

# Korea's Use of 'Smart power': An Overview of Historical Development in the 'Late Industrialisation' Countries

Anmol Mukhia

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## Abstract:

*This paper aims to analyse the historical process of Korea to escape from the socio-economic backwardness, whereas other late industrialised countries are still in the process of development. The wise use of Korea's 'hard' and 'soft power' synthesis gives birth to the new mode of power known as the 'Smart Power,' which plays the vital role in escaping Korea from 'backwardness'. Korea not only stops at the phase of the 'developed States' in the field of late industrialization, but also creates the advanced State in the 'techno-scientific' field in the 21<sup>st</sup> Century. The literature or analysis of this issue tends to focus on the Statist perspective from International Political Economy and Post Colonialism ideas of cultural imperialism. State's strong engagement in the market and the leadership ability to hegemon in the domestic politics basically leads to the development; whereas other late industrialisation states are unable to catch up because of their policies and weaknesses. However, it clearly ignores that it was not only the State enforcement but 'power' was used alternatively in the process of development i.e., the use of 'smart power'.*

**Keywords:** backwardness, development, hard power, soft power, smart power

## 1. Introduction

When did the actual development take place? Or what are the key factors for Korea to go beyond the catch-up? It is the wise use of Korea's 'smart power'<sup>1</sup> which determines the

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Korea became the victim of Cold War and was divided and given the two names of North and South Korea. In this paper I mean unified Korea in the historical context and South Korean development in particular in the present context.

<sup>1</sup> A smart power strategy combines hard and soft power resources. Beyond hard power and soft power, smart power is defined as the capacity of an actor to combine elements of hard power and soft power in ways that are mutually reinforcing such that the actor's purposes are advanced effectively and efficiently. See Ernest J. Wilson, III, 'Hard Power, Soft Power, Smart Power', *Annals of the*

outcome, growth and smart moves to escape from the ‘backwardness.’<sup>2</sup> Korea has been using the combination of both ‘hard power’<sup>3</sup> and ‘soft power’<sup>4</sup> from the late Yi Dynasty. Power usually means the ability to affect others to obtain the outcomes you want. Korea has used power to affect others behaviour in three main ways: threats of coercion (sticks) for their own domestic politics, inducements and payments (carrots) for the labour and business groups who work hard, and attraction to the outside world especially in terms of attracting FDI and exporting goods, that makes others want what you want.<sup>5</sup> Many countries try to use both the power according to the situation. So other country may be attracted to this kind of power politics because other countries want to follow it, admiring its values, emulating its example, and aspiring to its level of prosperity and openness. In this sense, it is important to set the agenda and attract others in world politics, and not only to force them to change through the threat or use of military, but also use of economy as weapon.<sup>6</sup> Korea has also adopted the culture of Confucianism long back ago. However Korea was so much influenced by the Confucian ideas that it adopted it as the State ideology side-lining the Buddhism in Yi Dynasty, which was the State religion in practice. In July 1392, when Yi Seong-gye seized

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*American Academy of Political and Social Science*, Vol. 616. Public Diplomacy in a Changing World (Mar., 2008): pp. 110-124.

<sup>2</sup> Backwardness to the States usually means economic backwardness; Whole world was divided into two groups developed and underdeveloped or the developing countries in terms of industrialised process. The difference between the West and the eastern peripheries was not just a matter of delay and backwardness in terms of time, but also one of a distinct order, rhythm, and sequence of development. Korea was the country except Japan to be well industrialised in the Eastern Countries. See Hanak. Peter (Jun., 1994), ‘Studies in East European Thought’, Vol. 46, No. 1/2, *Nationalism and Social Science*, Published by Springer: pp. 33-45.

<sup>3</sup> Here I mean to refer Classical version of Realist hard power and Neo Realist understanding of the Economic power to achieve the political gain. See B. Michael and D. Raymond, ‘Power in International Politics’. *International Organization*, Vol. 59, No. 1 (Winter, 2005): Pp. 43

<sup>4</sup> Soft power is the ability to affect others to achieve the goals or outcomes through attraction rather than coercion or payment. A country’s soft power rests on its resources of culture, values, and policies. Nye. Joseph S (Autumn, 1990), ‘Soft Power’. *Foreign Policy*, No. 80. Twentieth Anniversary, Washingtonpost.Newsweek Interactive. LLC Publication.

<sup>5</sup> Carrot and Stick Approach also carrot or stick approach is an idiom that refers to a policy of offering a combination of rewards and punishment to induce behavior. See James Andreoni (University of Wisconsin), William Harbaugh (University of Oregon and NBER), LiseVesterlund (University of Pittsburgh). ‘The Carrot or the Stick: Rewards, Punishments and Cooperation’. March 14, 2002. Also see John R. Freeman, Carrots, Sticks, and Liars: Information, Incentives, and Entrepreneurial Politics, Source: Political Methodology, Vol. 4, No. 2 (1977), pp. 185-193, Published by Oxford University Press.

<sup>6</sup> Nye. Joseph. S (March, 2008). ‘Public Diplomacy and Soft Power.’ *American Academy of Political and Social Science*, Sage Publication.

power, the Office of the Inspector-General proposed an ideological roadmap in which ten items were suggested for consolidating the foundation of the new power. One of them was the ‘weeding out of unqualified Buddhist clergy’<sup>7</sup> and in accordance with this suggestion, King Taejo Yi Seong-gye (1392-1398) promulgated the Founding Edict indicating that Confucianism had become the governing ideology (Yeonsik.Choi, 2007:111).<sup>8</sup>

## 1.2 Historical Overview

It was the birth of soft power in Korea which was in the form of Confucian culture to its citizens. Apart from Confucianism, Buddhist philosophy was the State religion in Korea’s Silla Dynasty,<sup>9</sup> which was side-lined by the strong force of hard power in the Yi dynasty. It was also the strong hold of Yangban system, which used the Confucian culture to rule the Korean society. Yangban were the landed aristocracy, who concentrated the land, economy, and political power in their hand. It was because of this Confucian culture which acted as the power to be used as, what Joseph Nye called ‘soft power’, which indicated ‘an ability to want what onewants’. Actually, Confucius and his school have much to say about the morals of the public administration and the market institutions in a more macro level. While Weber emphasizes the role of culture on the development of the economy, and Marx, the determining influence of the material base on ideology, here we see an interaction between culture specifically Confucian business ethics and the economy.<sup>10</sup> Korean Confucian culture means society based on hierarchy and it was during the time of Yi Dynasty, who introduced State religion by force because followers of Buddhist philosophy were being more secular concentrating more focus on temples economy.

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<sup>7</sup>It is common knowledge that tension existed between Buddhism and Confucianism as two of the three major systems of thought in Chinese history.

<sup>8</sup>The Great Anti-Buddhist Persecution initiated by Tang Emperor Wuzong reached its height in the year 845 CE. Among its purposes were to appropriate war funds and to cleanse China of foreign influences. See Choi Yeonsik, ‘To Survive as a Buddhist Monk in a Confucian State: Gihwa’s Response to Jeong Do-jeon’s Critique of Buddhism’, *Korea Journal*, Vol.47. No.3 (2007):Pp111.

<sup>9</sup> Early Yen was defeated by Early Chin (334-394) and Koguryo had friendly relation with early Chin, who introduced Buddhism to Koguryo in 372 B.C, the second year of king Sosurim’s reign. See also Yi Hong-iik, ‘Historical Transition of Three Kingdoms’, *Korea Journal*:Pp 6

<sup>10</sup> Confucianism Culture has served the Korean Nations as the soft power. When it comes to the trust in the economic terms, hierarchy construct the trust game. See Kit-Chun Joanna Lam (March 2003), ‘Confucian Business Ethics and the Economy,’ *Journal of Business Ethics*. Vol. 43, No-1,2. Business Ethics in the Global Knowledge Economy.

Also Korea was always under the threat of insecurity, and was forced many times by the neighbouring countries to open up the trade for their own benefits. Firstly Korea was lobbied by China to open trade with the Western countries, mainly the United States, which brings Korea under the threats. It was also during the time 1592, Japanese tried to occupy Korea, which was followed by the Manchus of Manchuria in 1627 with severe attack. All this led Korea to adopt 'policy of isolation', which has been commonly known as the 'Hermit Kingdom'<sup>11</sup> until 1980s. Korea lost its supremacy during the time of Japanese imperialism (1910-1945), as they were subjugated and dominated by the Japanese cultures.<sup>12</sup> Korea was forced to adopt the Japanese name and Korean was taught in Japanese language. Korean like Park Chung Hee was serving under the Japanese army in Manchuria. It was also during the time of 1945-1948 Korea was going under the US occupation, whose aim was only to stop spreading of communism in the Southern part of Korea.

It was only after the Park Chung Hee government from 1960s Korean government began to exercise its hard power in the economic field. However it was the hard power of authoritarian government who started thinking in the Export Orient Industrialisation from the Import Substitution Industrialisation which led to the economic growth in the development process. If it was Korean dynasty who takes the support of Yangban's to rule the government, it was the later Korean state of modern phase that supported the Chaebol's to move upward in the development process.<sup>13</sup> Korea also suffered in the 'Asian Financial Crisis' (1997) but also learned to move upward beyond the understanding of development. Korea uses the strong back up (hard power) of the state, to push the Chaebols by funding it in strengthening the state economy (hard power), which also builds the military equipment's for the future state

<sup>11</sup> Rev. WM. Elliot Griffis (1881), 'Corea: The Hermit Nation'. *Journal of the American Geographical Society of New York*, Vol. 13: pp. 125-132.

<sup>12</sup> Economic preponderance in the independent kingdom of Korea (85,613 square miles) was granted to Japan in 1905 as a result of the Russo-Japanese War. Formal annexation came in 1910. Korea is mainly agricultural, the chief crops being wheat, barley, rice and the soya bean. In 1910 the population was 13.3 million; in 1932 it was 20.5 million, of whom only 2.5 percent were Japanese. Here, too, the Japanese colonists or imperialists dominate the political and economic life. See Edgar Packard Dean (Apr., 1935), 'The Expansion of Japanese Rule', *Foreign Affairs*, Vol. 13, No. 3: pp. 519-52.

<sup>13</sup> Big push from the Korean government to the business firm Chaebol's. It can be seen as win-win situation. See Bruce Cumming (1997), '*Korea's place in the Sun: A modern History*', W.W. Norton & Company, New York, London: Pp. 134

security. To mobilise the Chaebol's to work hard in the competitive market, Korean State uses the culture Neo Confucianism, which bids them to work hard and it was bounded by their rationality. It is because of this well-structured powers, Korea not only escapes from the 'backwardness' by following imitation, learning process, but also goes beyond the catch-up and stands as the innovation for the upcoming late industrialisation countries.

## **2. Three Forms of Power in the Korea's development**

Korea is stronger in "hard power" than "soft power." Hard power encompasses natural resources, economic power, sciences, technology and information. In contrast, soft power is the combination of governance, political power, diplomacy, culture, credit standing and the capability of how to cope with economic changes. Korea has always been using alternatively both the 'hard power' and 'soft power' according to the situation, what it faces. However the sudden development can be understood only by the 'hybridity'<sup>14</sup> of both the powers to form a new power which is known as the 'Smart power.'<sup>15</sup>

To survive in the international system, power is essential to survive, but too much reliance on one power brings weakness which leads to the fall. Leaders like Hitler, Saddam Hussein, and Gadhafi, all focused in the hard power to survive. Similarly countries like Thailand, Indonesia only rely on tourism for their survival using 'soft power'. It was the US who uses smart power, with 'soft power' as the aid and 'hard power' as military engagement in war against the international terrorism. Korea also followed the same method of using 'smart power' but applied it in the different context, which brings Korea to the success in many fields. Also unconventional threats and enemies can only be anticipated and overcome through the multidimensional and flexible application of smart power, the balanced synthesis of hard and soft power.

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<sup>14</sup> Hybridity was used by Homi K. Bhabha in defining post Colonialism, rethinking questions of identity, social agency and national affiliation, Bhabha provides a working, if controversial, theory of cultural hybridity, where one that goes far beyond previous attempts by others. But I tried to develop this idea in different context defining; two power hybridity that gives birth to the different power, but have the both characters in it. See *'The Location of Culture'* (1994), Routledge Publication, London and New York: Pp. 18-22

<sup>15</sup> Smart power has been used by Joseph Nye to define the US character in terms of fighting for the international terrorism. Smart power means use of both the power (hard and soft).

## Use of Hard Power in Strengthening Korea

Hard power is the capacity to coerce the other to do so. Hard power strategies focus on military intervention, coercive diplomacy, and economic sanctions to enforce national interests. In academic writing, the neorealist approaches tend to emphasize hard power, especially the hard power of states. While Liberal Institutionalism emphasizes soft power as an essential resource of statecraft, along with the power to write the rules of the game, a curiously missing element in contemporary conversations of hard and soft power. According to Morgenthau 'National Interest' is a power, which can be defined as both military and economic power. In Neo Realist understanding of international system as anarchic, the State has to be fully secured by building security in terms of military and economy. In the beginning Korea had difficulty in developing the hard military power, so Korea was under the rule of Colonial masters. In a survey of G-20 nations published in the newspaper *ChosunIlbo*<sup>16</sup>, South Korea was ranked 13th in the world in terms of national power by the Hansun Foundation, 9th in hard power resources but performed more poorly in terms of soft power. In the newspaper's words, "*state of the art factories, high-tech weapons, advanced information communications infrastructure are the key components that a country must have for stronger international competitiveness.*" But for these "hard power" ingredients to become true engines of the country's growth and prosperity, they must be backed by more sophisticated and highly efficient "soft power" which goes hand in hand in shaping the action of the actor.<sup>17</sup>

Korean State under the Japanese influence was transformed from relatively corrupt and ineffective social institution into highly authoritarian, penetrating organisation, capable of simultaneously controlling and transforming the Korean society. Korea thus used its hard power from only the time of Park Chung Hee government,<sup>18</sup> learning the methods from Japan to control the government. Park Chung was the military leader who controlled the State system by its authoritative nature, where some character of Japan's hard power was seen in

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<sup>16</sup>The\_ChosunIlbo(English Edition): Daily News from Korea. [english.chosun.com/](http://english.chosun.com/)

<sup>17</sup> South Korea's Growing Soft Power, <http://www.newsart.com>, /World Bank/South Korea's Growing Soft Power by Joseph S. Nye - Project Syndicate.htm

<sup>18</sup> President has the authority to deal with hard power and is guided by the principle of the Korean Constitution.

him. It was his idea of export led industrialisation which changed the Korea into the advanced country. This export led industrialisation was also strongly supported and forced by the Par Chung Hee government. He was the man of Japanese colonial Korean army, trained in Japanese military academy in Manchuria. Chong-Sik Lee, one of the leading Korean scholars in the United States, describes him as a “*Japanophile*,” fascinated by “Meiji Model,” and bent on steering Korea along the Japanese path to modernity. Korea also moved towards the science and technology field using its capability of hard power.<sup>19</sup> Korean State forced Chaebols to produce more efficient product, which can compete in the international market, in which only best were picked and were rewarded. Focusing in this Chaebols started developing its own weapon for the State. Some of the weapon built by Korean company in supporting their military hard power is the following-

*‘The K1 assault rifle developed circa 1983 by the South Korean company Daewoo Precision Industries Ltd (a division of the large industrial corporation DAEWOO International Corp.) as a replacement for the license-built M16A1 rifles, which was used by the South Korean Army during the 1970s .....’<sup>20</sup>* (Popenker, Max R, 1991-2010)

In this way Korea used its soft power to the Chaebol cultures to develop its hard power. The modern science and technology was imported to Korea in the eighteenth century by intellectuals who were introduced to Western philosophy through their interactions with Qing China. In the late nineteenth century, missionaries had brought to Korea modern scientific knowledge; however, fundamental development of modern science and technology was started through Japan after its colonization of the peninsula. Thus, despite the demise of the Japanese Empire in 1945, Korea’s science and technology remained deeply influenced by Japan. But no doubt Korean labour were good learners, so they gave main focus to achieve the knowledge through education in the science and technology which in turn became the innovation for the other countries.

*“South Korea has also outsourced its defence industry to produce various core components of other countries’ advanced military hardware. Those hardware include modern aircraft such as F-15K fighters and AH-64 attack helicopters which will be used*

<sup>19</sup> Atul Kohli, (1994) ‘Where Do High Growth Political Economies Come From? The Japanese Lineage of Korea’s “Developmental State”’, *Princeton University*, New Jersey

<sup>20</sup> <http://world.guns.ru/assault/skor/daewoo-k1-and-k2-e.html>



*by Singapore and Japan, whose airframes will be built by Korea Aerospace Industries in a joint-production deal with Boeing. South Korea's defence exports were \$1.03 billion in 2008 and \$1.17 billion in 2009, and South Korea aims to increase the figure to \$1.5 billion in 2010.*"<sup>21</sup> (Sung-ki, Jung)

South Korea has skilled labour from the ancient history due to its Confucian culture of hierarchy, to obey and apply in hard work. South Korea also has been important in armaments, both for the use of domestic purpose and for export. During the 1960s, South Korea was largely dependent on the United States to supply its armed forces, but after the engagement of President Richard M. Nixon's policy of 'Vietnamization' in the early 1970s, South Korea started to manufacture many of its own weapons. Korea knew the role of State to influence both in domestic and international field. In the domestic level Korean State controlled the Chaebol by using hard power in terms of competition to produce economic growth.

### **Soft Power in Supporting Korea's Relations**

In contrast to coercive power, soft power is the capacity to persuade others to do what one wants. A powerful formulation first introduced by Joseph Nye in 1990, and expanded in his later works, soft power has become a central analytic term in foreign policy discussions. Nye defined it as the ability to get what one wants through persuasion or attraction rather than coercion. It builds attraction and encompasses nearly everything other than economic and military power. Joseph Nye stated, "*In terms of resources, soft-power resources are the assets that produce such attraction.*"<sup>22</sup> As noted by US professor Joseph Nye, there are three sources of soft power that a country could use to its advantage: culture, sports, political values and foreign policy. South Korea has been able to proactively incorporate all in a remarkable cooperation.

Korea had its close relation with the China, where China was seen as the elder brother, in which 'sadae' or serving the superior was given importance due to its culture. During the

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<sup>21</sup> [http://www.koreatimes.co.kr/www/news/nation/2010/08/205\\_67771.html](http://www.koreatimes.co.kr/www/news/nation/2010/08/205_67771.html)

<sup>22</sup> Ernest J. Wilson, III, (Mar., 2008) "Hard Power, Soft Power, Smart Power," *Annals of the American Academy of Political and Social Science*, Vol. 616, Public Diplomacy in a Changing World: pp. 110-124



Three Kingdoms Buddhism and Confucianism were introduced and the civil service exam in the Koryo dynasty, based on Confucian texts, played the dominant role in the later phase of Korea. *'AnHyang brought some writings of the celebrated Sung Neo-Confucian, Chu Hsi, from Yuan China to Korea; in 1305 Paek I-chong also brought works by the Ch'eng brothers. It was the soft power of Confucian culture which dominates the ruling pattern also in the civil services. During the early Choson dynasty Buddhist doctrine was criticized from the standpoint of Neo-Confucianism, most notably by Chong To-chou in his 'Against Mr. Buddha' (1398). Sejong the Great ordered the construction of a royal academy by the name of 'Chipyonjon' or Wise Men.'*<sup>23</sup> The Korean culture is and was based on Confucian cultural values which embody respect for authority, honesty, devoted loyalty, commitment and hard work, which is added by today's internet revolution. Another is Confucian culture based on hierarchical system, where one has to be subordinate to others. Culture was used as the tool of soft power to unite the whole Korean masses to fight against the foreign power. It influenced their own people and their leaders were bound to the led.

Korea attracts most foreigners who firstly interact with them. The Korean culture of *pali-pali* (quickly-quickly) at the work place exemplifies efficiency, which shows time sensitivity and mixes with other societal ethics of truthfulness, sincerity and an in-built hatred to compromise on quality. It is this efficiency driven culture that has thrown a poor, war-stricken South Korea of 1960s into an economic centre within decades which is a smart move with the help of soft power.

In terms of products it claims of the world's best brands of television, cars and other electrical appliances that are increasingly popular in many developing and advanced countries such as Samsung, LG, Hyundai, Kia, and Daewoo. Korean model of success acts as valuable soft power for Seoul as it attracts other countries to emulate it. Korea Culture 'hallyu' or Korean wave has not only reached the neighbouring Asian countries but has earned national prestige by crossing the Pacific. Recent South Korean pop artist PSY video-song phrase "*Gangnam Style*" is a Korean neologism that refers to a lifestyle associated with the Gangnam, District of Seoul, for which the news agency 'Agence France-Presse', considered it as part of the Korean Wave. UN Secretary-General Ban Ki-Moon hailed the

<sup>23</sup> <http://www.madisonmorrison.com/topics/confucianism/korea/the-reception-of-confucianism-and-neo-confucianism-in-korea.html>

song as a “*force for world peace*”.<sup>24</sup> Moreover, its food popularity and historical heritage are other soft power tools. While the food is delicious, nutritious and keeps obesity at an arm’s length, it requires some effort and time to acquire its special taste for South Asians. Korea organized a three-day C-20 meeting in Sept 2010 to showcase its culture ahead of G-20 Summit in November 2010.<sup>25</sup> The Korean First Lady, who is honorary chairwoman of the Steering Committee for Promoting Hansik (Korean food) is vibrantly pursuing the promotion of Korean food and is internationally known for “food diplomacy.” These are the Korean soft power which have influenced the regional and global actors in the process of development.

### 3. Smart Power in defining Korea

Korea has been using its power to survive in the colonial period to the crisis situation. During the time of Yi Dynasty it was the State which accepted the Confucianism as the State religion. It was this culture in Korea which supported them to follow the same norms and also help the State to build its policy for the same. A conceptually strong and policy related framework for smart power should be built on a few additional core considerations<sup>26</sup> -

- 1) The target over which one seeks to exercise power- its internal nature and its broader global context. Power cannot be smart if those who wield it are ignorant of these attributes of the target populations and regions.
- 2) Self-knowledge and understanding of one’s own goals and capacities. Smart power requires the wielder to know what his or her country or community seeks, as well as its will and capacity to achieve its goals.

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<sup>24</sup> “*Gangnam fever ‘just the beginning’ for new Korean wave*” ,See

<http://www.france24.com/en/20121018-gangnam-fever-just-beginning-new-korean-wave>

<sup>25</sup> <http://pakobserver.net/detailnews.asp?id=135052>

<sup>26</sup> These assumptions insist on the importance of the context of power. What is ‘smart’ in one context may not be smart in the next. A smart strategy in Korean War may not be a smart strategy in Dokdo issue. A strategy that is smart in April may turn out to be not so smart in May. Each of the instruments of power has its own timetables- soft power often takes many years to work, while a hard power air strike can take place in a moment’s notice. The imperatives of time and geography largely determine if a strategy will be smart. Combining soft and hard power effectively means recognizing their interrelationships as well as their distinctiveness. These influences can flow in both directions. For example, hard power can and typically does amplify soft power. One is more likely to listen very carefully to nations with nuclear weapons. Japan is likely to listen carefully to Korea, a contiguous neighbour with both a large conventional standing army and ample nuclear assets. At the same time, the effective use of soft power can amplify hard resources.

- 3) The broader regional and global context within which the action will be conducted.
- 4) The tools to be employed, as well as how and when to deploy them individually and in combination.

The use of Smart Power in Korea helped them to escape from the backwardness. Korean Culture, Neo Confucianism, was the backbone of soft power in the Korean society in supporting the leaders. Korea enjoyed the development status when State highly controlled the economy, and in the contemporary era, it goes beyond the developed state to the techno-scientific State in post development State again building hard power, example being shipbuilding, explosive etc., one power supporting the other, which can be known as use of smart power.

**Hard + soft= Smart power** is the result of Korea's development.

Korea was smart enough if they changed the policy from import substitution industrialisation to the export led industrialisation. Growth rates differ among late-industrializing countries, but in all cases industrialization has come about as a process of learning rather than of generation of inventions or innovations. Korean State articulates the Confucian culture in the labour to learn honestly and quickly. For the nation economic power becomes the prominent issue in context of hard power. They implied that development would have to be based on labour-intensive industrialization, which would capitalize on Korea's existing comparative advantage and result was the quickest poverty reduction. The use of Smart power can be seen as interventionist state, with large diversified business groups, an abundant supply of competent salaried managers, an abundant supply of low-cost, and well-educated labour.<sup>27</sup>

But first smart move was seen when Korea chose export led industrialization. Its activities ranged from non-discretionary market-oriented measures to direct presidential pressure on individual firms, which can also be seen from the power vested to the Korean President from the Constitution of Republic of Korea.<sup>28</sup> To favour new industries, manufacturers of exports were granted a protected domestic market. The system resulted in service specific effective exchange rates that varied widely. The government also established

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<sup>27</sup> Amsden. A, (1989), "*Asia's Next Giant: South Korea and Late Industrialisation*," Oxford University Press

a number of government-financed institutions for trade promotion, set ever rising export-targets for each firm and used both 'carrots' and 'sticks' to see that the export targets were met. Park Chung Hee, himself took a keen interest in export performance by firms and held monthly meetings with large exporters to hear their complaints and honour the best-performing firms. Both articulation of soft and hard power were utilized by both State and Actors in the field of developmental process.

Economic strength is one of the important hard powers in supporting military hard power from the centuries. The Korea's economy grew very rapidly during the initial phase of export-led growth averaging with an annual rate of 9.6% (1967- 1972). Per capita GNP increased by a factor of 2.5. Exports expanded at a phenomenal rate of 46% annually and the share of manufacturing in exports rose from 60 to 70%. The labour-market became tight and the average wage of unskilled workers increased into tripled. The distribution of income became even more equal, with increasing of income-share of the poorest ten per cent. Social development rose rapidly, with school enrolment rise by 25% primarily due to an expansion in secondary education. Infant mortality dropped by 30% and life expectancy rose by five years, which highly shows the growth of Korea.

Korea not only used the smart power in export led industrialisation in the light industries but it also changes its policy towards heavy and chemical industry (HCI) promotion plan. The heavy and chemical industry (HCI) promotion plan was initiated in 1973, just as the world economy was hit by the first oil crisis to which it responded by tightening import-restrictions. With the withdrawal of one third of US troops from the Korean peninsula, development emphasized was in the need for import substitution in the HCI sectors. Specific investments to be undertaken under HCI were in the manufacture of steel, non-ferrous metals, machinery, shipbuilding, electronics and chemicals, which were the essential components of hard power in building nation.

During 1963-1990 Korea was accompanied by rapid build-up of human capital. Every late industrialisation country was in the way towards the catch up with the developed countries. But it was Korea which had developed into industrialisation by learning process from Japan and the West. Unlike other late industrialisation countries Korea not only stuck towards the developmental process but moved beyond the catch up process and developed its skilled labour towards the techno scientific state. It was in the 1980s that the government

introduced two schemes for direct funding of private R&D: one, the ‘National R&D Projects’ (NRP), administered by the Ministry of Science and Technology (MOST) in new technology areas focusing primarily on future problems, and two, the ‘Industrial Base Technology Development Projects’ (IBTDP), administered by the Ministry of Trade and Industry (MITI) in existing technology areas focusing largely on current problems. By 1999, Korean government introduced the ‘Brain Korea 21’ (BK21) project, which is a major reform project in higher education that aims at cultivating creative and quality human resources necessary for the forthcoming knowledge-based society. To accomplish this aim, the government has decided to invest 1.4 trillion won (about \$1.2 billion) in universities over seven years.<sup>29</sup> Korea’s high focus on the smart power proves that use of smart power can not only reach to the development phase but can change the nation into different phase of post development.

#### 4. Conclusion

The Smart power of Korea helps to find out the solution to escape not only from the backwardness and crisis, but also moves towards the new form of development in the field of science and technology in the international level. The ‘hybridity’ of both hard and soft powers is the reason for Korea’s development. Korean Culture, Neo Confucianism, was the backbone in the Korean society, supporting the leaders. Korea enjoyed the development status when State highly controlled the economy, and in the contemporary era, it goes beyond the developed state to the techno-scientific state, again building hard power, example shipbuilding, explosive etc., one power supporting the other, which can be known as use of smart power. Korean State tries to develop its national interest by using ‘hard power’ (military and economic power). Korea can also be seen, from the historical perspective, using power much more in terms of ‘Soft power’ (actor's values, culture, policies and institutions) which also helps business group ‘Yangban-Chaebol’ for their own developmental process. Empirically, Korea has learned from both Sino-Japan and the US to ‘hybrid’ new forms of ideas of hard and soft power, which has given birth to the ‘strong state’ and smart power in the development process.

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<sup>29</sup>Uttam, J. (September 6, 2012) “Korea’s New Techno-Scientific State: Mapping a Strategic Change in the ‘Developmental State’” *China Report*.

Korea always tried to develop itself through learning process which also becomes innovation to the other countries. Historically, later phase of the Josean dynasty was weak because of the weak leader and the class conflict of Yangban system which brought about uprising of the people. This all attracted the neighbouring countries specially Japan and China. Japanese rule was the most authoritarian, though they created such facilities only for their benefits, but the high control over the market and masses was followed by the later leader of Koreas. Korea became authoritative for the growth of their nation, unlike Japanese authoritarian rule which was for the Japanese benefits. Korea learned the ruling pattern from Japanese to work hard but developed it into its own pattern. It was also the Confucianism of China which influenced Korea toward a hierarchical society, but Korea also developed it into certain fields. It was not only the Confucianism of hierarchical culture but the neo Confucianism which was rational in the economic culture.

The wise use of Korea's 'hard' and 'soft power' synthesis gives birth to the new mode of power known as the 'Smart Power', which plays the vital role in escaping Korea from 'backwardness'. This paper has aimed to analyse the historical process of Korea to escape from the socio-economic backwardness, whereas other late industrialised countries are still in the process of development. Korea not only has reached the phase of the 'developed States' in the field of late industrialization, but also creates the advanced State in the 'techno-scientific' field in the 21<sup>st</sup> Century. The literature or analysis of this issue tends to focus on the Statist perspective of International Political Economy and Post Colonial ideas of cultural imperialism. State strong engagement in the market and the leadership ability to hegemon in the domestic politics basically leads to the development; whereas other late industrialisation states are unable to catch up because of their policies and weaknesses. Some analysts or historians also believe that the colonial master, China in implementing Confucian culture successfully in Korean State, and later on Japan's authoritarian rule gave birth to the leader like Park Chung Hee. They believe that he was trained in the Japanese military, which brought the authoritarian characters with him, and was successful in the policy changing process of the State which leads to the development. However, it clearly ignores that it was not only the State enforcement but that power was used alternatively in the process of development i.e., the use of 'smart power'. Korea has always been using alternatively both the 'hard power' and 'soft power' according to the situation, what it faces. However the sudden development can be understood only by the 'hybridity' of both the powers to form new power which is known as the 'Smart power.' To survive from the neighbouring

countries, to compete with the global world and to move towards the 'post developmental state' or 'techno-scientific State', it was the smart power which helps Korea to survive, compete, and bring success in the international relations.

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