

When talking about development in East Asia, the country that I am interested in for a while would be South Korea. The first thing that made me interested in the development of South Korea are the fastest and largest poverty reductions in human history from 66.9 percent in 1961 to 11.2 percent in 1979 by the policies that Park Chung Hee implemented. It seems like South Korea could make rapid economic development growth, unlike China and Japan that have a long history of development till they are a part of the developed world. Also, there are many times that South Korea created incredible economic growth. This essay, then, would talk about the development of South Korea along the time since after World War II.

After the war, South Korea still need to faced many difficulties such as seven political revolutions: the students' revolution in 1960 that overthrew Syngman Rhee's government; the military coup d'etat in 1961; the Yushin Reformation in 1972; the establishment of the Fifth Republic in 1980; the formation of the Sixth Republic in 1987; and the founding of a democratically elected government which make the unsteady in people's mind especially business investors. Furthermore, whether they tried so hard to improve the economy by industrialization, there are many cruel shortages of electricity and manufacturing facilities have been destroyed which make many industries unable to construct and make the reduction in production level about 27 percent compared to production level in 1940.

For government expenditure, 47 percent of total government spending in 1954 for defense spending because of the political and military tensions between North and South Korea. Thus, South Korea needs to continue to bear this high amount of burden. These created the difficulty for resource allocation to the investment and economic development given the limited amount of resources. Moreover, the national defense needs not only the funds, but also the labor force of civilian workers. So, the labor force of industry also got affected and industrialization could not fully process.

After all difficulties, the economy in South Korea finally was able to recover and move forward to develop. Since the industrial production level recovered to the prewar level in 1960, the military government seized power through the military coup d'etat in 1961 leading by Park Chung Hee which he was elected president of South Korea in 1963, aimed at economic growth changing the agricultural economy to industrialized economy, known as the Miracle on the Han River.

One of the industrialisation policies under the government of President Park Chung Hee is the development of Chaebol, selected for industrial organization by the scale of business which could be categorised by the financial policy accruing to a small number of large firms, similar to the Zaibatsu in Japan, in which the state would support the big family companies. On the other hand, these lead to the expeditious industry expansion together with the domination by the large firms, enabling them to dominate the domestic market. And they were to be guaranteed loans from the financial sector as they play a huge role to make South Korea a developed country which means they have more privilege than others for almost monopolizing the best bank loans with longer maturities and higher interest subsidies.

Moreover, there are extensive sacrifices by the working class as they normally worked over time because the government implemented the free work period, for about twelve hours per day, and did not recognise a minimum wage or weekly leave. Likewise, the prohibition of trade unions and industrial action. These make the criticism that those Chaebol holding the power exceed legal authority for many things such as their small dividend payouts and favor of controlling shareholders.

And the result came out better than expected five-year economic-growth plans from annual GDP growth targeted at 7.1 percent, but reached 8.5 percent on average during 1962 to 1966 and average annual economic growth at 9.7 percent along the period which was about 2.7 percent more than the

expected. Also, we could see a rise in productivity of more than 5 percent per year during this period from the increase in employment for about 3 percent. We could see the rapid economic growth initiated during 1962 to 1964, which could indicate the economic turning point in South Korea.

Furthermore, this is the period when South Korea started to expand the world market to attract foreign capital. They joined the General Agreement on Tariffs and Trade before change in the industrial structure to show that they were able to resist in the world competition. Nevertheless, not all industries rise equally; there are many report which fall apart the increase in each sector and we could see that total export for sector such as manufactured goods chiefly classified by materials and miscellaneous manufactured articles, mostly of labor intensive goods, rapidly rises since 1962 from about 10 percent to 70 percent in 1968. On the other hand, the industries such as chemicals and machinery and transport equipment, mostly capital intensive goods, did not get any high percentage of increase in export. To be specific, we could indicate that the labor-intensive manufacturers are the one who lead the expansion of South Korea exports in the 1960s.

Whether economic development in South Korea from 1960 to 1971 reached outstanding growth levels which make them in the ranks of the world's fastest growing economies, the economic development during 1981 to 1988, witnessed historically high levels of growth rate of GDP, also the one that created the huge dynamic to South Korea till present because of there big event that all over country spend many year to prepare to happen in 1988 which is Olympic Games. One of the incredible things that happened to South Korea is compared to the time that Japan hosted the Olympic Games in 1964, South Korea gained a higher level of per capita GDP, showing great success for being Asia's next economic giant.

Moreover, there was the explosion of export flow from Plaza Accord in September 1986, the agreement to drive the US dollar lower for five major economies which created the depreciation of US dollar compared to Korean won and make the export from South Korea be more attractive for the global market, doubled between 1985 and 1988. Spiraling upwards South Korea to ranks of the world's top 12 trading nations.

In 1988, we could see the important role of Chaebol for the second time in South Korea politics by one of the members of the Chaebol family which is the president of Hyundai Heavy Industries, Chung Mong Joon; he succeeded in running the National Assembly of South Korea. Thus, other members of Chaebol are also designated to be members of the National Assembly through proportional representation.

Later after the Olympic Games in 1988, however, the economic growth rate decreased to 6.7 percent in 1989, then continuously fell to 5.2 percent and 5.8 percent in 1992 and 1993 respectively, like the hit back from the rapid economic growth throughout the late 1980s, making a demand for a change in the country's politics and society. There were anti-government protests by South Korea's middle class in June 1987.

To sum up, after the World War II period, the economic development movement of South Korea was implemented by the military government led by Park Chung Hee which launched policy for industrial organization by the development of Chaebol which generated the extraordinary economic growth result more than expected. But Chaebol had many criticisms of dominating the domestic market and the privilege over other firms in business that did not get the support from the government like those Chaebol. Moreover, there is the normalization of the lessen working class people welfare.

For the Olympic Games in 1988, we could see the united action and spirit of all people in South Korea to prepare the country to host the Olympic Games for several years before 1988. Therefore, they make another remarkable economic growth over the country that used to create more impact to the world than South Korea in the past. For example, Japan. Although, there was the hit back after 1988 which led to dissatisfaction of people in the country and demand for change in politics and society.

South Korea had many economic development periods and they could process rapid and successful economic growth that had been the world record almost every time. This essay may talk about only the period that I impressed and interested which is the after World War II period and Olympic Games period, but not only the period that I mentioned in this essay is being the good situation to study, but also other periods till present that are still being the one of Asian tigers that we could see the high economic growth rate which we could speculate that it is because of their people behavior and norm to respect the country together with make an effort to make the country being better for the future of everyone in South Korea.

Appendix

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