

Open Lecture

Different Roads, Same Destiny: Economic Discourses in the 1950's in South Korea

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In the 1950's, the consensus on the economic development plan was formed because of three reasons; (1) liberation from Japan in 1945, (2) devastation from the Korean War, and (3) sudden reduction of U.S. grants since 1958.

Almost all of Koreans, especially intellectuals felt that economic plans should be needed in order to overcome economic crisis and to achieve economic growth rapidly. Opinions of Intellectuals in the 1950's were divided into three categories; (1) civilian-led plan, (2) state-led (or guided capitalism) plan, and (3) social democratic plan. They all have commonalities, despite of their different economic strategies such as foreign capital, ownership of major industries, unification matter, etc. They all agreed with the necessity of state intervention within economic system and economic development plan, and the importance of agriculture and balanced growth. These all were contained in each economic plan since the late 1950's, especially that of the junta in 1962.

Changes in U.S. policy toward South Korea played another important role. Different from the Eisenhower Administration, the Kennedy Administration stressed the economic development plan in the underdeveloped countries. American policy makers

regarded that as a preliminary condition for U.S. economic assistance. The U.S. compelled the recipient countries not only to design and to carry out economic plans, but also to adopt economic strategies that American bureaucrats wanted. Often the spread of Rostovianism that was the most important theoretical basis of U.S. new foreign policy regarding underdeveloped countries, was another key factor to form consensus on the plan in South Korea. Rostow's take-off theory was popularized among common people as well as intellectuals throughout the 1960's and the 1970's.

In spite of the conflicts between two factors, they played important roles to let Korean people have a confidence to achieve economic growth, and to let Korean government mobilize its own national resources.