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## REVIEW BY HYUNG-A KIM, THE AUSTRALIAN NATIONAL UNIVERSITY

In this timely and well-researched article, Peter Banseok Kwon examines how South Korea's defense industry was built from scratch by systematically utilizing *chaebŏl* (Korean family-owned conglomerates) as government contractors of what the author has characterized as "militarized industrialization" during the 1973-1979 period under the Park Chung Hee regime. Based on his analysis of the Park state's heavy and chemical industrialization (HCI) policies and other recently declassified presidential documents as well as other primary sources, such as many personal interviews and secondary sources, the author argues that the Korean model of militarized industrialization was primarily aimed at building South Korea's independent system of weapons production as a core national security measure, especially against external aggression from North Korea. In this process, the Park state with its slogan, "rich nation, strong military," not only mobilized *chaebŏl* as government contractors of weapons production, but also radically reshaped them to proactively rise as "dual-purpose production agents for both national defense and the nation's market economy" (68).

The author also argues that the Korean model of defense-centered industrialization must be treated as a "variant" example of a developmental state on the grounds that "the microeconomics of the Korean HCI was fundamentally different from development in other Asian developmental states...." (70). The author points out the different goals of the Korean state's tailoring of militarized rapid industrialization that was aimed at building the defense industry as a national security measure, in contrast to Taiwan and other newly industrialized countries (NICs) in the 1970s, as well as Japan, which prioritized economic goals in tailoring the country's industrialization. This approach is notable, especially for its delineation of the conceptual and infrastructural origins of the Park state's hyper-militarization of Korean industries which, as the author convincingly shows, ultimately reshaped the distinct course and character of South Korea's national development.

By analyzing local factors in the Park state's all-out industrialization process, especially through a compelling case study of Hanwha, a leading industrial conglomerate, this article contributes to the study of *chaebŏl*-centered economic and defense industrialization which, in spite of the huge literature on South Korean development during this era,<sup>2</sup> is notably scarce.

<sup>&</sup>lt;sup>1</sup> The Presidential documents are housed in the National Archives of Korea, Sŏngnam, Geonggido Province, South Korea.

<sup>&</sup>lt;sup>2</sup> Some major publication include: *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (Ithaca: Cornell University Press, 1987); Alice H. Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (New York: Oxford University Press, 1989); Eun Mee Kim, Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960-1990; (New York: State University of New York Press, 1997); Hyung-A Kim, *Korea's Development under Park Chung Hee: Rapid Industrialization, 1961-1979* (New York: RoutledgeCurzon, 2004); O Wŏnch'ŏl, *Han'gukhyŏng kyŏngje kŏnsŏl: Enjiniŏring ŏpŭroch'i*, vols. 1-7 (Seoul, Kia kyŏngje yŏn'guso, 1995, 1996, 1997, 1999); Kim Chung-yum, *From Despair to Hope: Economic Policymaking in Korea, 1945-1979* (Seoul: Korea Development Institute, 2011).

Indeed, Park's defense industry development that was embedded in South Korea's militarized industrialization has been arguably one of the most controversial and yet little-researched areas, at least until recently. This was largely due to the scarcity of indigenous data and relevant sources, not to mention the well-kept secrecy of information regarding the Park state's HCI program itself. In this respect, Kwon's focus on the HCIP (heavy and chemical industrialization plan), especially in terms of how it supported the state-led merger of chaebol, not only broadens the general understanding of South Korea's HCI-led defense industry development, but also illustrates in detail how *chaebŏl* proactively transformed their initial posture  $Page \mid 2$ from forced-draft to mutual cooperation as the Park state's competitive defense (HCI) contractors and as its "loval, risktaking, and proactive developers of a new industry" (55).

Kwon persuasively argues that the Park state's highly militaristic Law on Special Measures for the Procurement of Military Supplies (MPL) effectively guaranteed the Park state the full cooperation of chaebŏl to achieve their individual specific stateset quotas and quality standards at all costs in order to ensure their own survival and advancement. The fact that the MPL authorized state surveillance of all aspects of HCI defense factory operations itself made chaebŏl unconditionally discipline their business operations within the state's HCI policy. In return, chaebŏl as government contractors received extensive state aid for the development of weapons production with multiple privileges and rewards, both financial and technological, along with corporate prestige and a reputation as the state's 'patriotic' weapons manufacturer for national security. When they underperformed or mismanaged resources, however, the retributions were no less significant, including corporate bankruptcy and self-ruin in some cases, which every chaebŏl understood all too well through their experience since the Park state launched its first Five-Year Economic Development Plan (FYEDP) in 1962. In short, the Korean model of militarized industrialization in the 1970s was strictly interdependent between the state and chaebŏl while also being a performancebased nationalized project that was assumed on the parallel development of a self-reliant national economy and defense industry, especially for indigenizing weapons production within the HCI framework.

The second focus of the article illustrates the compelling trajectory of how Hanwha, as South Korea's first manufacturer of domestic explosives since 1955, rapidly grew into a leading industrial conglomerate. Through its participation in HCI projects with the state's unprecedented aid under the above noted militaristic Law on Special Measures for the Procurement of Military Supplies, Hanwha propelled South Korea's weapons production and economic growth along with other HCI chaebŏl. Hanwha also accelerated the diversification of its business into multiple sectors of manufacturing, construction, transportation, shipping, and finance, as well as fully expanding its petrochemical production. Kwon notes that the extraordinary business diversification by Hanwha was common among many other chaeböl, all of which adopted the Park state's chajo kukpang or self-reliant defense policy as their own "corporate mission" (3). In so doing, Hanwha, like other leading chaebŏl, including Samsung and Hyundai, strategically built its corporate image and identity so that it was embedded in a nationalist ethos and patriotism as the leading industrializers of South Korea.

Kwon's analysis of Hanwha's trajectory also illustrates how the conglomeration of chaeböl through the HCI weapons production program led to the "militarization of the work culture" (3) in South Korean society. What this meant in practice, especially in terms of chaebŏl-centered HCI defense industrialization, was that not just HCI chaebŏl but also their affiliated companies, whether large or medium, or even small subcontractors, operated under a militaristic managerial structure with a hierarchical order similar to that in the military. This operational structure determined the protocols of all interactions in accordance with the Park state's HCI policy in addition to the newly adopted militaristic customs and rules, which in effect created the Korean-style corporate culture focused on economic nationalism and corporate discipline. In this regard, the Park state's mass mobilization campaigns under the mantra of the Factory New Village Movement (FNVM)

<sup>&</sup>lt;sup>3</sup> Recent studies that address this topic, especially highlighting the role, identity, and agency of labor in South Korea's heavy and chemical industries include: Hwasook Nam, Building Ships, Building a Nation (Seattle: University of Washington Press, 2009); Hyung-A Kim, "Industrial Warriors: South Korea's First Generation of Industrial Workers in Post-Developmental Korea," Asian Studies Review 37:4 (2013): 577-595; Sang-young Rhyu and Seok-jin Lew, "Pohang Iron & Steel Company," in Byung-Kook Kim and Ezra F. Vogel, eds., The Park Chung Hee Era: The Transformation of South Korea (Cambridge: Harvard University Press, 2011); Hyung-A Kim, Korean Skilled Workers: Toward a Labor Aristocracy (Seattle: University of Washington Press, 2020.

during the 1970s, which were especially intended to build unity between businesses owners and employees, played a key role in indoctrinating Korea's militarized industrialization ideologically and materially.

This article is well-researched and thought-provoking, providing new information, as well as new insights that will help scholars in the various sectors of East Asian development, especially regarding the Korean case of the hyper-militarization of industries focused on HCI defense industrialization. It would have been even more instructive if the author had provided more discussion on just how Korean defense manufacturers, including Hanhwa and other *chaebŏls*, secured large numbers of skilled workers for their rapidly "developed 'octopus-like' reach across multiple sectors" (4), let alone training them for the mass-production for each sector, other than just noting that they did so "by investing to enlarge the supply of skilled workers" (67). After all, this massive supply and tailor-made systematic training of skilled workers, which reached across multiple sectors, especially heavy and chemical industries, brought about South Korea's controversial and yet triumphant industrial revolution during the 1970s. Despite this minor criticism, this article will make excellent reading for both undergraduate and graduate courses on modern Korean development because of its unconventional research focus on *chaebŏl*-centered economic and defense industrialization, its deconstructing of the conventionally prevalent "developmental state" model by highlighting the indigenous Korean context, its use of sources, and its new interpretations focused on local and indigenous perspectives.

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