The Industrialization and Modernization of South Korea: From Historical Heritage to the Miracle on the Han River.

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Abstract:

This paper examines the industrialization and modernization process of South Korea from the late 19th century to the late 20th century, focusing on the historical, political, and economic drivers led by Park Chung Hee. Rooted in Confucian heritage, the Kabo reforms, and the Japanese colonial experience, South Korea developed a strong awareness of education, science, and economic management. Park Chung Hee, with his strategic vision and political organizational skills, implemented five-year economic plans, established heavy and chemical industries, building POSCO, and research institutions such as KIST/KAIST, promoted exports, and introduced a model of "national capitalism" centered on large chaebols. Consequently, South Korea transformed from a poor agrarian society into a modern industrial nation, achieving 8-10% annual growth and becoming a regional economic power. The paper highlights the roles of education, practical learning (Silhak), collaboration with Japan, and innovation in industrialization. It also draws lessons on the importance of independence, self-reliance, and strategic adaptability for developing countries seeking rapid modernization and economic development.

Keywords: *Industrialization, Modernization, Chaebol, Silhak, Park Chung Hee*

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Introduction

Korea has long been known as the "Land of Morning Calm." About three thousand years ago, when the Chinese began to pay serious attention to the Korean Peninsula, they noticed a people closely related ethnically but with a distinct language and culture. It seems that one of the earliest Chinese visitors-likely an official-was so impressed by the peaceful atmosphere of the Korean countryside that in his report he used the Chinese characters "jo seon" (*joh suhn*), meaning "morning calm," to describe the region.

By 109 BCE, when Emperor Wu of the Han dynasty led a military campaign to conquer the Korean Peninsula, he officially named the territory *Joseon*. Later, Joseon was translated into English as "The Land of the Morning Calm," a term that came to reflect not only the landscape and simple lifestyle of the Korean people but also their spirit and character. Joseon is also often rendered as Chosun.

Korean history is marked by peasant uprisings, dynastic conflicts, and invasions by external powers. Over the past two millennia, Korea endured nine major invasions: first by the Han dynasty (206 BCE-220 CE) for several centuries, then by the Sui (589-616) and Tang (618-907) dynasties, once by the Khitan (916-1125), once by the Yuan (1277-1367), twice by Japan, and once by the Qing (1616–1911). Chinese, Mongol, Manchu, and Japanese forces invaded Korea over the centuries, yet the country remained largely peaceful for most of its history until the late nineteenth century.

Although Korea is a smaller nation compared with Vietnam, this does not mean it lacked dark periods; it did, but ultimately the nation overcame these challenges and embarked on a remarkable new chapter. From early times, Koreans produced unique artistic and technological achievements, had widespread private education institutions like So Won, nurtured the practical learning movement Silhak, and developed their own script, Hangul, in the fifteenth century-a historical innovation that allowed them to pursue independent development from the North when the opportunity arose.

However, progress within Korea's rigid Confucian system was constrained, eventually leading to national disasters when the global balance of power shifted. The ruling class failed to recognize that China was no longer the center of the world, resulting in Korea's eventual subjugation under Japan from 1910 to 1945.

Korea faced pressure from three sides: China, Russia, and Japan, and from the nineteenth century onward, also from Britain, France, and the United States. With Japan's rapid Meiji modernization, it decisively defeated Qing and Tsarist Russian forces, establishing uncontested dominance over the peninsula from 1910 onward. Korea was no longer a tranquil land; upheaval arose.

Yet Japan's harsh rule and assimilationist ambitions created a once-in-a-millennium opportunity for Koreans. What the 1884 Kapsin Chongby n coup failed to achieve in ending the feudal system, Japan accomplished it: it dismantled the ideology of the Confucian yangban ruling class and the political structure that had sustained millennia of conservatism. Simultaneously, Japan imposed industrialization to serve its northern expansion goals, showcasing the power of modernization before Korea's elite. The fire of change consumed the obstacles in its path.

Like a phoenix rising from its own ashes, Korea could not borrow wings from another bird, as a Japanese scholar once noted; it had to craft its own wings.

This rebirth and the creation of its own wings occurred under the leadership of Park Chung Hee during the dramatic decades of the 1960s and 1970s, a period that fundamentally altered the nation's trajectory. It was the era of the phoenix's revival, crafting its wings to ultimately soar.

A Brief Historical Overview

Historical Overview

2333 BCE: The legendary kingdom of Gojoseon was established on the Korean Peninsula. The prefix Go (고; 古), meaning "ancient," is used in historiography to distinguish this kingdom from the later Joseon dynasty, founded in 1392 CE. According to Korean mythology, Gojoseon was founded by the legendary king Dangun. Tradition holds that Dangun's father descended from heaven to Heaven Lake (also called Cheonji) on Mount Baekdu (Paektu), a volcanic crater standing 2,744 meters above sea level and considered a sacred symbol of Korea. The lake lies on the border between China and North Korea, with the Chinese portion in Jilin Province and the North Korean portion in Ryanggang Province.

Korea has often been referred to by foreigners as the "Land of the Morning Calm." During the Three Kingdoms period, the ancient Korean kingdoms of Goguryeo, Baekje, and Silla dominated the Korean Peninsula and parts of Manchuria for much of the first millennium CE. This period lasted from 57 BCE until Silla defeated Goguryeo in 668 CE. The Three Kingdoms contributed to the formation of the Korean nation, and the peoples of Goguryeo, Baekje, and Silla became the Korean ethnic group. During this time, the royal courts began to place significant emphasis on education, which was deeply influenced by Confucianism and Buddhism.

The two subsequent important dynasties were Goryeo (Koryŏ), which ruled the Korean Peninsula after the unification of the three kingdoms by Taejo (Wang Kŏn) from 935 to 1392 CE, and Joseon (or Yi, 조선), "the Land of the Morning Calm," founded by

Yi Seong-gye (also titled King Taejo) following the decline of Goryeo, which lasted from 1392 to 1897. Under the previous dynasties, land ownership was concentrated among a few high-ranking officials, but Yi Seong-gye and his successors redistributed land among different officials, creating a new aristocratic class of scholar-officials called *yangban*.

The Joseon dynasty had profound influence on Korea, establishing Seoul as the capital, making Confucianism the state philosophy, and achieving notable cultural and technological advances, including the invention of the Korean alphabet, Hangul (han'gŭl), by King Sejong (1397–1450), regarded as the greatest ruler in Korean history. Hangul continues to be used today. Its creation facilitated literacy among the general population and became a crucial tool when the country opened to the outside world. Under Sejong's reign (1419–1450), Korean cultural achievements reached their zenith. During the reign of King Seongjong (1470–1494), an administrative system of officials serving the state was firmly established.

Joseon lasted for 505 years, from 1392 to 1897, when it was replaced by the Korean Empire. Notably, Admiral Yi Sun-Shin in 1592 defeated the professional samurai army of Japanese Shogun Toyotomi Hideyoshi by using the world's first armored warships, the Geobukseon (turtle ships).

The Joseon dynasty ended with the establishment of the Korean Empire in 1897.

The Yangban Class

The country was governed by a hereditary class of scholar-officials known as yangban. Because they controlled all aspects of Joseon society and owned most of the land, the Joseon dynasty can be described as a yangban society. The term yangban originated during the Goryeo dynasty (935–1392), when civil service examinations were held in two categories: mungwa (civil) and mukwa (military). By the Yi (Joseon) dynasty, the term came to denote the entire landed elite. Joseon maintained a rigidly hierarchical class system consisting of four main groups: *yangban* (aristocracy), *chungmin* (middle class), *sangmin* (commoners), and *ch'ŏnmin* (lowest class).

Education

Education constitutes one of the most important chapters in the history of Korea's intellectual and spiritual life. The history of education in Korea can be traced back to the Three Kingdoms period, or perhaps even earlier, to prehistoric times. Both private and public forms of schooling developed robustly. Public education was established as early as the 4th century CE, and from the outset, it was profoundly influenced by both Confucianism and Buddhism.

Education was closely tied to political power and exerted significant influence on the state and the royal court.

Private Academies (Seowon)

Korea developed a prominent system of private academies known as Seowon beginning in the 16th century. These institutions were founded by Hwang Yi (Hwang Hui, 1501–1570), one of the most renowned Confucian scholars of the era. After assuming office, he established the first Seowon in his own district, receiving strong royal support and a royal charter.

The king also ordered the state to supply the academy with books, tax-exempt land, and slaves-privileges previously granted to Buddhist temples. Seowon functioned as schools or academies devoted to training talented individuals for government service. Education in Korea was no longer the exclusive domain of the state; private and autonomous educational institutions were allowed to flourish early on. By the 18th century, hundreds of such private academies had developed across the country.

The Silhak Movement

Another important feature of Korean intellectual history emerged in the late 1600s, when discontent with the yangban system and the state's orthodox neo-Confucian ideology inspired a group of dissenting aristocrats to initiate the Silhak (Sirhak) movement, meaning "Practical Learning." This movement would continue for centuries.

The Silhak scholars argued that the Confucian classics were entirely irrelevant to the political and economic crises engulfing the country and that the educational system should be replaced with one based on practical, empirical knowledge. This reflected an awakening among segments of the Korean elite who sought to shift the nation toward a more "proto-modern" institutional order.

One of the most distinguished representatives of Silhak was Jeong Yak-yong, also known by his pen name Tasan (1762–1836). He contended that ancient sages were not always wise and that when social conditions changed, the new generation must develop new solutions to new problems. He was aware that Japanese Tokugawa scholars of the 17th and 18th centuries—such as Itō Jinsai, Dazai Shundai, and Ogyū Sorai-were also examining classical texts with a critical, rather than dogmatic, attitude.

With the influx of Western culture in the late 19th century, *Silhak*, together with *Seohak* ("Western Learning"), contributed to the spread of ideas that gradually promoted Korea's modernization.

Meanwhile, the power of the yangban gradually declined along with the weakening of the Joseon dynasty-Korea's longest-running feudal polity-which had simply exhausted its vitality. The country eventually fell under Japanese occupation in 1910. Korean independence would not be restored until the end of World War II, when freedom was finally returned.

The Yangban's Failure to Recognize Global Changes and Innovate

During the seventeenth and eighteenth centuries, Koreans had the opportunity to interact with Jesuit missionaries in Beijing and observed their exceptional skills in fields such as astronomy, cartography, clockmaking, shipbuilding, funerary rites, viticulture, religion, mathematics, geography, medicine, and painting. Nevertheless, most Koreans remained steadfast in their belief in the superiority of Chinese civilization as the world's center and, as a result, held a dismissive attitude toward Westerners.

By the late eighteenth century, however, Christianity began to attract significant interest. An increasing number of educated Koreans, particularly among the yangban class, converted to the faith, which became known as Sŏhak (Western Learning). By the late 1830s, the number of converts had reached approximately 9,000. Persecution ensued, as Christianity was perceived to be linked with Western powers that threatened Korea's independence.

In 1882, King Kojong of the Joseon dynasty issued a decree calling for the establishment of state-sponsored public education based on Western knowledge rather than Confucian teachings. The first Western-style school, named Yugyong Gongwon, opened in 1886. The school hired several Americans to teach English, and in subsequent years, other languages including Chinese, French, German, Japanese, and Russian were introduced.

An Attempted Coup for Comprehensive Reform - but Unsuccessful

By the late nineteenth century, Korea was entering a completely new global context in which past experiences offered no guidance. The country faced the industrially empowered expansion of imperialism. Its situation was further complicated by the need to confront not only China and Japan but also Western powers such as Britain, France, the United States, and Russia.

A reform-minded group, inspired by the slogan "Eastern Ways, Western Machines" from Chinese moderate reformers, sought to adopt Western technology, particularly military technology, while preserving the cultural values of a Sinocentric world. Their reforms were therefore limited in scope, aiming primarily to strengthen Korea against perceived Western "barbarians."

Concerned about the nation's future and slow development, a group of educated yangban formed the Enlightenment Party (Kaehwa-dang), influenced by the ideas of the Japanese reformer Fukuzawa Yukichi and ongoing changes in Japan.

In December 1884, the Kaehwa Party carried out a coup known as the Gapsin Coup to seize power. The following day, Kim Ok-kyun and Pak Yŏng-hyo declared a new government and announced a 14-point reform program, which included abolishing class distinctions-including the yangban system-and reducing taxes for the poor. The coup

resembled later reformist attempts, such as General Park Chung Hee's efforts, in its desire for urgent modernization. However, the uprising was suppressed by Chinese troops then stationed in Korea under the command of Yuan Shikai, resulting in failure. Subsequently, Korea remained under Chinese suzerainty until the First Sino-Japanese War.

After China's defeat in the 1894–1895 Sino-Japanese War, Korea came under Japanese influence. Following the Russo-Japanese War of 1904–1905, in which Japan emerged victorious, the Treaty of Portsmouth granted Japan uncontested supremacy over Korea, and the country became a Japanese protectorate.

The Gabo (Kabo) Reforms

From July 1894 to February 1896, Korean reformers, under Japanese sponsorship, carried out comprehensive modernization reforms that marked a permanent break with the old order. The new government officially abolished all forms of social discrimination, eliminated the exclusive privileges of the yangban class, and removed hierarchical distinctions. All individuals were considered equal before the law, and all positions were open to talented people regardless of social background.

The reforms notably abolished the traditional civil service examinations previously used to select officials and ended the practice of tribute to China. The advisory council declared June 6, 1894, as Korea's Independence Day. The new state adopted Hangul, the Korean alphabet, as the official language. In schools, the study of Ming dynasty history was replaced with Western history. The Ministry of Education issued a series of decrees establishing a Western-style education system. On December 30, King Kojong, following the directives of the reform government, issued a decree mandating the removal of the traditional topknot and the adoption of Western-style hairstyles.

Korea's Awakening and the Rise of National Spirit in the 1920s

By 1910, Korea was fully annexed by Japan, ending its independence and opening a new chapter in Korean history. Comprehensive changes occurred for the Korean people. What the ruling class had failed or refused to implement—the industrialization of the country—was now undertaken by Japan. The Japanese developed education, built infrastructure, and established factories and ports. Koreans had to seize these new opportunities to secure and improve their livelihoods. Japanese industrial laborers were mobilized to work in factories not only in Korea but also in Manchuria and Japan.

The first major movement of intellectuals occurred with the March 1st Movement in 1919, triggered by the mysterious death of King Kojong. The movement erupted intensely throughout the spring, with participation estimated between 300,000 and 2 million people. This movement, along with China's May Fourth Movement, was part of the broader political awakening of colonized peoples in Asia and the Middle East, including Egypt, China, and

the Philippines. The Japanese authorities brutally suppressed the uprising, resulting in hundreds or thousands of deaths and tens of thousands of arrests. A 17-year-old student, Yu Kwan-su, who held a scholarship to the pioneering Ewha Haktang women's school, was shot and became a symbol of the March 1st Movement.

The movement awakened Koreans both at home and abroad to the ideas of independence and patriotism. After the suppression, the Japanese authorities adopted a more conciliatory approach. With the Allied victory in World War I, and Japanese aspirations for a freer, more democratic government, the so-called Taisho Democracy period emerged, lasting until the 1930s. This also led to a policy known as *Nissen yuwa* (Japan-Korea Amity), a form of Japanese conciliation in Korea.

In the spring of 1920, the Korean crown prince married Princess Nashimoto of Japan, a symbolic gesture in the conciliatory policy, accompanied by the amnesty of thousands of political prisoners (Bunka seiji). Press restrictions were lifted, and in that year two major newspapers were established: Chosun Ilbo ("Korean Daily"; current circulation 1.51 million among a population of 51.75 million, compared with Vietnam's Tuoi Tre at about 100,000 circulations for a population of 100 million) and Dong-A Ilbo (Eastern Asia Daily, current circulation 1.2 million), both of which remain leading newspapers in South Korea. During the Japanese colonial period, hundreds of other journals and specialized magazines also appeared.

This policy of openness led to an explosion of youth, religious, social, intellectual, educational, and agrarian organizations across all levels of society. Of course, the Japanese government gradually implemented measures to prevent excessive development from turning into anti-government activity. The freedoms Koreans experienced were limited and conditional. Literature flourished, with magazines such as Ch'angio (Creative, 1919), P'yeho (Waste, 1920), and Paekcho (White Tide, 1922) emerging—a period often described as "a hundred flowers blooming." (By comparison, Vietnam's Tu Luc Van Doan literary movement developed from 1932–1945.)

Economic Development

A downside of Korea's dependency was that it was "forcibly" industrialized by Japan to serve Japan's economic and military objectives. Transportation infrastructure was newly constructed, and railways connected major cities with ports. Seoul was electrified. Agriculture was oriented toward export crops such as rice, soybeans, and other Korean products. The privileges of the yangban class were abolished, and the old educational system designed to produce officials, as well as slavery, was eliminated.

These changes created the conditions for Korea to become a modern nation. The Korean elite of former periods, however, failed to recognize the entirely unfavorable new

geopolitical situation. Their reforms were half-hearted, largely aimed at preserving the conservative values tied to Chinese cultural dominance and safeguarding the interests of the old ruling class. They did not realize that the center of the world had shifted from China to Western powers. A small number of forward-looking intellectuals witnessed the Meiji reforms in Japan and sought to emulate them, but the majority of the royal and bureaucratic class remained backward-looking. They allied with China to suppress reformers within the Enlightenment Party, as the conservative yangban class still held significant power.

Koreans were not merely passive, however; they actively seized emerging opportunities. From the last two decades of the Choson dynasty, between 1890 and 1910, education in Korea expanded significantly. Koreans, along with foreign missionaries, established hundreds of new schools, and the state began to build a nationwide public education system. However, Japan had no interest in expanding primary, secondary, or higher education on a large scale. Their priority was exploiting Korea's resources and labor for their war efforts.

Main traits of Japanese Colonial Rule in Korea

Overall, Japan implemented a far more comprehensive and rigorous colonial policy in Korea than other colonial powers such as Britain, France, Germany, or the United States. They promoted large-scale, intensive industrialization to extract and produce raw materials and industrial goods for military use and the needs of mother country.

To achieve these goals, Japan ruled Korea with a dense administrative apparatus imported from the homeland. By comparison, at the end of the 1930s, nearly 25,000 Japanese worked in Korea across all sectors, including government, police, military garrisons, banks, companies, and schools. In contrast, France administered Vietnam with 2,920 French officials and 10,776 troops for a population of 17 million, compared with 20 million in Korea. The Japanese presence in Korea was roughly equivalent to the number of British personnel in India, which had a population twenty times that of Korea. Moreover, Japan pursued a policy of assimilation of Koreans.

One reason for this policy was that Japan viewed Korea as a strategic base for its advance into Manchuria in 1931, rather than a peripheral territory, making it central to military planning. The war with China prompted waves of migration from rural areas to northern Korea and Manchuria, where mines and factories were rapidly emerging. The Korean population also grew in Japan due to the expanding war economy; by 1945, 2.4 million Koreans resided in Japan, comprising a quarter of the Japanese industrial workforce.

These developments profoundly disrupted and undermined traditional Korean society. At the same time, the massive industrialization opened Koreans' eyes to a new global vision after independence in 1945. A new generation of entrepreneurs emerged.

Many postwar Korean leaders and industrialists—such as Chung Ju Yung (1915–2001), founder of Hyundai; Lee Byung-chul (1910–1987), founder of Samsung; Park Chung Hee in South Korea; and Kim Il Sung in North Korea—witnessed this painful yet formative period. In fact, the post-1945 industrial development of South Korea was inseparable from Japanese colonial experience and existing economic linkages, which provided advantages. South Korea, like any nation, could not develop in isolation—a principle equally applicable to Taiwan.

Thirty years of Japanese rule also fostered and shaped a strong sense of Korean nationalism and identity. Koreans gained a clearer understanding of dictatorship and democracy, and of the distinction between Korean and Japanese identities. Japan's comprehensive assimilation policy ultimately failed due to the deep differences in national identity. By the 1940s, among approximately 750,000 Japanese living in Korea, mostly men, fewer than 1,000 married Korean women.

Japanese colonial rule was a severe shock for Koreans, a people traditionally described by foreigners as "calm," and for the yangban elite, who had long resisted change to preserve their privileges. Yet, in retrospect, Japanese rule was a painful but unavoidable "therapy" that forced Korea to reassess its worldview. The price was high, but the benefits were substantial. Stronger economies compel weaker economies to open markets and implement global economic rules favorable to them—a dynamic that applied to Korea during and after Japanese rule.

Some Consequences

After gaining independence, Korea was divided. The South entered a new phase of crisis. When Japan withdrew from the country, Korea lost the guiding hand and administrative machinery, falling into a state of chaos. Koreans had to find their own leadership, which was no easy task. The new leadership proved dictatorial, corrupt, and ineffective in national revival. Protests occurred frequently. On the path to rediscovering itself, South Korea would have to pay high price for additional decades of trial-error and self-improvement.

Park Chung Hee and the Modernization of South Korea

It was not until Park Chung Hee came to power in 1961 that the long-suppressed aspirations of Silhak (Practical Learning) were finally unleashed, developing freely and vigorously. In a single generation, he transformed the southern half of the peninsula into South Korea (Hanguk), rebuilding it from the ashes into a prosperous, industrialized nation admired worldwide.

Park Chung Hee had a deep historical perspective and a critical mind. He identified the weaknesses of the Yi dynasty (established by Seong-gye in 1392) and the flaws of its people: subservience, lack of independence, laziness combined with desire for unearned income, lack of pioneering and entrepreneurial spirit, selfishness, absence of honor, and poor judgment.

South Korea faced a human crisis, as Park recognized. He set out to reconstruct both people and society, which became his mission during nearly twenty years of rule. He implemented a rapid industrialization plan-a "big push." While he studied the histories of other nations, including Japan, Germany, and Egypt, he ultimately drew on Japan's industrial and economic experience.

Park was not merely imitating foreign models; he was a leader capable of resolving bottlenecks with a creative mind, vision and could provide practical solutions to seemingly intractable problems. Under his leadership, South Korea can be described as a second version of Japan in terms of industrial development, but infused with the extraordinary talent, creativity, and determination of the Korean people. The spirit of Silhak and the belief in education as power were revived.

On May 16, 1961-64 years ago-General Park Chung Hee led a group of fellow officers across the Han River to seize the Blue House, the South Korean presidential palace, taking control of the government and initiating an economic development program reminiscent of the Gapsin Coup of the Enlightenment Party 77 years earlier. But this time, he succeeded. No conservative power like China was present to suppress the movement, while South Korea enjoyed the protection of the United States.

On his first day in office, Park declared the imperative of industrialization. He described the heavy legacy he had inherited:

"In May 1961, when I assumed leadership of the revolutionary group, I truly felt as if I had been entrusted with a household that had been robbed or a bankrupt company to manage… The outlook was bleak. Yet I had to rise above this pessimism to restore the household. I had to destroy, once and for all, the vicious cycle of poverty and economic stagnation. Only through structural economic reforms could we lay the foundation for decent living standards."

In 1962, Park wrote:

Being tired late at night, I close my eyes and mentally trace back the difficult course of our national history. Our historical legacies, I reflect, are too heavy on our shoulders and only seem to impede our progress. Especially painful has been our national suffering since the Liberation in 1945; in the course of the past 17 years, two corrupt and graft-ridden régimes created the basis of today's crisis, keynoted by a vicious circle of want and misery.

But, I ponder, is there no way for national regeneration? Is there no way to mend our decayed national character and build a sound and democratic welfare state? Is there not some way to accomplish a "human revolution," so that our people may stop telling lies, cast away the habits of sycophancy and indolence, and make a new start as industrious workers, carry out social reform, and build a country without paupers, a country of prosperity and affluence?

There must be some way. Ahead of our people, so much beset by sorrow, woe and hardship, there is bound to be a way for rehabilitation. "Knock, and lo, it opens!"

A patient cannot be cured only by a surgical operation named revolution, I realize, nor is health regained merely by removing the diseased tissue. Permanent hygiene and restoration of a sound physical constitution are required to prevent a relapse.

But where can we find the way? There ought to be a way, some way. Haphazard and random notes jotted down late at night when I was unable to induce sleep thinking about the past and the future of this people, put into a semblance of order, became this book. The narration is clumsy and the description often too fragmentary; yet viewed as a whole, it gives a fairly faithful rendering of the author's thoughts.

The problems currently faced by us may be boiled down into three:

First, we must reflect upon the evil legacies of our past history, slough away the factional consciousness inherited from the Yi Dynasty, and the slavish mentality resulting from the Japanese colonial rule, and firmly establish a Sound Nation al Ethics. Without a human revolution, social reconstruction is impossible.

Second, we must liberate ourselves from poverty. Particularly, we must put an end to the chronic poverty of our farming population and devote our national resources to the creation of prosperous farming communities after the pattern of Denmark.

This year we have launched the first Five-Year Plan for Economic Development, to banish the age-old curses of poverty one after another and to prepare the groundwork for an industrialized, modern state. A free community cannot exist without economic self-sufficiency to guarantee the people's right of survival. To carry out our economic plans "with maximum freedom and minimum planning" to realize a "Miracle on the Han River" is the only way to gain superiority over Totalitarianism.

(Park Chung Hee, 1962)

Park pursued industrialization through three classical stages: import substitution, export-oriented production, and heavy industry development, including steel and chemicals (HCI). However, these stages had to be compressed, and from the outset, Park prioritized exports -"export first"- or "nation-building through export promotion." Large

enterprises were assigned annual export targets by the Ministry of Commerce and Industry, and meeting these targets entitled them to numerous benefits, including preferential loans and credit, administrative support, tax incentives, and other advantages. Consequently, exceeding export quotas-often jointly determined with the government-became the foundation of exporters' business strategies. Many products were produced exclusively for export, rather than for the domestic market.

Political Vision

KIST (*Korea Institute of Science and Technology*)

The first significant development was the establishment of the Korea Institute of Science and Technology (KIST) in 1966. Within only five years of assuming the presidency, Park Chung Hee lobbied the United States for support to create KIST. At that time, GDP per capita was merely $133.48. The purpose? To support the ongoing process of industrialization. KIST played a crucial role in the nation's efforts to absorb and improve imported foreign technology. It also helped reverse the brain drain by attracting leading Korean researchers back home. Many early leaders of South Korea's emerging technological infrastructure came from this group.

As South Korea entered the phase of heavy industry and chemical industrialization (HCI), the Korea Advanced Institute of Science (KAIS) was established. By the late 1980s, KAIS merged with KIST to form KAIST. In 1989, the two institutes separated again. Additional technological institutes were also established subsequently.

***POSCO* (*Pohang Iron and Steel Company*)**

The second significant development was the establishment of the POSCO steel complex as the "central nervous system" of South Korea's economy. Emerging from poverty, with per capita GDP only a few hundred dollars, Park was determined to build a modern POSCO steel plant as the cornerstone of industrialization. He sought a radical transformation. Light industries such as textiles, semi-processed goods, fish exports, and wigs, although contributing to economic growth, could not provide a foundation for an independent nation strong in both military and economic terms. Park envisioned the construction of an industrialized nation, with steel as the growth engine for the rest of heavy and chemical industries, ranging from machinery to automobiles to shipbuilding. "Steel is national power," Park stated at the 10th anniversary of POSCO. This was Park's political vision and a strategic imperative.

Using his extraordinary leadership skills, Park secured $800 million from Japanese reparations under the Treaty on the Normalization of Relations and obtained low-interest loans, at a time when the country's total exports amounted to only $118 million. Despite significant public opposition, POSCO was completed in just three years, from 1970 to 1973-

a remarkable achievement, especially after the United States and the World Bank, following their neoclassical perspective, initially refused to provide support.

POSCO became a strategic link in Park's ambition to realize the slogan "rich nation, strong army," reminiscent of the Meiji-era modernization promoted in Japan. It served both as a protective sword for the nation and as a locomotive driving economic prosperity. The success of POSCO was due to Park's vision and political acumen, not purely technocratic expertise, policy, global economic conditions, or national capacity.

The story of POSCO is, in essence, the story of Park as both a warrior and a modernizer. When his people yearned to escape the deprivation of the harsh post-war years, Park envisioned an industrial nation, with the steel industry as the growth engine for the rest of heavy and chemical industries. Steel was placed at the top of his strategic priorities as early as 1961, when he launched the first Five-Year Economic Development Plan (FYEDP).

***HCI* (*The Heavy and Chemical Industry*)**

The next decisive step in South Korea's industrialization was the Heavy and Chemical Industry (HCI) revolution of the 1970s. At his New Year press conference on January 12, 1973, Park Chung Hee declared that the government's Heavy and Chemical Industry Policy (HCIP: *chungh-wahak kongop'wa chongch'aek*) would serve as the foundation for the state's Big Push program under the Yusin reforms. He also announced South Korea's goal of achieving $10 billion in export income and a per capita GNP of $1,000 by the early 1980s. Park stated:

I declare the "Heavy and Chemical Industry Policy" through which the government hereafter will focus on the development of the heavy and chemical industries. I would also like to call on the people of the nation so that all of us from now on begin a campaign for national scientization. I urge everyone to learn technological skills, master them and develop them… If we wish to achieve our export goal of $10 billion in early 1980, heavy and chemical products must exceed well over 50 percent of total export goods."

In practice, all targets were achieved before 1980. According to the Korea Herald, GDP per capita rose from $82 in 1961 to $1,638 in 1979, while exports surged from $40 million to $15 billion over the same period. Annual economic growth reached 8–10% in the 1960s–1970s, an achievement known as the "Miracle on the Han River." Under Park, living standards rose dramatically, and South Korea emerged as a new power in Northeast Asia. Social reforms were continuous. Park's era is remembered for these reasons, as he promoted rapid economic growth and economic nationalism as a means of achieving "independence" (*chaju*) politically, economically, and in terms of national security, even vis-à-vis major powers like Japan and the United States.

Silhak (Practical Learning) under Park Chung Hee

Under Park, Silhak experienced a period of explosive development. Recognizing South Korea's limitations, he focused on practical learning rather than purely theoretical study, building the country's practical foundation. Despite lingering public resentment, he encouraged students to continue studying in Japan as a top priority. Park also dared to normalize relations with Japan by signing the Treaty on the Normalization of Relations in 1965-a move that might have been impossible for a less decisive government given the widespread anti-Japanese sentiment in South Korea at the time.

Koreans have historically recognized that education and deep research are sources of national strength. While the yangban class has now integrated into the industrialization process propelled by Park and his colleagues, the love of education and scholarship continues to thrive, now serving the cause of industrial development. Although Confucianism negatively influenced Korean culture-particularly by imposing a low quality of life on much of the population for a long period-it left a positive legacy in education. Throughout Korean history, all power rested in the hands of government officials, making education a source of authority.

Learning now occurs at multiple levels, not only within classrooms. South Korea not only sends students abroad but also dispatches thousands of managers and engineers to study overseas, which constitutes a highly important workforce. At times, even skilled workers are sent abroad to study production sites (shop floors). Learning from foreign practices can reduce years of classroom instruction to just a few months of on-site experience. This embodies the spirit of practical learning, Silhak. Learning is no longer rote memorization; it is about managing a production facility efficiently. The nation needs not only teachers but many skilled, precise workers. Similarly, scientific knowledge is valuable only when applied to practice; understanding science theoretically without practical application is mere rote learning. This principle underpins institutions such as KIST and KAIST. Social values have shifted from the era dominated by yangban. Industrialization to modernize the country requires a bottom-up approach. Practical learning has triumphed over the yangban tradition of learning solely to become an official.

The Role of Japan

On the other hand, Japan's interest in South Korea, as in other regional countries, was not purely economic but also strategic. Japan viewed South Korea as central to its own security, especially after the decline of U.S. commitment (Guam Doctrine, 1969). Strengthening regional economic power also aligned with Japan's policy toward the United States. The normalization treaty between Korea and Japan under Park Chung Hee was a breakthrough that paved the way for long-term Japanese economic cooperation and

investment in South Korea. The $800 million in reparations and credits was only part of the benefit; equally important, the treaty bolstered Japanese investors' confidence to invest heavily in South Korea. With low labor costs, South Korea became Japan's top priority for overseas investment, partly due to geopolitical considerations. The two sides also held ministerial-level meetings to discuss broad economic topics. In April 1970, the Yatsugi Plan (named after the director of Japan's National Policy Research Organization) was launched under the title: "Preliminary Plan for Long-Term Japan-Korea Cooperation," targeting the integration of Japanese capital and technology with Korean labor and land.

South Korea needed a model, and that model was Japan-a successful, convincing example whose "secrets" had to be studied. South Korea did not hesitate to adopt Japanese institutions. For example, the Ministry of Trade, Energy and Industry (MOTIE) in South Korea was modeled on Japan's Ministry of International Trade and Industry (MITI, Tsusho Sangyo Sho), Japan's central agency for industrial policy, research, investment, and development.

Looking back, both Taiwan and South Korea maintained special relationships with two major economic powers-the United States and Japan-providing not only a stable geopolitical base but also a gateway to the broader global economy. Japan played a special role by supplying South Korea with credit, technology, capital goods, and access to international markets.

South Korea possessed the largest workforce capable of learning from Japan, a legacy of Japanese colonial rule (1910–1945). They mastered the language and understood Japanese culture. President Park himself was one of the few trained at a Japanese military academy. Many of his technocrats and advisors were educated in Japan or in Korea during the occupation. Even by 1990, 250,000 South Korean high school students were learning Japanese-about 70% of all non-Japanese students worldwide studying Japanese.

Japanese colonial rule cannot be considered purely disastrous. Despite the hardships endured, it laid key foundations for South Korea's later modern economic development. The Japanese dismantled the institutions of a thousand-year-old dynastic rule, abolishing slavery, issuing civil codes, and creating conditions for modernization almost overnight in 1910—achievements that centuries of Korean rulers had failed to accomplish. Japan also established modern infrastructure in industry, finance, transport, and trade. However, after they left, Koreans had to rediscover their own "soul" to pursue industrialization independently. Park Chung Hee achieved this.

The distinction of South Korea from most late-industrializing countries lies in the discipline imposed by the state on private enterprises. Drawing on his training at the Japanese Military Academy and lessons from the Japanese model, Park enabled "millionaires and supporters of his reforms" to take center stage, creating a "national capitalism." These

millionaires were envisioned to build large-scale factories to realize an economy of scale. The government acted as a supervisor to prevent any abuse of power.

From Imitation to Innovation

However, Koreans learn with a spirit of constant innovation. They are willing to take risks, make mistakes, and learn from those errors. Kim Choong-Ki, often called the "godfather" of Korea's semiconductor industry, stated: "South Korea's economic development depends on reverse engineering and mapping the advanced countries… Now we must reform education policy and teach students how to draw maps." He also said, "If you merely repeat the ideas of others, you will never surpass them; you will only follow in their footsteps." This reflects a broader characteristic of the Korean people in Park Chung Hee's era.

South Korea's rapid industrialization model can be distinguished from the development of other newly industrializing countries (NICs) in Asia along three main dimensions. First, Park and his core team of technocratic advisors formulated and pursued an independent set of objectives and strategies. In doing so, they often provoked U.S. opposition and intervention, most clearly demonstrated in the tense Korea–U.S. relations from 1974 to early 1980. Second, South Korea's model followed a chaebol-oriented approach (analogous to Japan's *zaibatsu*).[1]

One primary reason why chaebols led, rather than smaller businesses as in Taiwan, was that Korea's planners believed large, proven firms would be strategically most effective, particularly in achieving export-oriented and internationalization goals. Just as the state selected "target industries" for export in the 1960s, large chaebols served as the state's "target champions" for HCI development in the 1970s.

Conclusion

The 1970s were a decisive decade for permanently breaking free from backwardness and stepping onto the international stage. As Park stated: "As a reward for our hard labor and dedication, the 1970s became one of the most important decades in Korea's chronology. By overcoming challenges and hardships that perhaps no other nation has endured, the Korean people now proudly join the ranks of the world's leading nations. We have not only awakened ourselves from long-standing inertia to enter a new historical era; we have begun to tap the latent potential of our nation, hidden throughout a millennium of recorded history."

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[1] By 1987, there were 32 chaebols, and by 1989, this number had increased to 40. The 30 largest conglomerates controlled 270 companies and contributed approximately 10 percent of South Korea's GNP in 1985.

That decade permanently reversed South Korea's trajectory-not through rhetoric but through hard labor, dedication, industrialization, and the successful application of science and technology. The latent potential of a nation, preserved over a thousand years of history, began to be realized as a precious resource.

Park transformed the power of the era into his own, permanently altering Korea's history for the better. The enduring patience (*innae*) of the Korean people-burdened by political and social systems, periodic invasions, wars, and the hardships imposed by rulers-was finally released, enabling them to actively remake their history. Under Park Chung Hee's leadership, the Korean people dismantled the entrenched stereotype of a "lazy" Korean nation and emerged as a "heroic" nation.

Park understood that time was short for South Korea to reach global prominence, with threats looming from North to South. U.S. policy in Asia offered no guarantee of long-term security for Korea; the nation had to rise and defend itself. If Korea remained weak, no one would protect it-a situation similar to Taiwan. Park emphasized:

"We must engrain in our hearts and minds the lesson that the international community will no longer extend sympathy or support to any nation lacking strong *chaju* (independence) and *charip* (economic self-reliance) … We must also renew our determination and will to uphold the spirit of self-reliant national defense by uniting government and people." (Park Chung Hee, 1971)

The tempestuous and driven industrialization was the best means to safeguard independence and prosperity-a path that Park successfully pursued throughout the 1960s and 1970s, laying a solid foundation for the continued miraculous development of South Korea.

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