Currently, Korea has only a 30% self-sufficiency rate for food. In its economic dependence on the outside world, Korea is very similar to its long-time rival Japan. However, Japan far overshadows Korea in terms of population, GNP, and its long experience as one of the world's leading economies. Korea's only advantage is its large overseas community of 7 million persons, a figure which triples Japan's.

For Korea to successfully thrive in the world economy, it should wisely tap into its large overseas population. Korea needs to learn from the strengths of other countries. It also needs to interact with and accommodate foreigners. The people with the experience to help in this effort are the overseas Koreans. 

## Inter-Korean Cultural Exchange

**Beom-Seok Cha**


*(Playwright, President of the National Assembly of Arts)*

Korea needs to cast off its status as “ the world ’s last divided nation ”, and recover its identity as a proud nation with a rich history and culture. For fifty years, South and North Korea, countries with the same ethnicity, traditions, language, and culture, have shunned each other with hostility. While most Koreans agree that this situation needs to be resolved, there is a great deal of controversy about how to accomplish this.

Although cultural exchange between South and North Korea will be a key component of this effort, the current situation is less than ideal. People in the South are planning and proposing exchanges in almost every area of culture, but many of them think that North Korea ’s arts are standardized, communistic, and negate human individuality. While this criticism has some truth to it, this does not mean that North Korean art is devoid of value or utterly alien to the South. To see things as they really are, North Korea ’s art and culture (as well as their historical background) should be carefully and objectively studied.

One fact about North Korean art is its grounding in the ideology of *juche* (self-sufficiency). *Juche* is based on philosophical, social-historical, and political theories, and is the basic framework for North Korea ’s politics and culture. Interestingly, all of North Korea ’s cultural works, whether in dance, music, theatre, or art, have been original creations, with no adaptation, translation, or imitation of foreign works.

South Korea needs to objectively study and understand North Korea ’s arts. Cultural exchange will only result in misunderstanding if efforts are not made to examine the other side ’s identity. Up to now, South Korean research on the North ’s culture has been sparse, even compared to the efforts of Japan, China, and the US.

During the last 50 years, the South Korean education system had a strong anti-Japanese and anti-Communist position, and citizens were subjected to a biased and distorted education about the North. Therefore, any policy for cultural exchange should consider the public ’s lack of objective information. The notion that “ our ”art is open, liberal, and individualistic, while North Korean art is restricted and standardized should be carefully re-examined. The process of finding common ground between art in the two Koreas will require as much determination, research, and trial-and-error as the process of political unification. 

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