

## V&amp;S Digest

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

## Need for Reform of Attitudes

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While Korea's past economic trials did not involve structural change, the latest crisis involves radical changes. To adapt, people need to reform the long-ingrained attitudes, values, and behaviors that underly the economy. It would be difficult to remedy the current situation by economic means alone.

The structural changes are both domestic and external. In the last 40 years, the Korean economy has evolved from low-wage labor, debt-fueled corporate expansion, and focus on basic necessities, to high-wage labor, collapse of the debt-fueled model, and a broader concern for quality of life. External changes have also been radical, including the technological shift from an industrial to digital economy and the worldwide breakdown of protectionist barriers in favor of open competition.

Until recently, within protectionist barriers and a low-wage economy, Koreans have worked towards economic development regardless of the means and the country has reached middle-income status. Peoples' attitudes, which have adjusted to cope in this framework, are now clashing with the radically transformed economic conditions, and reform of these attitudes is needed for future success.

A reform of attitudes should include a number of points. First, democratic and cooperative leadership in civil society should be encouraged to replace the top-down, authoritarian mode of leadership that played such a strong role in early economic development but is now obsolete. Second, family, school, or regional favoritism should be replaced by selection and rewards based on merit. Exclusivity will only impede competitiveness and fairness in an open economy.

Third, people need to value the welfare of their community in addition to their individual well-being. Presently, there are issues, such as traffic congestion or environmental decay, that require cooperation and respect for the rule of law for any progress to be made. Fourth, the general attitude to education should be reexamined. The existing view of education as a ladder to personal wealth and power is too limiting, and should be replaced by education on how to be a responsible and valuable member of society.

Fifth, the attitudes of labor and management should be reformed. Business owners should try to uphold reasonable ethics and transparency and supply fairly-priced, quality items. Meanwhile, workers should adapt to the era of free competition, where efficiency and productivity determine survival of both businesses and individuals. Finally, people should curb excessive spending on status symbols or entertainment, and use that wealth for common benefit. 

## **Korea 's Diplomacy in the New Millennium**

**Ho-Joong Choi**


*(Chairman, Korea Diplomacy Association)*

The twentieth century was a century of hardship and trials for all of humanity, and the Korean people were no exception. During that period, Korea experienced colonial occupation, liberation, a civil war, and the ensuing separation of the nation into South and North.

South Korean diplomacy, which had no prior experience at the country 's foundation, has developed and grown over half a century to play an important role. Diplomatic relations which began with a partnership with the US gradually expanded to include the advanced western countries, Japan, the developing countries, and finally the communist states including the Soviet Union and China. Economic diplomacy was also important in Korea 's development in that diplomats were encouraged to help open foreign markets for the country 's export-led development strategy. With the onset of Korea 's 1997 financial crisis, the economic role of diplomats gained further emphasis.

Going into the 21st century, what are the tasks for Korean diplomacy? At the top of the list is peaceful Korean reunification. The process should be gradual and not rushed, because a reckless unification may have worse effects than the current division. A unified Korea must be reached through peaceful means, have its basis on democracy and the market system, and ensure basic human rights for Koreans from both the South and North. This will not be an easy task, as was shown by the history of German reunification. For unification to be realized, South Korea needs thorough preparation. Although engagement policy to the North is important, North Korea needs to realize its need for opening and reform to keep in step with globalization.

The second task for Korea is to enter the ranks of the advanced countries. Even if the country overcomes the current economic difficulties through tremendous effort, this does not mean that Korea will become a truly advanced country. The most important condition for advanced status is real political democracy, involving thoughtful policy debate rather than selfish political wrangling. Another condition is improvement in the quality of life of all citizens. Having achieved a basic standard of living, Koreans should now channel their strong willpower into improving the environment, society, technology, and culture.

Korea 's diplomacy should take a wider perspective and actively consider the environment, society, and prosperity of the global community in addition to national gains. This is essential for Korea to be recognized by the international community as an advanced country. 

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# State, Market and Civil Society in the 21st Century: Second Generation of Reform

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This essay deals with two main issues. The first is to determine the nature of the present era. Currently, there are six major changes occurring worldwide, and these changes have brought about three basic contradictions.


The second issue is how Korea should respond to these changes and contradictions. While the reform efforts that have occurred up to now were “first generation” reforms, future reforms will be “second generation”, because they will have to be far more comprehensive, systematic, and fundamental in nature. What basic direction and philosophy should the new reforms take, and on what principles should they operate? How will they differ from the first generation reforms?

The six global changes in the current era consist of the revolution of science and technology, globalization (especially economic), democratization of politics and society, the reemergence of nationalism, a unipolar world order known as Pax Americana, and a new spiritualism that attempts to cope with rapid industrialization and globalization.

These changes have brought three basic contradictions. First is the tension between freedom and equality. The second contradiction is that between international politics and the world economy. The conflict between economic globalization and cultural nationalism is the third contradiction.

To resolve the tension between the values of freedom represented by the market and equality represented by the state, a third value of fraternity is needed. The social force responsible for this is civil society. This can be done through leadership of environmental and community movements, strengthened democratic control of markets, and consolidation of democracy and reduction of government failure.

The contradiction between international politics and the world economy needs to be resolved through a new form of global governance, one aspect of which is a new financial architecture. For Korea, open regionalism should be pursued for cooperation with other East Asian countries. The financial aspect of such efforts could include creation of an Asian Monetary Fund as well as an optimum currency area.

The conflict between economic globalization and cultural nationalism requires that intellectuals of each country establish a measure of independence in thought from advanced countries. Many of the educated in developing countries have a tendency to defer to the trends and culture of advanced countries. A reform of this tendency should include the education of the young as well as self-examination by intellectuals. 

## **Creating a New Community Culture**

**Sang Chang**


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With its rapid industrialization and economic growth since the 1960 's, Korea showed amazing progress. However, this rapid growth entailed many sacrifices, and have brought a society rife with dishonesty, absurdity, and division. The recent financial crisis was a result of such unstable foundations.

It can be said that Korea 's rapid economic growth resulted from a traditionally strong central government, intense work ethic, Confucian emphasis on education, and a community culture that values family and neighbors above the self. Recently however, these factors are losing their relevance due to external trends such as globalization, transition to a knowledge economy, and deindustrialization. In a new era requiring international competitiveness, creativity, flexibility, and social transparency, the old factors which had helped Korea in the past are now becoming hinderances.

Deference to elders is a Confucian trait that is deeply ingrained into Korean society. By strictly ranking people by their age, this system served to resolve conflict and maintain order. It was also very egalitarian in that everyone would reach a position of authority if they waited long enough. This traditional system contributed to Korea 's rapid industrialization by ensuring smooth and stable corporate operation. Because Korea 's economic pie was constantly growing, members of an organization knew they would eventually get their share of the rewards. With the slowing pace of economic growth however, restructuring became inevitable, the idea of lifetime employment became obsolete, and loyal service to an organization no longer ensured eventual rewards.

A new community that respects individual creativity and diversity is needed for Korea to remain competitive in the knowledge economy. Different groups should be allowed to freely voice their opinions. Unlike in the past, when individuals were restricted and sacrificed for economic growth, individual dignity should be clearly recognized and accommodated for the society to have vitality. A mature democracy is needed to support such a community. Institutions need to be established so that differences in opinion are creatively resolved through discussion, negotiation, and compromise. In addition, public consensus should be formed so negotiations always abide by the rule of law.

Individuals in the new community should have equal rights. Currently, Korean society suffers from power imbalances by region, class, and sex, which have led to social conflict. Ensuring women 's rights and participation is especially important for a prosperous, transparent, and healthy society. 

## Japan 's Past and the Hiroshima Campaign

Jong-Ho Choi


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In recent months, the efforts of Japanese rightists to downplay the facts of Japan 's wartime aggression in textbooks have again prompted outrage from Korea and China. Half a century after the end of the Second World War, some Japanese are denying the fact of Japan 's invasion of Asian countries or atrocities such as the Nanjing Massacre or sexual slavery. It will be very difficult for Japan to resolve the problems of its past as long as such distortion of history is permitted.

Japan stands in stark contrast to its former wartime ally Germany, which promptly apologized and made reparations to its neighbors and victims for its crimes during World War 2. This allowed Germany to establish friendly relations with its former enemies and make a clean break from its wartime past. In East Asia however, despite the passing of 55 years since the war, the issue of Japan 's past is still unresolved, and is still a continual source of tension and division between Japan and its neighboring countries.

In the author 's opinion, the biggest reason for Japan 's historical denials is that the tragic atomic bombing of Hiroshima and Nagasaki, which resulted in the loss of 200 thousand lives, contributed to a paralysis of responsibility or remorse in many Japanese. In a shifty way, the bombings were used by some Japanese to emphasize the country 's role as a victim of the United States and divert attention from the fact of its aggression and atrocities in Asia.

The atomic bombings, although terrible, should not be used to bury the historical facts of Japan 's aggression, nor do they alleviate the need for Japan to apologize and make reparations. Although Germany suffered from the Allies ' carpet bombing of an estimated 300 thousand civilian refugees in Dresden, it did not use this tragedy to deny its wartime atrocities or its role as an aggressor. Instead, it thought of the suffering that it inflicted on other peoples and strived to make both material and non-material reparations to them.

Using the loss of life in Hiroshima to adopt the role of victim is a hypocritical act when one thinks of the countless victims of Japan 's imperialist aggression in East Asia. For Japan to become a moral leader in the Asia of the 21st century despite its imperialist past, it needs to become a spokesman for peace. Japan seems to be going about this by removing the uncomfortable truth from its history textbooks, hoping to forget its aggression during the war while remembering the atomic bombing. 

## **Problems with Korea 's Educational System**

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Education problems have gained prominence in Korea again, with many students learning little in classrooms and instead studying in private institutes. A large number of parents have even decided to send their children overseas to study. It seems as if schools are becoming obsolete and exist only to provide students with diplomas on graduation. In addition, there is a lack of humanistic or ethical education, with emphasis on rote memorization rather than critical thinking or creativity. The lack of talented teachers and decrepit school facilities are also matters of concern.

What is the ideal education scenario for Korea? For an ideal system to exist, a balance of freedom and equality is needed. Currently, primary and secondary education are highly standardized based on an indiscriminate principle of equality, while post-secondary education is based on extremely free competition. This contradiction is at the heart of Korea 's current education crisis. There are several measures that can help resolve this conflict.

First, there should be various types of secondary schools. Different schools should exist to fit the talents, abilities, and aspirations of students, and the application criteria should differ appropriately for each school. The curriculum and teaching methods should also match the student 's abilities and intended career, with differentiation going far beyond separate classes for fast and slow learners.

Post-secondary education should also be diversified, and achieving this is the most urgent task for Korea 's education system. The current monolithic system of rigidly ranked universities all offering the same type of education has become obsolete. Instead, it should be difficult to give relative rankings to universities because of their different curriculums. Such a system would help students receive a better education and instill pride in their course of study.

Another pressing reform is to relegate professional education in fields such as medicine, law, business or journalism to the graduate level instead of the current undergraduate professional system. Without this reform, it will be difficult for Korea to become internationally competitive in professional fields.

Other essential changes include higher government spending on education, which is needed to attract talented teachers. The "education fever" of Korean parents, usually geared towards admission into a prestigious university, should be redirected towards ethical education and basic values. The immense, unrestricted influence of electronic media on students is also a variable that should not be overlooked in education reform. 

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