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Introduction

South Korea's rapid economic transformation from a war-torn, impoverished nation in the 1950s to a global industrial powerhouse by the late 20th century remains one of the most remarkable cases of development in modern history. This thesis examines the historical, political, and economic factors that drove South Korea's unprecedented growth, focusing on the critical period from the post-Korean War era to the late 1970s under the leadership of Park Chung Hee. By analyzing the interplay between authoritarian governance, state-led industrialization, and geopolitical constraints, this study seeks to provide a comprehensive understanding of how South Korea achieved its "Miracle on the Han River."

The dissertation is structured into three main sections. The first chapter explores the historical and political context of South Korea's economic growth, beginning with the turbulent post-war years under Rhee Syngman, the brief democratic experiment of the Second Republic, and the eventual rise of Park Chung Hee through a military coup in 1961. It also examines key ideological debates of the time, including the push for national autonomy and the search for a distinct Korean development model.

The second chapter delves into the underlying causes of South Korea's rapid industrialization, emphasizing Park Chung Hee's economic policies. It investigates the role of state-led initiatives such as the Five-Year Plans, the development of the *chaebol* conglomerates, and the strategic use of U.S. aid. Additionally, it assesses the impact of national mobilization efforts, including the Saemaul Undong (New Village Movement), the Heavy and Chemical Industrialization (HCI) drive, and the pivotal role of POSCO in steel production. The chapter also discusses Park's dual pursuit of economic and military self-reliance, culminating in secret nuclear ambitions and defense industrialization.

The final chapter evaluates competing perspectives on South Korea's economic success, contrasting the argument that authoritarian efficiency was crucial with the role of democratic reforms in sustaining growth. It also addresses emerging challenges, including structural economic problems and the transition to democracy in the 1980s and 1990s.

By synthesizing historical records, economic analyses, and political theories, this thesis aims to contribute to the ongoing debate on development models, offering insights into the complex legacy of Park Chung Hee's regime and the broader implications for state-led industrialization in post-colonial societies. Ultimately, it seeks to answer whether South Korea's economic miracle was an inevitable outcome of strategic policymaking or a precarious achievement built on repression and external dependencies

Chapter 1: The Historical and Political Context of South Korea's Economic Growth

1.1. South Korea in the Post War Era (1953-1961)

1.1.1. Rhee Syngman's Rise

Rhee Syngman, a key political figure since the colonial era, became South Korea's first president on August 15, 1948. His anti-Communist stance was a flawed adaptation of American democracy, shaped by U.S. military governance (1945–1948), which kept South Korea under American influence. While Rhee aimed for independent leadership rooted in East Asian traditions, his government remained controlled by conservative elites, including former landlords and “liberation aristocrats”¹ from the Japanese era.²

The Korean Democratic Party (KDP), formed in 1945, played a crucial role in Rhee's rise, boasting influential figures like Kim Songsu and Cho Pyongok. However, once in power, Rhee sidelined the KDP, despite its significant National Assembly presence. In 1952, amid the Korean War, he founded the Liberal Party, cementing his authoritarian rule. By the late 1950s, the opposition was weak. Even the Democratic Party, formed in 1955 from former KDP members, failed to challenge him.³ Rhee suppressed dissent, as seen in the execution of Progressive Party leader Cho Pongam in 1959, eliminating a key rival ahead of the 1960 election.⁴

It is relevant to note that Rhee's governance mirrored Confucian hierarchy, with officials expected to serve him unconditionally. Political pluralism was foreign to the South Korean culture, which reinforced his dominance. However, both domestic and international criticism grew. A 1960 report by Conlon Associates, titled “United States Foreign Policy – Asia”, described South Korea as a “one-and-a-half party system” rather than a genuine two-party democracy, highlighting the lack of political competition. Park Chung Hee later cited this report to justify his own military coup.⁵

1.1.2. After the War

Following the Korean War, South Korean society was largely concentrated on family and local concerns rather than political activism. This focus prevented the emergence of robust political movements capable of directly challenging Rhee Syngman's government. While widespread opposition from the general public remained weak due to competing priorities, discontent within the National Assembly gradually grew against Rhee, the country's first president. Various factors contributed to this political stagnation, including the war's exhausting aftermath, the population's struggle for daily survival, Rhee's established reputation, the strong sense of national unity shaped by anti-Communist sentiments, and the government's suppression of political dissent. In the 1950s, South Korean society was characterized by two distinct social structures. Rural areas, where most of the population resided, were dominated by traditional family and clan-based systems with limited exposure to external influences. In contrast, urban centers were shaped by institutions influenced by both Western and Japanese

¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 42.

² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 41-42.

³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 42.

⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 46.

⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 43.

models. This divide underscored the differences in political awareness and engagement between rural and urban communities.⁶

By May 1954, Rhee's political faction, the Liberal Party, had secured dominance over the National Assembly through electoral manipulation, police repression, and restrictive voting laws. The opposition, particularly the Democratic Nationalist Party (DNP), found itself weakened, as independent lawmakers were easily swayed by the ruling party through political incentives. These tactics allowed Rhee to amend the constitution and extend his presidency, leaving the opposition demoralized. The following year, anti-Rhee factions united to form the Democratic Party, leading to the eventual dissolution of the DNP. However, internal divisions weakened the cohesion of this new political force.⁷

Despite these challenges, South Korea's postwar recovery brought significant social changes. Expanding access to education and exposure to urban culture fostered greater political awareness, gradually eroding the foundations of Rhee's authoritarian rule. This growing political sophistication became evident during the 1956 presidential election. Although Rhee secured another victory, his support had noticeably declined, signaling a shift in public sentiment. Further highlighting this change, the opposition managed to win the vice-presidential seat. Ultimately, the central issue of Rhee's presidency, and a key argument of this thesis, was his failure to effectively address economic and social challenges. His increasing focus on consolidating political power, often through corruption and authoritarian measures, strained national resources and hindered meaningful progress.⁸

Rhee initially gained recognition for his liberal ideals, but as time passed, he became increasingly conservative and authoritarian. Despite his advanced age and limited ability to tackle crucial postwar recovery issues, he managed to lay some groundwork for future economic growth. His administration introduced land reforms and promoted development in bureaucracy and education. Indeed, one of his key contributions was establishing the Economic Development Council, which later played a crucial role in enabling President Park Chung Hee's industrialization efforts. However, Rhee's failure to implement effective economic programs, combined with authoritarian rule and widespread corruption, hindered South Korea's rapid economic progress. As a result, his administration left the country heavily reliant on foreign aid while also stalling democratic development due to political corruption and the suppression of civil rights.⁹

It is important to highlight that South Korea faced significant challenges in rebuilding its industrial base after the devastation of the war. While a basic recovery was achieved by 1958, the country required much more to sustain long-term growth. President Rhee, for various reasons previously mentioned, was unable to significantly improve South Korea's economic situation. However, his role in shaping the nation's early development remained substantial.¹⁰

In the May 1958 elections, the Democratic Party decided to push for a two-party system which increased political repression, while the Liberal Party's support for Rhee's presidency wore down even with the use of electoral manipulation. As a result, due to the increasing instability of Rhee's government, which was constantly relying on fraudulent ways to maintain control, it was clear that Rhee's administration had to come to an end. This was possible only thanks to

⁶ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 102.

⁷ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 103.

⁸ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 103.

⁹ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 105.

¹⁰ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 106.

the rebellions and mass protests, since the opposition was not able to overthrow the regime through institutional means. In April 1960, Rhee finally resigns from his position due to the popular discontent and his health status. He leaves the country and flees into exile in Hawaii, while his appointed right-hand man Yi Ki-bung was faced with growing discontent, which was reflected in student-led demonstrations that had nationwide impact, namely the April Revolution.¹¹

1.1.3. The April Revolution and Public Discontent

In 1960 April 19th, the April Revolution exposed the failure of Rhee's government, fueled by frustration over corruption and elite privilege. Intellectuals like Chang Chunha saw it as an uprising for political and economic freedom. However, despite Rhee's ousting, power remained with the conservative elite under Prime Minister Chang Myon's ineffective administration. This instability paved the way for Park Chung Hee's 1961 military coup, which redirected nationalist sentiment toward a new vision for national development.¹²

The April Revolution, also known as *sa-il-gu* (4.19), was a major student-led uprising that peaked on April 19, 1960. Around 20,000 university and high school students, along with concerned citizens, marched toward the presidential residence, *Kyongmudae* (the Blue House), calling for the removal of corrupt politicians and demanding a new election. The protests erupted due to two main issues: the widespread electoral fraud in the March 15 presidential election and the shocking discovery of the body of 16-year-old high school student Kim Chuyol. It was alleged that Kim had been killed during a demonstration in Masan, South Kyongsang Province, and that the police had disposed of his body in the bay.¹³

Public anger escalated and reachreached a critical point on April 18 when Korea University students, engaged in peaceful demonstrations, were violently attacked by the Anti-Communist Youth Corps, a group linked to political factions. The following day, over 100,000 people joined the protests, only to be met with police gunfire. The brutal crackdown resulted in approximately 130 deaths and over 1,000 injuries. The violence shocked the nation and drew international criticism, particularly from the United States, which expressed concern over the government's repressive actions.¹⁴

It was by April 22 that influential citizens had begun openly calling for President Syngman Rhee to step down. This movement gained further traction when 300 university professors took to the streets of Seoul and gathered in front of the National Assembly to demand his resignation. The United States formally urged Rhee to relinquish power, further pressuring his administration. Amidst mounting protests, Lieutenant-General Song Yoch'an, the commander of martial law, issued orders preventing his troops from opening fire on demonstrators. Finally, on April 26, 1960, Rhee resigned, transferring authority to Foreign Minister Ho Chong, marking the end of his rule.¹⁵

According to the political analyst Sin Sangch'o there were four main goals of the April Student Revolution: firstly, the removal of President Syngman Rhee, secondly, the dismantling of his political network, thirdly, the establishment of a new economic system, lastly, the restructuring

¹¹ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 104.

¹² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 41.

¹³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 41.

¹⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 41.

¹⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 41.

of the societal framework that had enabled authoritarian rule. However, only the first objective—Rhee’s resignation—was fully accomplished.¹⁶

1.1.4. The Second Republic: The Interim and Chang Myon Governments

Ho Chong was Rhee’s trusted associate, who was appointed as prime minister and acting president. Ho was unassociated with the previous government’s misconduct and formed an interim administration composed of impartial and respected figures. The Interim Government, led by Ho Chong, faced significant limitations in implementing revolutionary changes. First, Ho Chong had longstanding ties to Rhee and the former ruling Liberal Party, making him hesitant to push for radical reforms. What his administration managed to implement a new constitution on June 15, 1960, that reshaped South Korea’s political framework. It created a bicameral National Assembly, reinstated a cabinet system, and limited presidential power by changing the election method from a direct popular vote to selection by the National Assembly. In the July 29 elections, the Democratic Party secured 175 out of 233 seats in the lower house. On July 29, Yun Poson was elected as a largely symbolic president with limited authority, while real political power was concentrated in the hands of Prime Minister Chang Myon and the State Council. This transition was based on the assumption that South Korea was ready to adopt a Western-style liberal democracy or, at the very least, establish a functioning democratic political framework. However, when Chang Myon was appointed prime minister, Yun’s faction split from the party, ultimately weakening its political strength.¹⁷

Despite his promising start, Chang Myon’s government quickly became embroiled in internal conflicts. The government struggled to address the public’s needs for national defense, law and order, and economic growth emerged. Corruption persisted, and the absence of Rhee’s national police led to rising disorder, especially in cities. His own Democratic Party was deeply divided between rival factions, and Chang’s victory in securing the prime ministership came with a narrow margin of just three votes. As a result, the administration lacked unity and the ability to exercise strong leadership. The media criticized the National Assembly, portraying it as an institution devoid of ideological coherence, integrity, or competence. Chang Myon recognized the challenges ahead and sought to introduce long-term economic planning while also promoting political decentralization. However, his efforts were undermined by the party’s infighting and failure to exercise its full revolutionary potential. Critic, Sin Sangch’o, argued that if the Democratic Party had been more united and assertive, it could have harnessed public support and fulfilled the aspirations of the April Revolution. Public demonstrations became a sign of the new democracy challenging the government’s authority, and they started to grow increasingly extreme. This situation set the stage for a military coup on May 16, 1961. The coup was led by Park Chung Hee, which guided a group of junior officers into overthrowing the government and dissolving the National Assembly, establishing a military junta and marking the beginning of the Third Republic.

In addition to political instability, South Korea’s economy was in crisis. Inflation surged, with rice, coal, and oil prices rising within just four months, from December 1960 to April 1961. Industrial production declined, while crime rates doubled and felony arrests dropped significantly. Unemployment remained alarmingly high, rising slightly in 1960. At the time of the April Revolution, approximately 2.5 million people were unemployed, while another two million in rural areas struggled with underemployment. The agricultural sector was in dire straits, with over a million farming households facing food shortages in early 1960.

¹⁶ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 41.

¹⁷ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 106.

Additionally, more than nine million children regularly went without lunch, underscoring the severity of the economic hardship.¹⁸

This cycle of poverty and instability was worsened by a declining public morale, fueled by the government's failure to take decisive measures. The public expected a swift and thorough purge of individuals and groups implicated in Rhee's electoral fraud, illicit profiteering, and high-level corruption. However, the Chang Myon administration compromised on this front, revising and diluting the list of officials targeted for investigation. High-ranking military officers and influential business figures were often spared, leading to widespread frustration.¹⁹

The newly opened political environment fostered vigorous debates between radical and conservative factions. Radical students, instrumental in Syngman Rhee's downfall, pushed for broader reforms, including social justice and reunification with the North. In contrast, conservatives prioritized traditional values, anti-Communism, and alignment with the U.S., favoring the status quo.²⁰

Amid this dynamic landscape, the Democratic Party struggled to adapt. Deeply rooted in the past, it fractured after Rhee's fall, with internal rivalries resurfacing. It failed to connect with emerging political forces—students, intellectuals, labor groups, and the military—and its leadership was not well-equipped to navigate the evolving political system.²¹

Prime Minister Chang Myon faced additional constraints, balancing internal party divisions while relying on support from former Rhee officials in the military and bureaucracy. This limited his ability to tackle corruption or engage effectively with the largely leaderless student movement, which had limited popular support. Economic difficulties further worsened the situation, as political instability hindered coherent development plans.²²

Therefore, several factors contributed to the collapse of the Second Republic, such as the lack of established political traditions, which was typical of mature democracies, or the heavy reliance on the constitution and the effectiveness of the political parties and leaders. In fact, the framers of the constitution were wary of Rhee's autocratic rule, hence they created a weak executive, but the strengthened legislature proved to be ineffective in practice. This resulted in a legislature that was unable to govern effectively, with members driven by personal interests and prone to corruption.²³

Ham Sokhon, a prominent writer and Quaker, also expressed his disillusionment by writing a scathing critique of the government's inefficiency, linking its failure to remove corrupt politicians to a scenario where captured "rats" had either escaped or were deliberately released. He questioned whether the administration's reluctance to act stemmed from weakness or self-interest, comparing the government to an aging or overfed cat incapable of catching its prey. His frustration reflected broader public sentiment—the growing perception that political leaders were unwilling or unable to carry out necessary reforms. He even criticised both the Interim Government and the subsequent Chang Myon administration for their failure to implement meaningful reforms. He argued that these governments were too weak to take decisive action against corrupt politicians, instead prioritizing political maneuvering and

¹⁸ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 107.

¹⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 46.

²⁰ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 109.

²¹ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 107-108.

²² Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 108.

²³ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p.107.

factional interests. Similarly, Sin Sangch'o observed that merely shifting leadership from the Liberal Party to the Democratic Party did little to address deeper systemic issues.²⁴

The contrast between the people's demand for radical change and the government's inaction fueled further unrest. This failure to deliver meaningful reform left many South Koreans, particularly urban citizens and students, increasingly disillusioned with democratic leadership. In less than nine months, this widespread dissatisfaction created an environment in which Park Chung Hee's military coup was met with little resistance. As historian James B. Palais noted, the coup was accepted by much of the public "with hardly a murmur," highlighting the deep frustration with the existing political system and the readiness for a new form of leadership.²⁵

Despite this turmoil, the Second Republic contributed to important changes in Korean society, such as the end of colonial-era elite domination, a more future-focused intellectual and political atmosphere. Although its government struggled, the period was marked by a greater commitment to the principles of political freedom and resistance to repression, laying the foundation for future democratic movements.²⁶

1.1.5. Progressive Reformist Movements

In the period leading up to 1961, one of the most contentious socio-political debates centered on the campaign for the peaceful reunification of North and South Korea. Progressive reformists, alongside non-political groups such as university students, took advantage of the relatively open political climate under the Chang Myon government to revive this issue. Although the push for peaceful unification had been suppressed with the 1959 execution of Cho Pongam, leader of the Progressive Party, discussions surrounding the idea resurfaced during the national elections of July 1960. The ruling Democratic Party, along with left-leaning parties like the Socialist Mass Party, the Socialist Reform Party, and the Korea Socialist Party, actively promoted unification as an alternative to the existing anti-Communist policies.²⁷

A key feature of these so-called progressive political forces was their ideological diversity. As some observers noted, these groups did not necessarily share a unified political vision. For instance, members of the Socialist People's Party included former affiliates of the Progressive Party, while the Korea Socialist Party comprised individuals who had previously been part of right-wing labor movements. In essence, progressive reformists represented various political factions that had been sidelined under the authoritarian rule of Syngman Rhee.²⁸

While political reformists debated Korea's future, university students became even more vocal in their calls for reunification. Several universities across the country established organizations dedicated to studying national unification. One of the most prominent was the League of National Unification (*Minjok Tongil Yeonmaeng*, or *Mintongyon*), founded by students from Seoul National University on November 1, 1960. In the following months, more than a dozen universities created their own Societies for the Study of National Unification, and by early 1961, over twenty high schools had followed suit.²⁹

²⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 44.

²⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 46.

²⁶ Buzo, A. (2002). *The making of modern Korea*. <http://ci.nii.ac.jp/ncid/BA56554361>, p. 110.

²⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 46.

²⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 47.

²⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 47.

As the reunification movement gained momentum, concerns grew among conservative politicians, intellectuals, business leaders, and military officials. Many feared that the widespread rejection of anti-Communist ideology was undermining national stability. The emergence of left-leaning media, such as the *Minjok Ilbo* (National Daily), which began publication in February 1961, further fueled these anxieties. The situation escalated when, on May 3, 1961, members of the *Mintongyon* from Seoul National University openly called for a student summit between North and South Korea where they issued a direct appeal to their northern counterparts.³⁰

The social unrest intensified further on May 13, when over 10,000 students and citizens staged a public demonstration, chanting “Old Generation, Get Out!” while calling for unification. While South Korea faced a range of economic and social issues at the time, many citizens were unprepared for the upheaval that came with greater political freedom, particularly as progressive reformist groups continued to push controversial reunification campaigns.³¹

The climate of uncertainty and unrest paved the way for the military coup that followed shortly afterward. Given the prevailing social turmoil, it is not surprising that Park Chung Hee and his coup leaders gained widespread support, particularly among conservatives. Within just three days of seizing power, the new military regime presented their coup as an act of “patriotism” aimed at saving the nation from crisis.³²

1.1.6. The Push for National Autonomy

During this time period, a growing movement advocating for *chuch’esong*—political and economic independence—emerged in South Korea, driven by increasing frustration over the nation's reliance on the United States. Many urban intellectuals and educated citizens criticized Korea’s foreign policy, particularly the ROK–U.S. Status of Forces Agreement, which was seen as failing to prevent crimes committed by U.S. soldiers in Korea. Beyond security concerns, critics argued that the agreement undermined Korea’s sovereignty by limiting the government’s ability to govern without American oversight.³³

In the May 1961 edition of *Sasanggye*, a letter from a first-year Korea University student reflected these concerns, stating:

“Korea’s foreign policy is a ‘Yes, Sir’ policy... Even though the country is no longer at war, U.S. soldiers stationed here act with impunity, cutting the hair of Korean women at will and even killing innocent civilians. Yet, our government has no authority to hold them accountable or even express its discontent. Under such conditions, how can Korea claim to be an independent nation and not a mere dependency of the United States?”

Beyond security and sovereignty concerns, South Koreans were also critical of how U.S. economic aid was managed. Some economic analysts argued that American assistance was not designed to foster long-term self-sufficiency in Korea but instead served America’s own interests. One technical expert described U.S. aid as unilateral, coercive, and structured to benefit American business interests rather than Korea’s development. Another economic observer (Im Wont’aek 1960: 78) claimed that while U.S. assistance helped lay the foundation for the Korean economy, it ultimately created a system of “dependent state monopoly

³⁰ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 47.

³¹ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 47.

³² Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 48.

³³ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 49.

capitalism” (*chongsokchok kukka tokchom chabonjuui*). This term later became a rallying cry for democracy activists and university students who opposed Park Chung Hee’s state-controlled economic policies during the 1970s.³⁴

By late 1960, intellectuals had begun openly challenging U.S. aid policies, reinforcing the anti-American sentiment that was spreading among the general public. *Sasanggye* dedicated extensive coverage to this issue in its November 1960 and March 1961 editions, with economic analysts Pu Wanhyok and Cho Tongp’il questioning whether Korea was truly autonomous or merely a dependent state. Cho asserted that American aid had failed to create the conditions necessary for economic independence, instead deepening Korea’s reliance on the U.S. economy, suggesting that, given this trend, many Koreans would likely view the latest economic aid agreement between the two nations as another means of reinforcing their country’s dependency. According to Cho, unless South Korea restructured how it accepted and utilized U.S. aid, it would remain economically subservient as Latin American and Southeast Asian nations, arguing that U.S. aid policies in these regions had prioritized American geopolitical interests over the economic well-being of recipient countries. By March 1961, widespread dissatisfaction with U.S. economic policies had fueled a surge in nationalist and anti-American sentiment, with many South Koreans calling for greater self-sufficiency.³⁵

While anti-American sentiment became a more visible social movement following the April Student Revolution, historical grievances toward U.S. involvement in Korea had existed long before. Just a month after the revolution, Professor Cho Sunung of Seoul National University attributed Korea’s division to global power politics, asserting that the country had little control over the outcome. He argued that, as a dominant force in world affairs after World War II, the United States had the ability to influence Korea’s future. In his view, if American leaders had given greater consideration to Korea’s long-term interests, they might have formulated a more decisive policy to counter Soviet diplomatic maneuvers. Also, he argued that Korea had suffered due to short-sighted American foreign policy, particularly under President Harry Truman, whose military-driven approach prioritized immediate strategic victories over long-term stability. He specifically pointed to the U.S. proposal of the 38th parallel division, calling it a “major blunder” that laid the groundwork for Korea’s ongoing crisis.³⁶

This growing wave of intellectual criticism directly influenced South Korea’s leadership. The Chang Myon administration and the ruling Democratic Party adopted many of these arguments, leading to a significant resolution passed by the National Assembly on April 18, 1961, which called for:

1. Long-term economic planning by both the U.S. and South Korea to achieve economic self-sufficiency and higher living standards,
2. Recognition of Korea’s sovereignty in managing U.S. economic aid, while still considering American recommendations,
3. A national austerity campaign focused on revitalizing rural areas and key industries, with U.S. support.³⁷

This resolution was particularly significant as it laid the foundation for South Korea’s five-year economic development plans. However, it did not reach the U.S. Embassy until three days after

³⁴ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 50.

³⁵ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 50.

³⁶ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 51.

³⁷ Kim, H. (2004). *Korea’s development under Park Chung Hee*. Routledge, p. 52.

Park Chung Hee's military coup in May 1961. By then, Park and his military government had already incorporated its core ideas into their own policy agenda, using it to justify their economic reforms and state-led industrialization efforts.³⁸

1.2. Debates from this Time

1.2.1. The Call for a People's Revolution

Ham Sokhon called for a people-led revolution to rebuild Korea by transforming its national character. He argued that Korea's struggles stemmed from deep-seated weaknesses in its collective mindset and that true change had to begin within the people. His ideas were first published in *Sasanggye* (1961) and expanded in his essay *How Do We Build a New Nation?*³⁹

Ham criticized the Chang Myon administration's National Land Construction Movement and instead advocated for a "revolution of the national spirit"—a bloodless transformation requiring Koreans to abandon factionalism, reliance on foreign powers, fatalism, and complacency while fostering self-reliance, unity, and confidence. He believed that ordinary citizens and intellectuals had to take an active role in national development, and that reshaping Korea's social structure was essential for real progress.⁴⁰

His vision was guided by two principles:

1. "If you try, it will happen" (*hamyon pandusi toenda*), emphasizing determination in nation-building.
2. "Focus only on the will of the people" (*minjung ui kasumman pogo kara*), prioritizing the needs of the masses.⁴¹

These ideas influenced student activism for democracy and human rights as well as state-led economic development under Park Chung Hee. Though Ham opposed Park, the latter repurposed Ham's rhetoric to justify top-down government reforms, presenting them as grassroots-driven while imposing them from above.⁴²

1.2.2. The Search for a Korean Ideology

Intellectual circles were debating the idea of national self-determination, also known as *minjokchok chuch'esong* or *minjokchok chajusong*, extensively by October 1960. These phrases described Korea's efforts to establish a unique national philosophy, an ethical code, and a social structure free from outside interference. Under the title "Philosophy Exists Within Daily Life" (*Ch'olhak un saenghwal sog e itta*), Professor Pak Chonghong was interviewed by *Sasanggye*. The interview centered on the necessity for Korea to adopt a new worldview, value system, ethical standards, and behavioral norms that are all based on national autonomy (*chuch'esong*).⁴³

³⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 52.

³⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 52.

⁴⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 53.

⁴¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 53.

⁴² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 53-54.

⁴³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 54.

Pak went on to discuss the notion that any country needs an ideology to bring its citizens together. He maintained that for a national ideology to influence people's behaviour and course in life, it must be firmly established in their hearts and minds. According to him, genuine ideology "must be defined by ourselves, not by outside forces, and must arise from within our own thought." Ideology can only become something we fight for, live by, and, if needed, freely sacrifice for when it originates from inside.⁴⁴

As a result, the phrases *minjok chuch'esong* and *han'gukchok chuch'esong* evolved to mean "our own ideology," expressing a distinctively Korean viewpoint that prioritized: patriotism, hard labor, and inventiveness; national autonomy; and resistance to foreign influence and dependency. This new national ideology was increasingly based on references to Korea's historical and cultural heritage. But the concept of *chuch'e* (self-reliance) needs special consideration, particularly in view of North Korea's official state philosophy being *Juch'e sasang* (Juche Ideology) after the Communist Party's Fourth Congress in September 1961.⁴⁵

There is no concrete proof that Kim Il Sung's Juche doctrine had an impact on South Korean academics at the time. They probably knew, though, that North Korea used the name *minjok chuch'esong*, which originated in the anti-colonial movements of the 1920s in Korea that resisted foreign dominance. Park Chung Hee, on the other hand, was probably familiar with comparable ideas from Japan's *shutai* and *shutaiteki* philosophies, which placed an emphasis on independence and self-reliance, having received his education under Japanese authority.⁴⁶

Later, Park used Pak Chonghong's interpretation of *chuch'esong* as the official rationale for his administration's nationalist economic program, incorporating it into his economic policies. When Pak Chonghong wrote the National Charter of Education in 1968, formally stating Park's leadership philosophies and the intellectual underpinnings of his state-led growth approach, this link was further strengthened.⁴⁷

1.2.3. Agenda for National Reconstruction

Sasanggye was published and edited by Chang Chunha, a liberal and nationalist thinker who lived from 1953 to 1967. In his editorial "*Hard Work is the Only Means for Survival*," published in February 1961, he made the case that Korea required a system of productive labour as well as a new ethical framework founded on realism, diligence, stability, thrift, and trust. He thought that a strong, capable administration with a long-term vision was necessary for strategic leadership in order to achieve economic success.⁴⁸

Chang and other thinkers, like Kim Sanghyop, Sin Sangch'o, and Han T'aeyon, promoted a "guided democracy" with a strong leader and connected liberal democracy to national regeneration. To bring the country together, many demanded a "young and revolutionary leader." By releasing Arthur Schlesinger Jr.'s essay on heroic leadership, *Sasanggye* strengthened this notion. He blamed the following causes of national instability: Firstly, foreign power subordination, as Korea's lengthy history of foreign domination, including Chinese influence, Japanese colonial control, and American-led liberation, undermined national confidence; secondly, the loss of cultural identity, as many Koreans adopted foreign influences

⁴⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 54.

⁴⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 54-55.

⁴⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 55.

⁴⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 55.

⁴⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 55.

because they thought their own traditions were inferior; thirdly, economic dependence, referring to the submissive mentality strengthened by a poor economy.⁴⁹

According to sociologist Yi Man'gap, Korea's poor self-esteem stemmed from its Confucian feudal past, which encouraged flunkeyism—a propensity to submit to both foreign and indigenous elites. According to nationalist scholar Ham Sokhon, the working class in Korea has been dehumanised to the point where they believe they are worthless. Up until the 1960s, Koreans referred to themselves with derogatory words like "straw shoes" (*chip'sin*) and "cheap cash" (*yopchon*). Similar discussions took place in China in the 1930s, where intellectuals attributed their nation's stagnation on the apathy of its citizens. This self-critical discourse was not exclusive to Korea. However, Korean intellectuals refrained from endorsing dictatorship, whereas Chinese philosophers frequently supported authoritarian governance. They instead looked for a strong, wise leader who could steer Korea away from factionalism and towards prosperity and self-sufficiency.⁵⁰

1.3. The Rise of Park Chung Hee

1.3.1. “Clean-up the Military” Campaign

The military was likewise going through its own internal drive for drastic change, even as a large portion of South Korean society called for broad reforms, especially as expressed by liberal academics. In truth, military reform initiatives were much more audacious than those of any political party in the civilian world at the time.⁵¹

Eight lieutenant colonels from the Eighth Class of the Military Academy started a petition that would later be known as the "Clean-up the Military" campaign on May 8, 1960, less than two weeks after Syngman Rhee resigned on April 26 and just days after Major-General Park Chung Hee demanded that Army Chief of Staff General Song Yoch'an be fired. Their goal was to reveal and eradicate financial malfeasance, corruption, ineptitude, and factionalism among senior officers.⁵²

In a short period of time, this movement extended throughout the whole military, including the Marine Corps, and beyond the army. As mentioned before, within two months of the campaign, the Marine Corps Commandant, the Chiefs of Staff of the army, air force, and navy were removed. The firing of Marine Corps Commandant Lieutenant-General Kim T'aesik was one of these adjustments that resulted in a direct conflict inside the military. Commander of the First Marine Division, Brigadier-General Kim Tongha, became an outspoken supporter of change in the military after accusing his superior of financial and political wrongdoing. But after being forced to resign, Kim Tongha joined forces with other reformist colonels and went on to play a significant part in the military takeover on May 16.⁵³

1.3.2. The Abandoned May 8th Coup

There were two factions within the military, the Mainstream Group and the Non-Mainstream Group. The first group was primarily made up of senior generals who had progressed in Syngman Rhee's career. But by the late 1950s, Rhee had fallen out of favor with American

⁴⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 56.

⁵⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 56-58.

⁵¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 58.

⁵² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 58-59.

⁵³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 59.

decision-makers, so sticking with him would be politically risky. In order to protect their jobs, these officials decided to keep their distance from Rhee. The latter was mostly composed of younger commanders and reformist colonels, many of whom had previously participated in coup plotting. The continuing student-led protests had a role in their decision to postpone a military coup.⁵⁴

According to many Koreans, America's political and moral support had a role in the April Revolution's triumph. Park Chung Hee and his fellow reforming officers, according to some historians, ultimately decided against carrying out their planned coup because they were afraid that any military action at the height of the student rebellion would not be seen as legitimate by the populace. Rather, they postponed their intentions until a year later, on May 16, 1961, when circumstances were more conducive to a coup.⁵⁵

1.3.3. Military Discontent

The original plan for a coup was delayed, but the reforming colonels never gave up. Rather, they deliberately modified their strategy to conform to the increasing national need for reform. Kim Chong-p'il clarified in a 1998 statement that the goal of the "Clean-up the Military" program was to promote unity among military officers and openly show their commitment to reform. But this was probably only one part of a larger, well-thought-out plan to use internal military complaints to strengthen a foundation of authority.⁵⁶

Because of the military's strict and hierarchical structure, many lower-ranking officers felt disadvantaged and provided a large portion of the support for the reforming colonels. Junior officers were very resentful of the widening career gaps brought about by the South Korean military's fast development because they perceived few prospects for promotion. For instance, a large number of senior generals had only received 45 days of formal training prior to being promoted. Graduates of the first and second classes of the Korean Military Academy (1946) had already advanced to major-general and general positions by 1960, and many of these officers had previously served in the Japanese Imperial Army or the Japanese Manchurian Forces. On the other hand, officers from later graduating classes, especially the Eighth Class of 1949, had only advanced to full colonel or lieutenant-colonel.⁵⁷

A notable illustration of this discrepancy was the age difference between Army Chief of Staff Lieutenant-General Chang Toyong (37 years old) and Lieutenant-Colonel Kim Chong-p'il (36 years old) during the May 16 coup in 1961. Their work paths had been very different, even though they were of comparable ages.⁵⁸

1.3.4. The Role of the Eighth Class

With 1,345 officers, the Military Academy's Eighth Class, which Kim Chong-p'il was a member of, was one of the biggest graduating classes. Less than 450 of them made it through the Korean War, though. Known for its egalitarian outlook and strong nationalist emotion, this group was from a rural area and was quite proud of who they were.⁵⁹

⁵⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 59.

⁵⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 59.

⁵⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 60.

⁵⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 60.

⁵⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 60.

⁵⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 60.

Eighth Class officers started using their power to establish themselves as a reforming force, especially after Lieutenant-General Yi Chong-ch'an was replaced as Minister of Defense by Hyon Sokho, a civilian, in the newly established Chang Myon cabinet, which was sworn in on August 23, 1960. Reformist colonels saw this change as a chance to further their cause.⁶⁰

The core group that would later lead the May 16 coup was formed on September 10, 1960, when eleven colonels, including Kim Chong-p'il, Kim Hyong-uk, and Kil Chae-ho, formally pledged themselves to violent revolution. The *Ch'ungmujaeng kyorui* is the name given to this endeavor. These officers stated that their inability to meet with Defense Minister Hyon Sokho, who was not present when they tried to make their demands known, was the reason behind their decision. In order to position Major-General Park Chung Hee for a crucial leadership position, their main demands were for all three-star generals (lieutenant-generals) to be moved to the reserve forces and for the next Army Chief of Staff and deputy to be chosen from two-star generals. After Hyon Sokho promised to implement military reforms, their audacious demands gained traction within the military. Their annoyance only increased, though, when Hyon's civilian successor, Kwon Chung-don, declared that a military screening committee would be established to examine the higher levels.⁶¹

1.3.5. Park Chung Hee's Reinstatement

In the middle of these events, Park Chung Hee was surprisingly reinstated on September 11, 1960, after having been demoted to a minor position in Kwangju's First Military District Command. At Army Headquarters in Seoul, he was elevated to the position of Deputy Chief of Staff for Operations. Lieutenant-General Ch'oe Kyong-nok, who was appointed Army Chief of Staff on August 29, 1960, was responsible for this reform. Lieutenant-General Ch'oe Yong-hui, his predecessor, had just been ousted as the Joint Chiefs of Staff chairman.⁶²

Since Ch'oe Kyong-nok publicly endorsed the "Clean-up the Military" initiative, reformist commanders saw his appointment as a sign of a change in military leadership. His actions eased the strain on reformist officers, enabling them to persist in their efforts to bring about fundamental changes in the military.⁶³

A major turning point was considered to be Park Chung Hee's return to Army Headquarters, which boosted the reformist officers' spirits and strengthened their resolve to change the military hierarchy. However, by mid-September 1960, the South Korean military was in a state of growing instability, as two key groups were at odds: on one side, senior officers felt threatened by inconsistencies in the ranking system, which made their positions uncertain and vulnerable, on the other hand, junior officers were frustrated by limited career mobility, blaming the stagnation on favoritism and factionalism, which they attributed to both President Rhee's leadership and U.S. military advisors in Korea.⁶⁴

Military grievances reached a critical point on August 25, 1960, when the South Korean government informed the United States at high-level bilateral talks that it intended to reduce the armed forces by 100,000 personnel—a reduction that had initially been proposed at 200,000. This decision posed a direct threat to some officer corps, who now faced forced discharge without pension benefits. In this context, the widespread discontent within the military became

⁶⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 60.

⁶¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 61.

⁶² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 61.

⁶³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 62.

⁶⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 61.

a decisive factor fueling the reformist colonels' "Clean-up the Military" campaign. It also strengthened the foundation for the May 16 military coup, as reformist officers sought to seize control in response to what they saw as a failing system.⁶⁵

1.3.6. Plotting the Military Coup

Following a remark by General Williston B. Palmer, head of military support in the Defense Department, tensions within the military escalated, leading to an unanticipated confrontation between top Korean officials and the United States. From September 18 to 20, 1960, Palmer travelled to Seoul as a private visitor of General Ch'oe Yonghui, who was the chairman of the chiefs of staff. He publicly said, with Ch'oe's support, the day before his departure that he disagreed with the army's purification program and questioned the Korean government's choice to cut military troops. Both Defense Minister Hyon Sokho and Army Chief of Staff Ch'oe Kyongnok responded strongly to this, respectively declaring it an "interference in internal affairs" and as a "clear violation of Korean sovereignty".⁶⁶

On September 24, sixteen colonels, led by Lieutenant-Colonel Kim Chongp'il, staged the most important protest when they called for Ch'oe Yonghui to quit due to suspected financial malfeasance. With this action, reformist colonels directly challenged Ch'oe, who had fought their cleansing efforts and opposed Park Chung Hee's return to Military Headquarters in Seoul. In addition to forcing Ch'oe out of office on October 15, this uprising, also known as *haguksang sagon* (revolt against elders), strengthened the young colonels' plot to topple the Chang administration. The two main leaders of the uprising were released from the army in February 1961 as a result of "voluntary" resignations. One of them, Kim Chongp'il, resigned with the understanding that Park Chung Hee would not face consequences for his role in the uprising. Paradoxically, as Kim became more independent, the colonels' coup plot became more audacious, yet nothing was done to stop it. Park's retirement in May 1960 was the main military consideration, and it was temporary. Prime Minister Chang Myon announced Park's retirement when Park was at Army Headquarters in Seoul, according to Yi Ch'olsung, the then-chairman of the Armed Forces Committee in the National Assembly, who headed the powerful junior members' faction of the ruling Democratic Party. Yi later disclosed, however, that Park was moved to Taegu as a result of his suggestion.⁶⁷

Although it is necessary to examine both accounts, it is clear that Park had a lot of backing, maybe from General Chang, who may have purposefully spread rumors of Park's upcoming discharge in order to hide his and the reformist colonels' secret coup plot. Park's transfer to the Second Army as Chang's deputy commander prevented him from retiring and, more significantly, guaranteed his promotion to major-general on February 20, 1961, the day before Chang was named Army Chief of Staff, therefore this explanation merits consideration. Notably, Park was reunited with Chang's chief of staff, Major-General Yi Chuil, a close friend from their military school in Manchukuo and a pivotal player in the May 16 coup, by relocating to the Second Army under Chang's protection. The specifics of this transfer have never been questioned, but its timing and relationship to the coup on May 16 seem too exact to ignore. Regardless of the actual motivations behind the transfer, the public's perspective has become deeply ingrained with the idea that these incidents were a part of the planning for Park's coup.⁶⁸

⁶⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 62.

⁶⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 62.

⁶⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 62.

⁶⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 63.

Regarding the coup's timing, insiders have portrayed Park as a general who was determined to save his career, knowing that by January 12, 1961, he and the reformist colonels would be transferred to the Reserve Army in late May by the army. According to insiders, Park was forced to stage a coup in order to take action before being removed. The transition from debate to action happened quickly, and on May 16, early in the morning, Park led a military takeover and crossed the Han River into Seoul with a revolutionary force of only 3,600 soldiers.⁶⁹

Park quickly pursued international recognition after taking power in a military coup by embracing a strong anti-Communist stance and placing a high priority on economic development and national reconstruction. Under the pretext of "Administrative Democracy" or "Koreanized Democracy," he defended his authoritarian rule by claiming that a military-style government was necessary to break with the past and develop a new generation of leaders, including former military officers, engineers, and other highly qualified professionals. Despite internal contradictions, Park's restoration efforts included the establishment of a new bureaucratic structure that prioritized efficiency and a results-driven strategy based on military discipline. But the United States, South Korea's most important friend, presented him with the biggest obstacle because it had changed its position on Korea during the Kennedy administration. Tensions with American politicians resulted from Park's attempts to protect national security while securing political legitimacy, especially in light of the North Korean danger and the urgent need for U.S. assistance. Park's nationalist approach to economic development, which opposed an over-reliance on foreign influence, was acknowledged by U.S. advisers; yet, this difference in goals caused conflict between the two countries.⁷⁰

For what concerns the subject of this thesis, it is essential to say that Park Chung Hee's military coup in 1961 marked a turning point in South Korea's economic trajectory. Unlike his predecessors, Park pursued an aggressive state-led development strategy that would lay the groundwork for the country's industrialization. His government implemented a highly centralized economic model, directing resources towards strategic industries and infrastructure. Some of the principal aspects of Park's economic policies included a state-led industrialization and the role of Chaebol, HCI policy, export-oriented growth, repression of labor movements, which will be dealt with in the following chapters.

While Park's economic policies significantly improved South Korea's industrial capacity, they also resulted in growing social and political discontent. His authoritarian rule, particularly following the declaration of the Yusin Constitution in 1972, increased domestic opposition. While his assassination in 1979 marked the end of an era, he left a lasting economic legacy in South Korea.

⁶⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 63-64.

⁷⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 69.

Chapter 2: The Underlying Causes of South Korea's Rapid Economic Growth

This chapter will explore the fundamental drivers behind South Korea's economic growth by tracing key historical developments. It begins with Park Chung Hee's rise to power following the May 16 coup, continues through the establishment of the Third Republic when he was first elected president, then examines the transition to the Fourth Republic, and ultimately covers his assassination and the subsequent emergence of democratic leadership.

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2.1. The Path to the Third Republic

2.1.1. An Administrative Democracy

Park's military career was scheduled to end in May 1961, but the conservative elite was uneasy due to the political and social unrest in Korea. Park responded by claiming that he had put his life in danger to spearhead the coup, justifying it as an essential measure to restore law and order, fight corruption, and end North Korea's Communist menace. Although these explanations aided a larger national goal, the coup also protected his own and his colleagues' careers. With a focus on anti-Communism, economic restoration, anti-corruption initiatives, international engagement, unification, and a dedication to restoring civilian authority, Park and his junta laid forth their goals in six major commitments.⁷¹

Consolidating power was Park and his junta's top objective right now, which meant winning support from both internal and foreign sources, especially the US. Park tried to reassure Washington by coordinating his policies with American Cold War goals, since the U.S. was funding a large amount of South Korea's national and defense budgets. The junta's vehement anti-Communist rhetoric and reaffirmation of South Korea's adherence to the UN Charter and its alliance with the United States were indicative of this strategic alignment. Days after the coup, on May 20, 1961, President Kennedy recognized the new military regime, indicating U.S. compliance despite its lack of democracy.⁷²

⁷¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 69.

⁷² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 70.

Instead of advancing democratic governance in Korea, Kennedy's administration chose to stay out of domestic matters because it was more concerned with upholding anti-Communist governments within the parameters of the Cold War. Park's leadership was strengthened by this implicit endorsement, which led to his appointment on July 3, 1961, as Chairman of the Supreme Council for National Reconstruction (SCNR). Park promised a return to civilian governance and softened the severe purges that had followed the coup in order to further convince the United States. When U.S. Ambassador Samuel D. Berger arrived in Seoul in June, he suggested that Washington should relax its pressure on Park because he needed time to demonstrate his ability to govern effectively. Park responded to these diplomatic efforts by releasing more than 1,200 prisoners who were allegedly involved in left-wing activities, indicating his readiness to comply with American demands.⁷³

Park was under investigation for alleged Communist ties in the past, despite his adamant anti-Communist views. He wanted to be sure that his background would not affect his credibility in Washington when he first met with American diplomats in June 1961. Initially apprehensive about the coup, American authorities had previously stated their opposition to any unlawful takeover. Park's purging of forty military generals in July raised concerns and sparked conjecture that Communist members might have played a role in the attempt. However, Park persisted in portraying his reign as the only practical way to prevent South Korea from collapsing, linking economic growth and anti-Communism as necessary conditions for maintaining national stability.⁷⁴

Despite the coup's obvious deviation from democratic ideals, Park's rhetoric portrayed his military government as the guardian of freedom and democracy. However, the larger Cold War reality in Korea, where strategic anti-Communism frequently prevailed above democratic values, was represented in this discrepancy. U.S. Secretary of State Dean Rusk welcomed Park's promises of a future transition to civilian administration and formally acknowledged his leadership by July 1961. Park promised a constitutional referendum in early 1963 and a transfer of power in May of the same year in an effort to further cement U.S. backing. The culmination of his diplomatic efforts was President Kennedy's November 1961 invitation to Washington for formal meetings, which secured U.S. support for his government.⁷⁵

Before being elected as President, Park Chung Hee quickly tightened his control over state institutions in spite of his public promises to revert to civilian administration. He presented a form of government known as "administrative democracy" (*haengjonggok minjujuui*), which he defended by arguing that it was more suited to Korea's sociopolitical situation than a copy of democracy in Western Europe. According to Park, the goals of this strategy were to eradicate corruption, encourage citizen self-reliance, and achieve social fairness. Pro-Communist and anti-state activities, an overabundance of political parties and newspapers (which he considered reckless and corrupt), and the indiscriminate adoption of foreign cultural influences were the three main problems he identified as afflicting the nation under the previous Chang Myon administration.⁷⁶

Following the coup, as mentioned earlier, thousands of suspected profiteers, racketeers, and Communist sympathizers were arrested as part of a crackdown by the SCNR. Despite the fact that the majority of these arrests were purely symbolic, certain corporate leaders were freed on

⁷³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 70.

⁷⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 71.

⁷⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 72.

⁷⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 72.

the proviso that they aid in the country's reconstruction efforts under what Park known as "guided capitalism." Wide-ranging administrative actions were also taken by the dictatorship, including as the disbandment of political organizations and the mass firing of public employees who were suspected of wrongdoing or corruption. Tens of thousands of officials and state workers were investigated by the Korean Central Intelligence Agency (KCIA), which was founded shortly after the coup and was headed by Kim Chongp'il. By defending these actions as necessary for the restoration of the country, the SCNR also gave itself the power to override the current constitution as needed. In line with broader nationalist language employed by leaders like Gamal Abdel Nasser and Sun Yat-sen in the late 1950s, Park compared these extreme measures to a "surgical operation" required to purify the country.⁷⁷

However, Park's ultimate objective, again, was to solidify his hold on power by appointing a new generation of obedient bureaucrats to replace the previous political elite. He attempted to defend his governmental reorganization as an essential step towards effective leadership and national independence. He said that Korea required a planned transition to democracy that would eradicate ingrained elitism and corruption, and his concept of "administrative democracy" served as the cornerstone for his lengthy military administration. He believed that rather than being imposed from above, Korean democracy needed to grow gradually from the ground up. His vision was indeed reflected in the People's Reconstruction Movement (PRM), started in 1962. It was a significant project associated with the stated goal of encouraging grassroots involvement in national development. In reality, the PRM served as a means of strengthening the junta's hold over local politics. Financial limitations finally led to the initiative's dissolution in 1964, despite its extensive mobilization efforts.⁷⁸

During Park's "administrative democracy", the military junta prioritized bureaucratic restructuring alongside local reforms, recruiting skilled elites to shape Park's authoritarian state. Around 470 professors contributed to SCNR's National Planning Committee, with additional various scholars joining the Policy Research Institute, later the KCIA. In October 1961, the SCNR undertook a major government reorganization based on U.S. military planning models. The junta recruited top talent, including technocrats like Kim Chongnyom and O Wonch'ol, to drive economic development. Before 1961, Korea's bureaucracy, particularly the Ministry of Commerce and Industry (MCI), was inefficient, with administrative staff dominating leadership roles. After the coup, Major-General Chong Naehyok led a major overhaul of the MCI, purging senior officials under the junta's anti-corruption campaign, "Sweep away old evils." The MCI was restructured with two assistant deputy ministers overseeing key economic sectors and the creation of the Office of Planning and Management in 1962. Park's administration prioritized technical experts over traditional bureaucrats, many of whom had experience working with the U.S. military. By 1962, several high-ranking MCI officials had served as technical officer cadets during the Korean War, working closely with the U.S. Air Force. Also, the MCI adopted a militarized structure with strict discipline and ideological conformity. Staff underwent week-long "thought training" at the National Defense College, resembling North Korean indoctrination. The SCNR's oversight committee investigated the entire public sector, dismissing nearly one-sixth of 240,000 civil servants. The 1963 National Civil Service Law introduced a merit-based bureaucracy, promoting officials based on performance rather than seniority.⁷⁹

⁷⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 73.

⁷⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 76.

⁷⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 76.

There were two main groups that made up Park's technocratic administration: a combination of former military leaders, corporate executives, and career administrators, as well as technological experts. These people had three things in common: they were highly competent professionals who understood their bureaucratic power in comparison to political leaders, and they supported Park's goals for national growth. This technocratic government, in spite of its focus on efficiency, came under fire for upending traditional values and encouraging a "shortcut mentality" in Korean industry and culture. Concerns about favouritism and regional bias also arose because government jobs and industrial projects were given disproportionately to people who knew Park personally or academically, especially those from the Kyongsang provinces, which were Park's home region and later became the centre of South Korea's industrialisation. Within Park's economic bureaucracy, ideological and strategic differences began to surface by the middle of the 1960s, particularly between the engineer-technocrats of the MCI and the economists of the Economic Planning Board (EPB). MCI technocrats gave industrial and technological growth at the micro level top priority, while EPB officials concentrated on macroeconomic policy. After the establishment of the Ministry of Science and Technology in 1967, which transferred engineering duties from the EPB, this difference became even more noticeable. In 1969, Park appointed Kim Chongnyom as chief of staff, demonstrating his growing preference for the technocrats at the MCI over EPB policymakers.⁸⁰

2.1.2. Guided Capitalism and the First Five-Year Plan

Park sought to influence economic development from the beginning by directly intervening in manufacturing businesses; this approach he called "guided capitalism." He defined this system as an economic management strategy intended to establish an economic order that would guarantee both the public good and the fair distribution of income in his 1962 works. Park asserted that he supported free competition and egalitarian distribution. But he also believed that the government should act as an industry judge or "guardian," guaranteeing equal chances through controlled competition. However, this position conflicted with his strong emphasis on supervision and control.⁸¹

Establishing a bureaucratic framework robust enough to withstand pressure from powerful business owners seeking to influence legislative and administrative procedures in their favour was one of Park's biggest obstacles in carrying out his economic plan. He thought that these business tycoons' previous actions had been in direct opposition to the ideals of democracy and a free market. However, there were some inconsistencies in his own strategy. He aimed to stop powerful corporate organisations (*chaebol*) from operating in ways that he believed violated so-called democratic values by implementing the First Five-Year Economic Development Plan.⁸²

Within 80 days of the coup, Park set a deadline of August 15, Liberation Day, for three young economists to finish draughting the first edition of the Five-Year Plan. These specialists were members of the SCNR and drew from the 1954 Nathan Report, which had previously impacted South Korea's economic planning, as well as other economic models, such as those of Malaysia and India.⁸³

⁸⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 78.

⁸¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 78-79.

⁸² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 79.

⁸³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 80.

2.1.3. Training the Chaebol

Three days after being freed from nearly two months of imprisonment, on July 17, 1961, Park designated thirteen well-known businessmen who had been charged with illegal profiteering to join the Promotional Committee for Economic Reconstruction (PCER). Later on, this group changed its name to the Federation of Korean Industries. With an emphasis on six important industries—cement, synthetic fibre, electricity, fertiliser, iron, and oil refining—the PCER was tasked with developing an industrial growth strategy. The remaining five sectors were divided among the thirteen committee members, while the government continued to have direct control over the oil business. For example, Taehan Milling was in control of electricity, Samsung and Samho Textile were in charge of fertiliser, while Kumsong Textile (now *Ssangyong*) was in charge of cement manufacturing. Major business organisations were assigned to other industries in a similar manner.⁸⁴

In order to make the most of the resources at hand, Yi Pyong-ch'ol, the first chairman of the PCER, and his fellow business executives suggested building factories as a top priority. Their proposal called for donating corporate shares to cover government-imposed penalties, a pledge that was rarely kept. But they were aware that there were serious repercussions for disobeying the state's authority, especially when it came to carrying out the First Five-Year Plan.⁸⁵

One such example was Ku In-hoe, who founded Lucky-Goldstar, which is now LG. He wanted to start a textile plant, but he was told to start a cable factory instead. Colonel Yu Won-sik, the head of the SCNR's Commerce and Industry Committee, called Ku in April 1962, four years before Lucky-Goldstar's Han'guk Cable Company was completed, and he gave him a hard deadline of one week to complete a foreign loan deal. Ku faced considerable pressure and was only given a brief extension despite his efforts to clarify the difficulties of such discussions. In just 10 days, Lucky-Goldstar was able to obtain a \$2.95 million loan from Fuhrmeister, a West German corporation that had gone above and above to make the deal possible. This case served as an example of what Park later described as a "surgical operation" that was carried out on powerful business executives, who he said were punished "in the name of the nation." In 1973, Park stepped up government intervention in the chemical and heavy industries under the Yusin system, further demonstrating his intolerance for corporate opposition to state-led economic development.⁸⁶

Following such experiences, Ku and other company executives avoided publicly defying SCNR directives. Ironically, Lucky-Goldstar's growth into a significant chaebol was made possible by Ku's hesitant foray into the cable sector. Han'guk Cable's expansion also served as a test case for Park's insistence on national interest-driven industrial growth, frequently over American resistance. Between May 1963 and its completion in April 1966, the corporation was embroiled in a court battle that lasted almost three years.⁸⁷

The founding of Pohang Iron & Steel Co. (POSCO) later demonstrated a similar dynamic and was another example of Park's emphasis on independent economic planning and national self-sufficiency. These encounters resulted in a dramatic change in the dynamic between government and corporate executives. Important members of the Federation of Korean Industries, including Yi Pyong-ch'ol, Nam Kung-yon, Yi Chon-grim, and Chong Chae-ho, later

⁸⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 82.

⁸⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 82.

⁸⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 83.

⁸⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 83.

played crucial roles in gaining foreign investment to promote Korea's economic development and offering advice on industrial strategy.⁸⁸

2.1.4. Leadership Struggle

On December 27, 1962, Park announced plans to transfer power to an elected civilian government by August 1963, with presidential and legislative elections set for April and May of that year. This declaration came just one day after unveiling a revised national constitution. However, Park and his inner circle, particularly the younger military officers, had no intention of relinquishing control. Park hinted at this by stating his own intention to retire from the military and run for president, while also encouraging other members of the SCNR to do the same if they wished to participate in the legislative elections.⁸⁹

Despite his ambitions, Park faced significant challenges both from within his government and from external forces. Internally, there was a deepening rift between the younger, more radical officers led by Kim Chong-p'il, head of the KCIA, and the more moderate senior SCNR members. This power struggle reached a peak in early 1963 when senior SCNR officials, having joined the newly formed Democratic Republican Party (DRP) in February, realized that Kim had already established firm control over its structure. Externally, Park faced strong pressure from U.S. policymakers to transition to civilian rule, particularly as American aid policies were shifting. These challenges made it clear that Park's path to securing political dominance was far from straightforward.⁹⁰

The growing tensions within the junta were primarily driven by competition for control over the DRP's organization. Park had strategically aligned himself with Kim Chong-p'il to strengthen his own leadership, especially after removing General Chang To-yong—the initial figurehead of the coup—in mid-1961. Kim, as Park's most trusted confidant and director of the KCIA, played a central role in carrying out secret negotiations and policy initiatives. One of the most sensitive of these was a covert agreement with Japanese Foreign Minister Ōhira Masayoshi on November 12, 1962, aimed at laying the groundwork for normalizing diplomatic relations between Japan and South Korea.⁹¹

By late January 1963, however, both this secret agreement and several financial scandals allegedly used to fund the DRP became public knowledge, triggering significant political fallout. The controversy intensified on January 21 when Marine General Kim Tong-ha resigned from the DRP in protest, prompting further dissent among moderate SCNR members and military leaders. On February 17, a coalition of moderate officials—including Defense Minister Pak Pyong-gwon, Kim Chae-ch'un of the SCNR, and four armed forces chiefs of staff—issued a direct ultimatum to Park. They demanded that he abandon his presidential ambitions and that Kim Chong-p'il withdraw from the DRP and leave the country immediately. Realizing the scale of opposition against him, and after thoroughly reviewing intelligence reports on the moderate faction's recent activities, Park decided to comply. He was also under increasing diplomatic pressure from U.S. Ambassador Samuel Berger, who had consistently pushed for a return to civilian rule and sought to diminish Kim's influence over the regime, particularly after the government's controversial currency reform in mid-1962.⁹²

On February 18, Park publicly announced that he would step away from politics if civilian leaders accepted a set of "nine conditions" for the transition to democratic governance. He also pledged to lift the political ban on certain opposition figures and proposed postponing the elections beyond May. To formalize this transition, he suggested a public ceremony where military, political, and civilian representatives would affirm their commitment to these conditions (Kyonghyang Sinmun, February 18, 1963). The announcement was well received by civilian politicians and gained U.S. approval, providing

⁸⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 83-84.

⁸⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 84.

⁹⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 84.

⁹¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 84.

⁹² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 85.

Park with a temporary reprieve. Two days later, Kim Chong-p'il resigned from his official roles, and on February 25, he left the country. However, the period of relative calm that followed would not last long.⁹³

2.1.5. Reliance on U.S. Aid

On March 16, 1963, Park Chung Hee announced plans to hold a national referendum that would extend the military government's rule for an additional four years. This sudden move took many by surprise, including U.S. Ambassador Samuel Berger, who had explicitly asked Park to delay the announcement so that Washington could formulate its response. In reaction, Berger and other U.S. diplomats in Seoul strongly pressured Park to abandon the plan. When Berger learned that the referendum date was set to be announced the next day, he issued a direct warning—threatening to withhold U.S. economic assistance. He made it clear that if Park proceeded, the United States would publicly state that its support had been conditional on Korea's commitment to democratic elections and a return to civilian rule. Failure to uphold these promises would force the U.S. to reconsider its stance on Park's leadership.⁹⁴

Berger's ultimatum had an immediate impact. Reports from the *Tonga Ilbo* in late March and early April suggested that Washington was leveraging food aid negotiations to pressure Park into withdrawing his referendum proposal. This marked the beginning of a broader U.S. strategy aimed at ensuring Park adhered to his pledge of holding elections and restoring civilian governance. The shift in U.S. policy aligned with the Kennedy administration's broader goal of redirecting aid from military support to long-term economic development, emphasizing political stability and social progress.⁹⁵

In a series of 1961 memos to Walt Rostow, the White House's deputy national security adviser, National Security Council (NSC) aides Robert Komer and Robert Johnson advocated for prioritizing economic development over military aid. They backed Prime Minister Chang Myon's suggestion to reduce the South Korean army by 100,000 troops as a means of securing economic assistance. Similarly, on April 11, 1961, outgoing U.S. Ambassador Walter P. McCaughy sent a report to Washington emphasizing South Korea's urgent need for a comprehensive economic development strategy. He also highlighted Japan's potential role in aiding Korea's economic progress, arguing that the U.S. should actively work toward a normalization treaty between the two nations.⁹⁶

When Samuel Berger assumed the role of U.S. ambassador to South Korea on April 12, 1961, his primary objective was to implement this policy shift. This involved seeking financial support for South Korea from Japan and West Germany, advocating for troop reductions, and facilitating diplomatic normalization between Seoul and Tokyo. However, the military coup that brought Park to power disrupted these plans, forcing Berger to focus on pressing the junta—especially Park—toward democratic elections. Berger's firm approach to this issue led to tensions, with Park resisting U.S. influence and framing his opposition as a stand against foreign interference. In October 1961, Park was already feeling the pressure, particularly regarding U.S. demands for military downsizing and diplomatic reconciliation with Japan. This pressure intensified when Washington invited him to meet President Kennedy the following month. Berger worked hard to persuade Park of the visit's importance, emphasizing the

⁹³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 85.

⁹⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 85-86.

⁹⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 86.

⁹⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 86.

international recognition it would bring and hinting that U.S. officials were considering ways to compensate South Korea for any reductions in aid.⁹⁷

At the time, Berger wielded considerable influence over South Korea's non-military affairs, as noted in U.S. archival sources. His authority was further reinforced by a directive from President Kennedy in May 1961, which granted him significant control over U.S. operations in Korea. Eventually, Park gave in to U.S. pressure. On April 8, 1963, he withdrew his referendum proposal and postponed setting an election date until September. In response, Berger quickly recommended that Washington approve additional food aid to help stabilize South Korea's economy, which was suffering from inflation and a strained rice market. He also argued that continuing U.S. support could encourage Japan to move forward with negotiations on normalizing relations with South Korea—a process Park's government was already inclined to pursue.⁹⁸

By late spring, Berger and Park appeared to have reached a compromise, prompting the ambassador to travel to Washington and personally urge President Kennedy to approve more aid. This marked a significant shift in Berger's stance, considering that only weeks earlier, he had strongly opposed Park's policies. His reassessment of South Korea's political situation, which he presented to Kennedy on May 31, painted a picture of extreme instability. U.S. Assistant Secretary of State Roger Hilsman even described the situation as being "balanced on a knife's edge." Berger's evolving position was especially notable given that he was well aware of the U.S. government's preference for Park to lose the upcoming election. However, he prioritized economic and political stability, recognizing that South Korea's food supply was on the brink of collapse—without foreign aid, it would run out by mid-July.⁹⁹

Berger's shift in approach was also driven by Washington's deadline for finalizing a Korea-Japan normalization treaty. On February 12, 1963, both Berger and his counterpart in Tokyo, Ambassador Edwin Reischauer, received direct instructions from the State Department to push forward with negotiations, despite South Korea's volatile political landscape. On the same day, Assistant Secretary of State Averell Harriman emphasized to Berger that securing the Korea-Japan settlement by spring was a top priority. Consequently, Berger's willingness to release U.S. aid was tied to Park's agreement to finalize the treaty once the elections had concluded.¹⁰⁰

However, this arrangement was built on mutual self-interest rather than trust. Evidence suggests that Park and Berger engaged in strict quid pro quo dealings. Park refused to announce an election date until the U.S. provided additional food supplies, knowing that aid was a crucial bargaining tool. Once partial aid was granted, he vaguely declared on July 27 that elections would take place in mid-October for the presidency and late November for the National Assembly. Further negotiations followed in August, including the temporary transfer of an alleged North Korean spy, Hwang T'ae-song, to U.S. intelligence in exchange for more food aid. As a result, the U.S. provided an additional 115,000 tons of wheat under the PL 480 food aid program, while Japan contributed 40,000 tons of rice, wheat, and barley.¹⁰¹

Eventually, Park confirmed the official election dates as October 15 for the presidential vote and November 26 for the National Assembly elections. Despite further requests, Washington refused to provide additional aid, insisting that South Korea first implement a balanced budget

⁹⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 87.

⁹⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 87.

⁹⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 87.

¹⁰⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 88.

¹⁰¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 88.

and a comprehensive economic development plan to reduce its reliance on U.S. support. On August 31, a day after resigning from the military, Park formally accepted the Democratic Republican Party's nomination for the presidency. His candidacy marked a turning point in South Korean politics, as it was the first instance of a military leader running for the nation's highest office—an event that would set a precedent for future political developments.¹⁰²

2.1.6. Anti-Flunkeyism Rhetoric in the Presidential Campaign

During his presidential campaign, Park Chung Hee portrayed his opponents as clinging to outdated, feudalistic, and submissive attitudes toward foreign powers—despite his own leadership as a military junta head. He advocated for a uniquely Korean approach to governance, distancing himself from Western-style democracy and calling for a political transformation that would shift power from the privileged elite to the general populace. His campaign centered on the idea of reducing Korea's dependence on the United States, particularly in economic matters. Park argued that in 1961, more than half of Korea's national budget was financed through U.S. aid, making the country only nominally independent. He warned that Korea would face financial collapse if American assistance were withdrawn.¹⁰³

A significant, yet understated, aspect of Park's rhetoric was his concern over U.S. involvement in Korean affairs. He framed his leadership as a path toward self-sufficiency, calling on the Korean people to break free from their historical reliance on foreign powers and work toward economic growth. At the same time, he urged the U.S. to revise its aid policies, allowing Korea greater control over the resources it received. Rejecting what he described as a “begging-style” approach to foreign assistance, Park sought to assert greater national sovereignty by limiting external influence over domestic governance.¹⁰⁴

In September 1963, as part of his campaign, Park introduced the concept of “Nationalistic Democracy” or “Koreanized democracy.” He outlined a vision prioritizing national sovereignty and economic growth, aligning with ideas already circulating among Korean intellectuals before his rise to power. This framework was further detailed in his book *The Nation, the Revolution and I*, published just a day after he officially entered the presidential race. In the book, Park openly criticized the way U.S. aid was managed in Korea, particularly through the United States Operations Mission (USOM). His idea of democracy emphasized national independence over external interference, portraying himself as a champion of the common people against Korea's historical subservience to foreign interests.¹⁰⁵

By the early 1960s, Korea's economy was in dire straits, with foreign reserves dwindling and national finances nearing collapse. Against this backdrop, the election debate became an ideological contest over the meaning of democracy. Park positioned himself as the defender of true nationalist ideals, arguing that liberal democracy had lost its nationalist foundation. His main opponent, Yun Poson, countered that Park's vision was an impure form of democracy. The campaign grew more heated as allegations surfaced regarding Park's past connections to communism. A rival candidate, Ho Chong, accused Park's party of being influenced by North Korean operatives, pointing to an individual, later identified as a North Korean official. These

¹⁰² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 88.

¹⁰³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 89.

¹⁰⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 89.

¹⁰⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 90.

claims led to heightened public scrutiny, and Yun sought to capitalize on the controversy, accusing Park of undermining democratic principles.¹⁰⁶

Just days before the election, Park acknowledged that Hwang had ties to his late brother but dismissed allegations of collaboration. He claimed that foreign entities, possibly including U.S. intelligence, had played a role in spreading misinformation. Eventually, Park used the Hwang case as a bargaining tool, securing economic and military aid from the U.S. in exchange for handing him over. To distance himself from any communist associations, Park ultimately approved Hwang's execution.¹⁰⁷

Park narrowly won the presidential election in October 1963, defeating Yun by a slim margin of 1.5 percent. Despite allegations of vote-buying and election irregularities, international observers largely deemed the election fair. However, the close result alarmed U.S. officials, who feared diminishing public confidence in Park's administration. Concerned that opposition forces might gain control in the upcoming National Assembly elections, U.S. Ambassador Berger advised Washington to release economic aid to bolster Park's standing. In response, the U.S. government approved \$10 million in aid ahead of the elections, despite initially withholding other funds. This financial support coincided with a decisive victory for Park's party, which secured a majority in the National Assembly.¹⁰⁸

The election outcomes reinforced Park's two primary goals during his military rule: legitimizing his leadership and securing continued U.S. backing. Though the extent to which American aid influenced the election remains debatable, it undoubtedly played a role in shaping the political landscape.¹⁰⁹

2.1.7. Shifting Strategies in the Third Republic

After securing his position as the newly elected president of South Korea's Third Republic, Park Chung Hee quickly turned his attention to two pressing priorities: reshaping diplomatic relations with Japan and reinforcing the nation's defense. With a careful and strategic approach, he aligned his policies with U.S. objectives in East Asia, particularly regarding Japan and the Vietnam War. Park initiated a significant transformation in South Korea's ties with Japan while simultaneously negotiating the conditions for sending South Korean troops to Vietnam. These diplomatic efforts not only enabled him to launch an ambitious national development plan but also integrated South Korea into the broader U.S.-led Cold War strategy in the region. As James C. Thomson observed, South Korea was no longer a fragile and isolated American ally but had established reconciliation with Japan and was actively engaged in regional affairs.¹¹⁰

The years between 1963 and 1967 proved to be a pivotal period for the Park administration. The U.S. extended significant support to South Korea, largely in return for Park's commitment to aligning with American security interests in East Asia. While the nation experienced rapid economic growth and rising national confidence, political control remained firmly in Park's hands, as demonstrated by his decisive victory in the 1967 presidential election. However, the latter phase of the Third Republic, from 1968 until the implementation of the authoritarian

¹⁰⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 91.

¹⁰⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 91.

¹⁰⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 92.

¹⁰⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 92.

¹¹⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 94.

Yusin Reforms in 1972, presented a starkly different landscape, both domestically and internationally.¹¹¹

Domestically, growing dissatisfaction with the government became evident, fueled by the declining public trust and internal conflicts within the ruling Democratic Republican Party (DRP). Despite continued economic success—including surpassing an annual export target of one billion dollars in 1970—new social challenges emerged. Workers, along with students and intellectuals, began advocating for better wages, improved working conditions, and broader human rights based on democratic principles. Public unrest intensified in 1969 when Park pushed through a controversial constitutional amendment that allowed him to seek a third presidential term in 1971. The amendment, passed through questionable methods by the DRP, exposed Park's determination to extend his rule, leading to widespread purges of those who opposed him. To solidify his grip on power, he restructured political institutions and adopted more repressive policies against dissent.¹¹²

On the international stage, Park faced significant security threats. North Korea's military provocations escalated, while the United States adopted a policy shift under the Nixon Doctrine, which aimed to reduce direct U.S. involvement in Asian conflicts. This shift was part of a broader détente strategy in the 1970s, as the U.S. and the Soviet Union sought to recalibrate their global relations. At the same time, the growing rift between China and the Soviet Union influenced U.S. foreign policy, leading to President Nixon's historic rapprochement with China. While this diplomatic realignment was framed as a move toward peaceful coexistence, it was ultimately driven by strategic maneuvering to weaken Soviet influence over the communist bloc.¹¹³

These global shifts fundamentally altered Cold War dynamics, reinforcing American dominance but also changing the strategic landscape for smaller nations like South Korea. While Japan and Western Europe emerged as key economic players, their military influence remained constrained—Japan, in particular, lacked full military autonomy. For Korea, these geopolitical changes were especially consequential, as Cold War rivalries had shaped its national division and the ongoing tensions between North and South. In this context, Park was compelled to reassess South Korea's reliance on U.S. security commitments, just as Kim Il-sung sought to ensure North Korea's survival amidst shifting alliances.¹¹⁴

From the end of the Korean War, U.S. policy had focused on strengthening South Korea's military to the point where it could sustain its own defense. However, the financial strain of the Vietnam War led to a policy shift. President Johnson's approach of simultaneously funding the war and expanding social welfare programs—often referred to as the “guns and butter” policy—resulted in substantial budget deficits. These financial pressures carried over into Nixon's administration and likely influenced the development of the Nixon Doctrine.¹¹⁵

Park Chung Hee, however, had already felt that the U.S. had not provided South Korea with sufficient military aid even before Nixon's policy shift. He may have perceived the Nixon Doctrine as a sign that the U.S. was retreating from its security commitments, raising concerns that in the event of a North Korean attack, Washington might not uphold the armistice agreement. On the other hand, the U.S. may have deliberately limited its military support due

¹¹¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 94.

¹¹² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 95.

¹¹³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 96.

¹¹⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 96.

¹¹⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 109.

to concerns about Park's strategic decisions regarding North Korea. There was speculation that Washington feared Park sought access to critical weaponry, potentially enabling him to initiate a full-scale conflict with the North. Ironically, this lack of trust only reinforced Park's determination to enhance South Korea's military capabilities, ensuring it had the means to engage in an all-out war if necessary.¹¹⁶

2.2. National Mobilization

A month before South Korea's seventh presidential election, on March 27, 1971, the United States finished withdrawing one-third of its 62,000 troops who had been stationed there. In a "special statement," President Park Chung Hee responded by outlining the government's Five-Year Military Modernisation Plan (1971–1976) and urging the United States to keep its defense pledges to South Korea. Park specifically called on the United States to uphold its obligations during the Cold War by guaranteeing Korea's security prior to any more military reductions. He also underlined how important it is for the US to help modernise the South Korean military. Park stressed the significance of recognising and reacting to these developments in order to protect national sovereignty in what was his first public address to the Korean people about changes in U.S. policy.¹¹⁷

Just a few months later, on July 15, 1971, President Nixon announced his historic plan to visit China, a trip that eventually took place in February 1972. By that time, Park had already intensified his efforts to strengthen South Korea's economic and defense independence, relying on national reserve forces for both military readiness and industrial development. These initiatives would soon evolve into the Yusin (Restoration) reforms, which began less than five years after Park had established the Homeland Guard, a civilian reserve force of 2.5 million, following North Korea's failed attempt to infiltrate the Blue House in January 1968. Between 1968 and 1972, Park implemented significant political and bureaucratic reforms, particularly in industrial policy, that were not fully recognized at the time.¹¹⁸

The following part will be examining the key aspects of Park's national mobilization strategy, focusing on its impact on defense, economic development, party restructuring, governance, and inter-Korean relations. Park sought to transform the government into an emergency state apparatus, largely in response to the U.S. détente policy. Ironically, while détente aimed at easing tensions between the superpowers, it also intensified military conflicts across Asia.¹¹⁹

2.2.1. Homeland Guard

President Park Chung Hee declared the establishment of the Homeland Guard (*Hyangt'o Yebigun*), a civilian defense force with 2.5 million members spread throughout South Korea, on February 7, 1968. This army would be entrusted with defending nearby villages against possible attacks and equipped with weapons made in the country. The program was modelled after North Korea, where Kim Il Sung had set up comparable militia groups, such as the Red Young Guards and the Worker-Peasant Red Guards, to create a closely coordinated national defense force. Strengthening South Korea's self-defense capabilities, especially against North Korean guerrilla invasions, was the goal of the Homeland Guard. Park highlighted a change in

¹¹⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 109.

¹¹⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 110.

¹¹⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 110.

¹¹⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 111.

the public's perspective on national defense, urging even farmers to report any suspicious people and carry firearms while working in the fields.¹²⁰

The words that Park used to mobilise his supporters, such as "construction on one hand, national defense on the other" and "our national land, with our own strength," were eerily similar to those used in North Korean propaganda. Some saw this as a calculated move to use comparable terminology in an anti-communist framework to refute communist propaganda. This comparison is exemplified by a popular North Korean slogan at the time: "arms in one hand and the hammer and sickle in the other."¹²¹

Rather than portraying the Homeland Guard as a political scheme, Park presented it as essential to the survival of the country. He maintained that South Korea needed a strong, autonomous defense system since it faced an unusual danger from the North, similar to the Vietnam War. He was unyielding in his approach to dealing with North Korea, opposing any idea of compromise or withdrawal. He maintained that bolstering national defense and exhibiting resolute resistance to possible assault was the only practical course of action.¹²²

The Homeland Guard represented a national endeavour to protect liberty and independence, in Park's perspective. It developed over time into a vast anti-communist intelligence network involving corporations, government agencies, and local groups. Park emphasised that everyone has a fundamental obligation to protect the nation, not only the government. All male high school and university students were required to attend military training sessions by 1970 due to anti-communist legislation, while female students took part in emergency response and first aid courses. By implementing these programs, Park aimed to incorporate every sphere of society into his larger drive for national mobilisation, whether it be for economic expansion or defense readiness.¹²³

2.2.2. Export Targets

There has been much discussion and disagreement about South Korea's rapid economic growth, which is the result of an export-oriented policy. Some observers contend that external circumstances, rather than government planning, were the main cause of the growth in Korean exports during this time. These include the increased demand brought on by American military engagement in Vietnam and South Korea's incorporation into a regional economic structure centred on Japan. According to this viewpoint, it would be inaccurate to primarily attribute Park Chung Hee's policies to Korea's economic growth in the 1960s.¹²⁴

According to a different perspective, the Park administration's decision to implement export-driven policies was mainly a coincidence. This perspective holds that global organisations like the World Bank and the U.S. Agency for International Development had a greater influence on Korea's economic course. Some academics also highlight the impact of Walt Rostow, a significant counsellor to President Kennedy, whose views on "take-off" development may have inspired Korea to use its labour pool to expand its industry. According to this theory, Rostow's

¹²⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 111.

¹²¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 111-112.

¹²² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 112.

¹²³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 112.

¹²⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 112.

ideas were directly applied to Korea's economic boom in the middle of the 1960s, which accelerated development.¹²⁵

Although this argument seems convincing, there is no concrete evidence of how Korean policymakers actually understood and used Rostow's theories when developing economic policies. Even though Korean officials regularly referenced Rostow's views in conversations with American aid personnel as early as 1966, according to U.S. archival archives, this does not prove that they adopted his methodology in its entirety. The Korean government did, in fact, publicly criticise the U.S. position on economic policy, according to historical documents. For instance, the Korean government was unhappy with the U.S. Operations Mission's management after James Killen, its director, left in 1964, claiming that American economic priorities did not match Korea's real needs. A *Han'guk Ilbo* daily editorial, attributed to Deputy Prime Minister Chang Kiyong, cautioned against ignoring Korea's continuous economic difficulties and raised doubts about the country's ability to achieve self-sufficiency in the five to eight-year period that U.S. officials had suggested.¹²⁶

It appears improbable that Korean politicians blindly adopted U.S. proposals given this sceptical attitude towards American economic advice. Korean records present an alternative viewpoint that emphasises the agency and strategic choices of Park's administration, even though American sources offer insightful information. A detailed analysis that takes into account both foreign influences and the individual decisions taken by Park and his economic advisors is necessary to examine Korea's shift from an import-substitution model to an export-driven economy. Two important factors must be examined in order to completely comprehend this change: the reasons and timing of the export-led strategy, as well as the part played by Korea's economic managers in developing and carrying out these policies.¹²⁷

2.2.3. Export-Oriented Industrialization

In mid-1964, the Park administration implemented an export-oriented industrialisation (EOIC) plan as a drastic economic stabilisation step in response to a financial crisis. As mentioned before, South Korea was on the verge of financial collapse by September 1963 when the National Treasury had shrunk to just over \$105 million with less than \$100 million in U.S. currency. At a period when Park Chung Hee was largely dependent on American financial support, this economic instability occurred concurrently with the October 15 presidential election. But tensions had grown between his government and American assistance workers to the point where Park felt obliged to publicly state, "I am not anti-American."¹²⁸

In May 1964, Park appointed new economic ministers and reorganised his government in an attempt to restore control over political stability and economic strategy. Pak Ch'unghun was restored as Minister of Commerce and Industry, and Chang Kiyong, a prominent businessman and owner of *Han'guk Ilbo*, assumed the position of Deputy Prime Minister and head of the Economic Planning Board (EPB). Experienced financial technocrat Kim Chongnyom was surprisingly appointed Vice Minister of Commerce and Industry a month later. Kim was

¹²⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 113.

¹²⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 113.

¹²⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 113-114.

¹²⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 114.

initially hesitant to accept the position because she had previously turned down a position at the EPB in favour of a teaching position at Yonsei University.¹²⁹

To propel Korea's export-oriented policy, especially in the growth of light industries, a new group of technocrats was brought together under Minister Pak's direction. O Wonch'ol, a 36-year-old chemical engineer who was named director-general of the First Industry Bureau, was a pivotal player in this endeavour. Prioritising the vigorous promotion of exports as the primary economic strategy, Pak had already spoken with O about export strategies before formally taking on his ministerial responsibilities. Park was quick to put together the best team to carry out this vision, as evidenced by the frequent changes within the MCI and the EPB, which demonstrated his dedication to an export-first strategy. While the EPB experienced even more frequent leadership changes, with seven ministers rotating through the role in less than three years, the Commerce and Industry Ministry had five different ministers from the May 1961 military coup and May 1964.¹³⁰

The new economic leadership, especially Chang, Pak, and Kim, pushed forward with policies aimed at integrating Korea into international trade despite early opposition to market liberalisation, which was mostly caused by worries about the possible pressure on Korean businesses. They supported export sectors by progressively liberalising imports through "export-first" tactics. Because import liberalisation was under its purview, the MCI consequently emerged as a key player in Korea's industrial revolution. According to reports, Pak, also referred to as the "Export Minister," pushed President Park to prioritise exports over all other economic priorities and promoted legislative measures aimed at removing obstacles and streamlining industry production.¹³¹

Although it is challenging to measure Pak's direct impact on the EOIC policies' adoption, President Park personally contributed to the success of Korea's export campaign. He personally presided over monthly export promotion meetings, managed performance reviews of important industries, and matched ministerial policies with the government's economic goals. Plans to expand the export business were frequently given official permission during his yearly New Year Tours of Inspection, which served as a formal evaluation of ministerial initiatives. For example, immediately following Park's evaluation in January of 1965, the MCI released its export development strategy.¹³²

Pak and Kim's export-focused policy produced benefits quite rapidly. When South Korea's export revenue reached \$100 million at the end of 1964, "Export Day" was created on December 5 to mark the achievement. Park set aggressive production and trade targets for the ensuing years and openly announced in early 1965 that growing exports would be his administration's top objective. Korea's yearly export revenues climbed at an average annual rate of 37.6% between 1968 and 1970, reaching \$300 million by 1967. This quick economic growth was fuelled by structural reforms, industrial innovation, and a fundamental change in economic governance rather than just being the product of outside forces or technocratic planning. In comparison to 1962, exports had increased elevenfold to \$350 million by 1968. But reaching later goals, such as \$500 million in 1968 and \$700 million in 1969, necessitated a concerted national effort. By planning trade missions, holding exhibitions, improving product

¹²⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 114.

¹³⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 115.

¹³¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 115.

¹³² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 116.

design and packaging, and updating testing requirements for global markets, the government actively encouraged exports, according to Kim Chongnyom.¹³³

In addition to reflecting policymakers' strategic prowess, South Korea's updated export target of \$1 billion by 1970 also demonstrated Park's belief in the viability of long-term economic growth. The general public's opinion of the EOIC approach was not totally positive, though. Politicians and chaebol (big business conglomerates) were involved in corruption scandals as a result of the government's alleged preferential treatment under its foreign lending policy. Significant obstacles were also presented by economic instability, which was made worse by excessive foreign borrowing and a recession in the late 1960s. The deregistration of thirty financially insolvent enterprises by the government in April 1969 exposed fundamental weaknesses in Korea's rapid growth trajectory. However, Park persisted in his belief in export-driven development in spite of these dangers. He emphasised the significance of reaching the \$1 billion export target during the Sixth Export Day in December 1969, portraying it as a pivotal point in Korea's industrial revolution. As part of the government's third Five-Year Plan, he also laid out long-term goals, estimating that export revenue would reach \$3.6 billion by 1976. In actuality, Korea greatly surpassed these projections; by 1976, export revenue had over \$7.7 billion, more than twice Park's initial goal.¹³⁴

This economic boom prepared the way for Korea's future expedition into the chemical and heavy industries in the 1970s, which culminated in the drastic changes in policy brought about by the Yusin reforms of 1972. Even though EOIC had its share of difficulties, the policies put in place in the middle to late 1960s were essential in making South Korea a competitive force in international markets.¹³⁵

2.2.4. Political Consolidation and Internal Adjustments

At the beginning of the Third Republic, Park Chung Hee faced formidable political obstacles in spite of tremendous economic advancements. After student-led protests against normalization negotiations with Japan and Kim Chong-p'il's departure as party chairman, he started reorganizing the Democratic Republican Party (DRP) in the middle of 1964. Relying less on Kim's faction and the "young colonels" was part of Park's attempt to reshape his political base. Rather, Kim established two main centers of power: a newly formed dominating group inside the DRP and his presidential secretariat, which was backed by the Korea Central Intelligence Agency (KCIA).¹³⁶

Kim Chong-p'il's power was diminished by this change, especially as important members of the new faction assumed command of crucial roles like the party's finance administration. Since Park's reorganization was a calculated move to gain support for a constitutional revision that would enable him to run for a third term in 1971, tensions between the old and new factions had grown by 1968. The result of this endeavor was a purge of unfaithful party members, which profoundly altered the internal organization of the DRP.¹³⁷

Several senior officials, including Kim Yongt'ae, were removed in 1968 for mobilising support for Kim Chong-p'il's aspirations to become leader. They were subject to harsh consequences,

¹³³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 116-117.

¹³⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 117.

¹³⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 117.

¹³⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 122.

¹³⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 122-123.

including as KCIA surveillance and intimidation, after being accused of clandestinely forming a movement within the party. Numerous raids on Kim's residence and the arrest of his colleagues exposed him to attention. Park eventually succeeded in adopting the constitutional change in 1969, eradicating internal opposition and solidifying his hold on the DRP in spite of opposition from Kim's faction.¹³⁸

By firing his top security officials—his chief of staff and the head of the KCIA—as soon as the amendment was passed, Park further cemented his power. By doing this, he made guaranteed that no opponent would ever acquire the strength to undermine his authority. Under his recently enacted "Guidance System," the party ceased to be a forum for political discussion and instead became a tool to further his goals.¹³⁹

2.2.5. Growing Opposition, Social Unrest and Heightened Repression

Workers, students, and intellectuals began to rebel against Park's leadership, even as he continued to dominate his party. The most famous instance was when labor activist Chon T'aeil set himself on fire in late 1970, sparking massive demonstrations over inadequate working conditions. Civil society organizations, such as students, clerics, and human rights advocates, were inspired by his act of resistance and started working with labor movements to demand political reform.¹⁴⁰

The level of public discontent was made clear during the 1971 presidential election. By promoting economic policies focused on fair growth and a change in national defense strategy, Park's opponent, Kim Dae Jung of the New Democratic Party (NDP), won a lot of support. Many voters found resonance in his vision of a "mass-participatory economy" and diplomatic interaction with major countries, such as the United States, Soviet Union, China, and Japan. Park said that the election would be his final one, but his slim win—just over 51% of the vote—showed that his support base was waning.¹⁴¹

Following the election, discontent grew even further, leading to a surge of demonstrations against political repression, economic injustice, and government corruption. Opposition leaders used civil disturbance to undermine Park's legitimacy, labor strikes increased, and students and authorities battled over mandatory military training. Mass arrests, surveillance, and limitations on press freedom were all part of the government's harsh response.¹⁴²

By the end of 1971, Park had taken extreme steps to keep everything under control. His administration passed a number of legislations that increased executive authority, restricted civil freedoms, and permitted more stringent state control over the economy after declaring a state of national emergency. He used national security concerns—specifically, the threat posed by North Korea, which had previously tried to assassinate him—to defend these actions. Opposition forces continued to operate in spite of these crackdowns. In order to mobilize resistance, intellectuals, students, and religious leaders were essential. Their combined efforts

¹³⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 123.

¹³⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 123-124.

¹⁴⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 124.

¹⁴¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 125.

¹⁴² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 125.

had developed into a widespread pro-democracy movement by the early 1970s, paving the way for ongoing political conflicts in South Korea.¹⁴³

2.2.6. An Insight on Export Managers and Economic Policy in South Korea

In order to comprehend Korean economic policy in the 1960s it is necessary to examine the major policymakers engaged involved. Pak Ch'unghun, Kim Chongnyom, and Chang Kiyong were the most important among them, especially in terms of overseeing foreign loans and formulating economic policy.¹⁴⁴

The first one, Pak Ch'unghun, played a significant role in the governance of Korea's economy, especially concerning the military and economic leadership. In 1948, he began working for the MCI after completing his studies at Doshisha Commerce College in Kyoto, Japan. He participated in the air force during the Korean War, eventually becoming a major-general. He was recognised for his dedication to economic stability when he was appointed Vice Minister of Commerce and Industry in 1961, following his retirement from the military. When it came to budgeting matters, he was renowned for sticking to his guns, especially when opposing the SCNR's plan to reduce money for the Mining Bureau. He was appointed Deputy Prime Minister in 1967 as a result of his support for sound financial planning, and he oversaw Korea's EPB until his abrupt resignation in 1969. Pak was renowned for his methodical and open attitude, especially when it came to managing foreign loans, in contrast to his predecessor Chang Kiyong, who was a fearless political negotiator.¹⁴⁵

The second one, Kim Chongnyom, was raised in a financial setting as the son of a banker, indeed he turned out to be a financial expert and economic strategist. He joined the Bank of Choson, which was subsequently renamed the Bank of Korea, in 1944 after graduating from Oita College of Commerce in Japan. In 1945, he returned to banking after having been draughted into the Japanese army and witnessing the nuclear strike on Hiroshima. He participated in Korea's first currency reform by 1952. In 1958, he continued his studies at Clark University in the US, where he graduated with a master's degree in economics. He swiftly rose through the government's ranks after his return, occupying important posts in the Ministries of Commerce and Industry and Finance. Despite his initial reluctance, he joined the military government in 1961 and rose quickly, eventually taking charge of many economic departments before becoming Minister of Finance in 1966. He established his influence for almost ten years by coordinating economic policies across all government sectors by 1969 while serving as Chief of Staff at the Presidential Secretariat.¹⁴⁶

Lastly, Chang Kiyong, known to be a controversial economic leader and for having an assertive leadership style, for instance he would report directly to President Park rather than the Prime Minister, circumventing bureaucratic processes. He rose to prominence suddenly during a financial crisis, in contrast to Kim, whose career progressed steadily. President Park Chung Hee made obtaining foreign funding a top priority in 1964 as a result of Korea's extreme economic instability. The Five-Year Plan had numerous revisions as a result of economic mismanagement, despite the government's 1962 introduction of a foreign loan guarantee mechanism. Chang was given autonomy in economic decision-making when Park named him as Deputy Prime Minister and EPB Minister in 1964 in order to overcome the persistent

¹⁴³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 126.

¹⁴⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 118.

¹⁴⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 118.

¹⁴⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 118-119.

instability. Chang was also considered a "bulldozer" because of his capacity to enact laws even while doing so outside of established governmental procedures. Foreign loans increased under his administration, with considerable amounts going to large corporate conglomerates (*chaebol*). However, when money was purportedly transferred into political campaigns, which helped Park win re-election in 1967, this gave rise to accusations of political corruption. Technocrats who wanted more organised planning were irritated by his contentious decision-making, which included authorising high-risk loans without doing adequate evaluations. He was fired in 1967 as a result of his involvement in financial problems, including a smuggling episode connected to the Korea Fertiliser Company.¹⁴⁷

These three policymakers influenced Korea's rapid economic growth in the 1960s. Kim Chongnyom and Pak Ch'unghun were instrumental in reaching export milestones, and Kim's influence continued into the 1970s, helping to drive major industrialisation in Korea. Chang Kiyong's administration did, however, highlight the difficulties in striking a balance between moral leadership and quick economic growth. Under his leadership, Korea's developmental state during the Yusin era was characterised by the interplay between political influence and economic management.¹⁴⁸

2.3. The Fourth Republic

On October 17, 1972, Park declared Special Martial Law and promised to give the *Saemaul Undong* (or New Village Movement) top priority in the next Yusin program, as in Restoration. This commitment was a component of Park's larger mass training program, which was specifically designed to boost the rural economy and inculcate a new set of national ideals and mental discipline that he believed were necessary for the state's rapid modernization and development. The Saemaul Movement, which Park first presented in April 1970 as a top-down rural development project, is examined and analyzed in this chapter. The "Yusin system" (*yusin ch'eje*) was supported by a wider community mobilization drive by 1973. Park wanted to inspire the Korean people to better their own lives through national growth by reviving their spirit of independence and self-reliance (*chaju*). In the end, Park saw this endeavor as a plan to create a contemporary, industrialized, anti-Communist state in order to deal with the "Korean problem"—more especially, the threat posed by North Korea—in the context of a world that was changing quickly, especially with regard to U.S. policy in Northeast Asia. It is with the Yusin Constitution approved in 1972 that the Fourth Republic with Park Chung Hee began.¹⁴⁹

2.3.1. A Government-Driven Rural Modernization

On April 22, 1970, Park addressed provincial governors and mayors, formally launching the Saemaul Movement. Seven months after the terrible floods in the Kyongsang region, which Park had personally visited to inspect the damage, this announcement was made. During his visit, he discovered a village that had not only recovered from the floods but had made improvements to its living circumstances and infrastructure. This progress was made by the locals mostly via communal efforts and voluntary labor. In order to improve rural living standards, Park suggested a rural development project that was first called the "New Village

¹⁴⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 120-121.

¹⁴⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 122.

¹⁴⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 133.

Furtherance Movement" (*saemaul kakkugi undong*) or the "Campaign to Make Frugal Villages" (*alttulhan maul mandulgi*).¹⁵⁰

The government of South Korea provided 300 free bags of cement for communal projects only in 33,267 villages between October 1970 and June 1971. Despite using cement from Korea's excess supply, the effort sparked a lot of local excitement. The prompt action taken by the government, especially by the Ministry of the Interior, promoted more state-led initiatives in rural areas, with participation guaranteed by a simple monitoring mechanism.¹⁵¹

Prior to the Saemaul Movement's formal start on March 12, 1970, Park had ordered that government funding for rural developments be given preference to communities that exhibited traits like self-help, cooperation, involvement, and the will to improve themselves. The movement consequently evolved into a top-down, purely goal-oriented endeavor that divided villages into three categories: basic, self-helping, and self-sufficient. While villages classified as "lazy" or lacking self-reliance were not eligible for aid, the government concentrated its support on those who were self-sufficient and self-helping. This policy was a "sink or swim" tactic that emphasized village competitiveness and central control, mirroring the state's larger economic goals.¹⁵²

In addition to strengthening the centralization of rural governance, government support for rural development initiatives also boosted state involvement in rural issues. The government calculated that the worth of rural improvements by the end of the first 14 months was \$32 million, over three times the initial outlay. Furthermore, around half of the villages were classified as having taken an active part in the initiative.¹⁵³

Nevertheless, some detractors contend that the movement's success should be interpreted cautiously in spite of the high participation percentages. The movement's widespread participation frequently mirrored the degree of state control, and the seeming enthusiasm did not always translate into success. Park and other government representatives emphasized the importance of local cooperation, tying individual acts to "community decisions." Government support was given to villages that obeyed, while peer pressure or, in the worst situations, coercion may be applied to those who did not.¹⁵⁴

The movement disproportionately benefited Saemaul Leaders and wealthier farming households, who stood to earn the most from the program's activities, according to Professor Han Sangbok's research of 28 villages. Poorer farmers reported more moderate gains, whereas these groups saw the largest income increases, underscoring the movement's rising inequity.¹⁵⁵

After the unsuccessful "People's Reconstruction Movement" of 1963, Park made his second significant attempt at rural development with the Saemaul Movement. His previous project, known as the "Second Economy Movement," aimed to alter public perceptions by highlighting

¹⁵⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 134.

¹⁵¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 134.

¹⁵² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 134.

¹⁵³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 135.

¹⁵⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 135.

¹⁵⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 135-136.

independence, teamwork, and thrift. However, because of misunderstandings and doubts about its objectives, this movement was unable to acquire traction.¹⁵⁶

Park's personal experience in a poor farming hamlet inspired him to concentrate on rural development in order to enhance the economic standing of rural communities and establish a more fair revenue distribution between the rural and urban sectors. His idea of a "well-to-do" community was based on conventional social ideals like harmony and support for one another. The Saemaul Movement, which placed a strong emphasis on self-help, hard effort, and teamwork, was founded on these ideas.¹⁵⁷

Also, the movement had an inconsistent economic impact in spite of its idealistic objectives. With minimal assistance for agriculture, the third Five-Year Economic Development Plan (1972–1976) focused resources on heavy industrialization. As a result, the gap between the industrial and agricultural sectors widened. The NVM's emphasis on uplifting rural sentiments supported fast industrial growth by encouraging a "Saemaul spirit" that was in line with national development objectives. Park even made a comparison between the Saemaul Movement and the Yusin reforms, portraying both as crucial elements of the state's mass mobilization campaigns for industrialization.¹⁵⁸

In the end, the Saemaul Movement changed from being a campaign for rural development to a national spiritual mobilization effort, supporting the Yusin reforms' cultivation of the values necessary for "Saemaul citizenship" and the government's push for heavy industrialization.¹⁵⁹

2.3.1.1. Mass Mobilization

In line with his authoritarian Yusin policies, President Park Chung Hee launched South Korea's national heavy industrialization plan at the beginning of 1973. From its beginnings as a rural revitalization project, the *Saemaul Undong* developed into a comprehensive, state-led campaign that sought to rally the entire populace behind Park's vision for the advancement of the country. Park himself compared the objectives of the Yusin reforms and the Saemaul Movement, noting that both sought to create a self-sufficient, economically thriving welfare state with perseverance and a sense of patriotism.¹⁶⁰

This degree of the grassroots authority was historically evocative of comparable structures employed during Japan's mobilization during the war, when local organizations were entrusted with carrying out national policies. These roles were expanded by the Saemaul Movement in South Korea to support a top-down approach to civic transformation, cultivating what Park referred to as the "Saemaul spirit"—a national character based on hard work, collaboration, and independence. Park connected this spirit to ideas of national pride and duty, emphasizing that it is morally required to be passed down to future generations.¹⁶¹

The campaign became much more pressing after the 1973 oil crisis, which had a devastating effect on South Korea's economy and raised worries about national security. It strengthened

¹⁵⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 136.

¹⁵⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 136.

¹⁵⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 138.

¹⁵⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 139.

¹⁶⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 140-141.

¹⁶¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 141.

discipline and unity under Park's leadership, permeating every sphere of society, from private homes to presidential offices.¹⁶²

Furthermore, the original movement gave rise to many subgroups, such the Factory Saemaul Movement and the Urban Saemaul Movement, which were designed to focus on distinct industries. These sub-initiatives prioritized industrial harmony and productivity and were organized in a military fashion. With catchphrases like "Employees are family; the company is home," the movement promoted cooperative labor-management ties in workplaces. Mandatory training programs supervised by both public and commercial organizations helped to institutionalize these values. Tens of thousands of industrial managers and leaders received training between 1973 and 1979 with the goal of fostering efficiency, loyalty, and a feeling of purpose.¹⁶³

Although many workers had a different perspective, the government commended their efforts for helping to accelerate South Korea's industrialization, particularly in light of the HCI program. They felt that their exploitation was the price of the nation's economic prosperity. The conflicts between worker resistance and governmental control were brought to light by the rise in labor unrest in the late 1970s, particularly among female manufacturing workers. Drawing comparisons to North Korean political indoctrination programs, the authorities responded by doubling down and requiring ideological training for Saemaul officials.¹⁶⁴

2.3.1.2. The Saemaul Leaders' Training Program

When the Saemaul Leaders' Training (SLT) program was first introduced in 1972, it was aimed at important players in the Saemaul Movement's rural development initiatives. To administer these initiatives, 85 institutions were set up, 36 of which were run by non-governmental organizations and 49 of which were run by the government. The Saemaul Leaders' Training Institute in Suwon, which started in July 1972, served as the main organizing organization. Participants took a two-week standardized course, whereas professionals, intellectuals, and civil servants took shorter, one-week courses. Five main elements were highlighted in the training: group discussions, meditation sessions, model village success stories, military-style discipline, and instruction in Saemaul tactics.¹⁶⁵

In line with the ideological goals of the Yusin system, this instruction was intensely political and went beyond simple growth. The main focus was Park Chung Hee's speeches, which were supposed to be studied and analyzed by the audience. Reflective essays assessing their experiences and making recommendations for the movement's future were due at the end of the semester.¹⁶⁶

By the middle of 1974, senior officials from a variety of industries had joined the program, expanding its reach beyond rural participation. 53 high-ranking officials, including ministers, religious leaders, university presidents, and media executives, convened for a rigorous week of instruction at the first elite training session. Park underlined that it was the duty of these leaders to disseminate their knowledge to communities around the country. He believed that academics in particular were essential to spearheading Yusin reform initiatives. Additionally, these

¹⁶² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 142.

¹⁶³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 142.

¹⁶⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 143.

¹⁶⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 143.

¹⁶⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 144.

training sessions functioned as forums for brainstorming. Officials were invited to share their thoughts, and as a result, some noteworthy proposals—like the Factory Saemaul Movement—were developed. Yi Nakson and O Wonch'ol, two highly accomplished trainees who are important figures in industry and economic planning, came up with this particular concept.¹⁶⁷

Nearly all professionals under 65 were required to take part in the program by the end of 1974. One of the rare exceptions made was for Park's personal chief of staff. It should come as no surprise that senior company leaders were unhappy with this general requirement. Many of them questioned the necessity of putting senior executives through taxing regimens like early morning workouts. The presidential office maintained its stance in the face of these criticisms, viewing the program as a top-down endeavor that had purportedly developed in response to popular demand.¹⁶⁸

It's interesting to note that some sources indicate that lower-level Saemaul leaders may have been partially responsible for the effort to teach higher-level officials since they felt that all members, including top-level officials, should be equally involved. Whether or not this grassroots movement was entirely natural, it undoubtedly supported Park's long-standing goal of using extensive ideological instruction to change South Korea's social structure.¹⁶⁹

SLT and general Saemaul instruction became almost ubiquitous as the Saemaul Movement grew. According to studies, by the end of 1978, the average Korean urban inhabitant had attended more than two Saemaul instruction sessions. The nation's educational establishments also contributed; colleges encouraged volunteerism in line with the movement's tenets and national security objectives, while elementary and secondary schools included Saemaul projects into their curricula.¹⁷⁰

2.3.2. The Yusin State

President Park Chung Hee declared martial law, dismissed the National Assembly, and established the Emergency State Council to act under the Assembly's direction on October 17, 1972. Ten days later, he unveiled a comprehensive reform program called the October repair, or *Yusin* (meaning "restoration"). Driven by Park's desire to restore the power and prestige of the Korean nation, this reform sought to reconstruct Korea's political, social, and economic systems, taking inspiration from Japan's Meiji Restoration. His fundamental philosophy, *Minjok Chunghung* (National Restoration), served as the foundation for this vision.¹⁷¹

His advisors say the original idea behind the Yusin framework was to show a united face as a country in ongoing negotiations with North Korea, particularly after the historic inter-Korean communiqué of July 4, 1972. Although it was modified for South Korea's unique situation, this strategy was reminiscent of North Korea's *Juch'e* ideology of independence. The Yusin reforms, however, were more than merely ideological posture; they were Park's reaction to both international and domestic circumstances, such as the United States' changing foreign policy and growing domestic discontent.¹⁷²

¹⁶⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 144.

¹⁶⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 144.

¹⁶⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 145.

¹⁷⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 145-146.

¹⁷¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 139.

¹⁷² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 139.

Practically speaking, the Yusin system made the state more centralized and more like a government during a period of war. It sought to strengthen presidential authority while lessening dependency on the US. Park's emphasis on the growth of the heavy and chemical industries, particularly in the defense sector, was a major driving force behind this centralization. Remarkably, Park did not mention improvements in US-Korea ties in his official speech announcing the Yusin reform. This was probably because the US insisted on keeping such information out.¹⁷³

In November 1972, a national referendum was held after proposed constitutional revisions were made public by October 27. The referendum received over 90% of the vote, demonstrating the power of state apparatuses such as the KCIA and Park's strict control over a number of institutions, including the police, media, and large corporations (*chaebol*).¹⁷⁴

Park gained almost complete control once the Yusin constitution was adopted. A third of the National Assembly members were appointed by him under the new system, creating a pro-government group called the "Yusin Political Fraternity." There were no term limitations on the presidency under the new legal system, and legislative authority mainly became symbolic. Park had the constitutional power to declare martial law whenever he pleased and effectively controlled the legislative, executive, and judicial departments.¹⁷⁵

2.3.2.1. Escalation of Authoritarian Rule

Deep internal divisions existed in South Korea by the middle of 1974, and President Park Chung Hee was becoming more and more estranged from the populace, especially the minjung, the working class who actively resisted his Yusin dictatorship. The pressure on Park was momentarily relieved by a tragic and unanticipated event: on August 15, during a ceremony commemorating the 29th anniversary of national freedom, Park's wife, Yuk Yongsu, was shot and killed by Mun Segwang, a Korean living in Tokyo who was suspected of having ties to North Korea. The First Lady was killed by the gunshot, which was intended for Park.¹⁷⁶

Many South Koreans blamed Japan and North Korea for the assassination, which caused national fury. They felt that Japanese authorities had not done enough to stop North Korean operations in Japan, especially those of the League of Korean Residents in Japan, a pro-North Korean group that Mun was allegedly a member of. Approximately 1.5 million people attended large marches in major cities on August 27 and 28, demonstrating strong anti-Communist and anti-Japanese emotions. Park responded by calling for action against the League and formally holding Japan responsible. In the event that Japan does not reply appropriately, South Korea even threatened to sever diplomatic ties.¹⁷⁷

Due to his intense grief over his wife's passing, Park loosened some of the emergency limits. He revoked Emergency Decrees Nos. 1 and 4, which had stifled opposition to the Yusin government, on August 23. With President Gerald Ford expected to visit Korea that September, this action was also perceived as an attempt to regain favor with the US. The opposing movement was energized by the postponement of Ford's visit until November.¹⁷⁸

¹⁷³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 140.

¹⁷⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 140.

¹⁷⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 140.

¹⁷⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 148.

¹⁷⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 148.

¹⁷⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 148-149.

Meanwhile, international criticism increased, particularly from U.S. politicians. Donald Fraser chaired congressional hearings that called for a reevaluation of US military assistance to South Korea. Park was juggling personal loss with political survival on the home front. His ideological position changed during this time, and his conviction in a robust defense strategy—encapsulated in the saying "*Yubi muhwan*"—became essential to his vision of a militarized, independent state. This idea was mirrored in the Yusin system, which placed a strong focus on industrialization powered by security.¹⁷⁹

However, popular opposition increased. Religious groups that supported democratic reform joined the anti-Yusin campaign, both domestically and abroad. Supported by the Catholic Church, 71 prominent dissidents, including political figures like Kim Dae Jung and Kim Young Sam, established the National Congress for the Restoration of Democracy (NCRD) on December 25, 1974. The movement had gained national traction by March 1975.¹⁸⁰

The government reacted with stricter regulations in response to growing dissent, which included large-scale student demonstrations. In an attempt to quell student agitation, Emergency Decree No. 7 was issued in April 1975. This resulted in a wave of closures and military occupation of university campuses, especially following the suicide of a student who was protesting the dictatorship. Eight members of the People's Revolutionary Party were put to death by the government at about the same time, despite claims that they had been tortured into making their confessions.¹⁸¹

It was on May 13, 1975, that Park had issued one of the harshest policies to date, Emergency Decree No. 9. Almost all forms of resistance, including speech, protests, and publications seen as critical of the government or constitution, were made illegal. This was a pivotal moment when Park tightened his hold in an attempt to bring things back under control. Soon after, the National Assembly passed a number of laws that strengthened state control, including defense tax and public security legislation, and educational reforms that limited academic freedom while reviving student military training.¹⁸²

2.3.2.2. Park Chung Hee Under U.S. and Domestic Pressure

Soon, the anticipated withdrawal of American forces from South Korea by President Jimmy Carter and the emergence of domestic groups supporting labour and human rights were two significant obstacles that Park Chung Hee's authoritarian Yusin dictatorship was unable to overcome. In addition to South Korea's strategic vulnerability to the North, Carter's program worried Park's administration since it publicly criticised Park's civil rights record, further straining ties between Washington and Seoul. Even during his presidential campaign, Carter had been outspoken about South Korea's violations of human rights. After taking office, he promptly started carrying out his pull-out plan, which Vice President Mondale said was spurred by his unease with Seoul's suppression of fundamental liberties.¹⁸³

By the end of the 1970s, the United States started removing its nuclear-capable Sergeant Missile Unit from Korea, marking a tangible step in this plan. Carter's moral judgement must be seen in the perspective of a larger American society, though. The American public was

¹⁷⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 149.

¹⁸⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 149.

¹⁸¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 149.

¹⁸² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 150.

¹⁸³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 159.

aching for moral leadership in the wake of the Watergate scandal and the Vietnam War. Public attention was heightened by revelations from the Koreagate bribery incident, in which a Korean businessman unlawfully influenced a number of U.S. lawmakers with assistance from the KCIA. Notably, about 90 American officials and President Nixon were implicated. There were even rumours that the CIA had bugged the Blue House to find Park's role in the incident.¹⁸⁴

Park's administration was shaken by these events, particularly because they increased international pressure on Korea's human rights situation. One prominent example of this tension was in March 1976, when a joint Christian-led prayer rally demanding democracy resulted in numerous arrests, including Reverend Mun Ikhwan, who would later lead the United Minjung Movement, and important opposition member Kim Dae Jung. Yun Poson, the previous president, was also charged but not arrested.¹⁸⁵

Park declined Washington's request for Pak Tongson, the main player in the Koreagate incident, to be extradited so he could testify in the United States. In early 1978, a compromise was finally reached that permitted U.S. officials to examine Pak in Korea with a Korean prosecutor present, as long as no current officials were questioned. Although there were political repercussions, U.S. enquiries into the incident came to a conclusion by the end of 1978. By convincing Korean officials to testify in return for not endangering a planned \$800 million U.S. military aid bill, Ambassador William Gleysteen was instrumental in gaining Seoul's cooperation.¹⁸⁶

Strangely, Park was able to use Carter's insistence on human rights—albeit tangentially related to his intentions for withdrawal—to defend higher defense expenditures and industrial growth under the pretext of national security. Park took advantage of the circumstance by avoiding U.S. limitations and obtaining military technology from nations such as France and the UK. In the meantime, the Pentagon, Congress, and even Japanese Prime Minister Fukuda opposed Carter's pull-out strategy because they were concerned about regional instability. General John Vessey and Major-General John Singlaub, two American generals in Korea, vehemently opposed the proposal. According to reports, Vessey counselled Park to demand an impractical \$1.5 billion in aid as a requirement for the withdrawal, understanding that this would probably cause the process to stall in Congress.¹⁸⁷

In Korea, public resistance also grew, with opposition politicians and religious organisations pressuring Washington. Paradoxically, this broad opposition gave Park the confidence to pursue his Yusin objectives, which included assertive industrial policies. However, Park's hold on power started to wane in early 1979. Economically, inflation and growing labour costs endangered growth, and politically, his ruling party lost support from voters in the 1978 legislative elections.¹⁸⁸

Because of this economic hardship, Park's government saw changes in leadership, most notably the appointment of Sin Hyonhwak to succeed Kim Chongnyom as economic chief. This marked a shift away from rapid industrialisation and towards economic stabilisation. A second oil shock and, eventually, Park's assassination delayed the execution of a new economic strategy that was introduced in April 1979 with the goal of reducing inflation.¹⁸⁹

¹⁸⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 159.

¹⁸⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 160.

¹⁸⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 160.

¹⁸⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 161.

¹⁸⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 161.

¹⁸⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 162.

While political resistance was suppressed under the Yusin regime, labour unrest grew as a result of incidents such as textile worker Chon Tae-il's 1970 self-immolation. A burgeoning labour movement that resulted in well-publicized strikes in the late 1970s was spurred by this episode. For instance, the YH Company disagreement was one of the most important conflicts. Once a thriving business with thousands of young women employed, this wig exporting company started to reduce staff as revenues started to decline. Workers conducted a sit-in in 1979 as the company was about to shut down completely. Police conducted a violent raid on the opposition NDP headquarters after they sought shelter there, killing one woman and injuring others. This violent repression was widely denounced. In response, President Park accused religious groups such as the Urban Industrial Mission of promoting class warfare. More opposition was only stoked by the government's crackdown on civil society and labour. These tensions reached a boiling point just two months later, leading to Park's killing, which marked a turning point in South Korea's democratic transition.¹⁹⁰

2.3.2.3. The Breaking Point

Targeting Christian organisations, especially the Urban Industrial Mission (UIM), was a far riskier action than Park's customary suppression of labour discontent and opposition political activities. It ran the risk of upsetting American missionaries and, consequently, explicitly contradicting President Carter's adamant human rights position. Since no explicit records of Park's reasoning have emerged, it is still unknown what factors led to his choice. Nonetheless, two tenable explanations can be proposed.¹⁹¹

According to then-U.S. Ambassador William Gleysteen, one argument is that Park's strategy for dealing with protest movements got out of hand. After high-level diplomatic contacts, Park first took a somewhat passive approach, but when worker, student, and opposition protests began, he adopted a much more confrontational approach. Even moderate political figures joined the increasing anti-government mood, Gleysteen said. Park gave up any semblance of compromise in the face of growing opposition and sided with the hardliners of his administration, choosing to impose a harsh crackdown.¹⁹²

Park's own intransigence is another interpretation that may be made, especially in light of his tense relationship with President Carter. Only a few weeks prior, on Carter's trip to Korea in June, the two presidents had argued about American intentions to remove troops from the Korean Peninsula. Despite the diplomatic accord, Park was still very much annoyed by what he saw as Carter's haughtiness, a feeling Don Oberdorfer dubbed the "Carter Chill." By the middle of 1977, Park had started to give up on a conciliatory strategy because of how intense this tension was.¹⁹³

Park told his defense officers to inform the Americans they could go if they so desired, rather than continuing to beg the U.S. to keep its military presence. In retrospect, this was a watershed moment that demonstrated Park's determination to steer South Korea in an autonomous direction, even if it meant going against American strategic interests, especially with regard to nuclear development.¹⁹⁴

¹⁹⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 162-163.

¹⁹¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 163.

¹⁹² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 163-164.

¹⁹³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 164.

¹⁹⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 164.

2.4. POSCO

Concerning the period outlined earlier, this chapter focuses on the plan for establishing POSCO as a national organization, highlighting its contribution to the development of South Korea's heavy manufacturing sector. The company's organizational growth and leadership from its founding in April 1968 to February 1981—shortly after President Park's assassination—are given special attention. It aims to answer the following three key questions:¹⁹⁵

1. How did the Park administration and POSCO cooperate in implementing this institutional strategy?
2. In what ways did POSCO's leadership maintain a level of operational autonomy under government oversight?
3. How did shifts in South Korean politics influence POSCO?

The historical background of South Korea's steel industry is briefly discussed before delving into the relationship between Park Chung Hee and Park Tae-joon, the founder of POSCO. After then, it examines the company's early institutional traits, such as management procedures, operational role, and leadership style. Using POSCO as a primary case study, the chapter weighs the wider ramifications of a state-led strategy to creating industrial institutions, both positively and negatively.¹⁹⁶

2.4.1. The Establishment of POSCO

Founded during the Japanese colonial era, South Korea's steel industry was left in ruins after 1945, with the majority of its facilities located in the North and a lack of funding and qualified labor in the South. Under President Syngman Rhee, early attempts to construct an integrated steel mill were unsuccessful because of organizational and financial problems. Steel manufacturing was given top priority by Park Chung Hee after he came to power in 1961 as part of his larger objectives for economic modernization. Park persevered, making the steel mill a national priority during the Second Five-Year Plan, despite early failures to attract foreign investment. He believed that the establishment of the Pohang steel mill and the creation of an international consortium were crucial to the industrial might and independence of South Korea.¹⁹⁷

With the help of thirty-nine people, POSCO, or Pohang Iron & Steel Co. Ltd., was formally founded on April 1, 1968. Pak T'aejun, a former Korea Tungsten executive, Daehan Jeongseok, and the main person in charge of the Steelworks Project Promotion Committee, was the company's first president. With an authorized capital of 800 million won (about \$2.91 million), the Ministry of Finance and Korea Tungsten made the initial investment. The Ministry of Finance contributed 300 million won and Korea Tungsten contributed 100 million, for a total of 400 million won (about \$1.46 million).¹⁹⁸

¹⁹⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 1-4.

¹⁹⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 1-4.

¹⁹⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 5-6.

¹⁹⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 9.

It was decided to register POSCO as a private business under the Commercial Act rather than creating it as a state-owned enterprise under a unique legislative framework, which would have subjected it to stringent scrutiny by the government and the National Assembly. Public ownership had the risk of eroding incentives to remain competitive, even if it might have provided benefits like tax breaks, government support, and lessened labor union pressure. More significantly, POSCO's capacity to make autonomous managerial decisions—a skill deemed necessary for success in the global market—may have been hampered by its status as a public company. Pak T'aejun pushed for POSCO to become a private company because he was adamant that the company's survival depended on its managers having complete autonomy.¹⁹⁹

At first, the Korea International Steel Associates (KISA) sought funding from the U.S. Export-Import Bank (EXIM) and the International Bank for Reconstruction and Development (IBRD) for POSCO's construction. Despite its early backing, the IBRD subsequently withdrew after publishing a negative report on the South Korean economy in March 1969. The research concluded that South Korea lacked the financial capacity to repay large-scale foreign loans and that the country's economic base was still too weak. Consequently, the attempt to obtain foreign finance through KISA was once again failed.²⁰⁰

2.4.2. Initial Funding for POSCO

The South Korean government took a different approach after attempts to finance POSCO through KISA failed, mainly because of an unfavorable IBRD report that deterred investment: using a portion of the financial settlement obtained from Japan as postwar reparations. The steel industry received \$119.48 million, or approximately 24% of the \$500 million in reparations, which was redirected by officials, especially Pak T'aejun, despite the fact that the monies were initially intended to boost essential industries like agriculture and fisheries. This amount comprised \$88.68 million in loans and \$30.8 million from restitution claims.²⁰¹

This was a bold step, considering the precarious state of South Korea's economy at the time. The nation's foreign reserves in US currency were less than \$100 million in 1963, and its yearly exports were about the same. When POSCO was established in 1968, the average person's income was just \$169. The POSCO project was a risky endeavor that represented the country's aspirations for economic change as well as President Park's political goals.²⁰²

Japan, however, was reluctant to join the steel mill project. Tokyo was concerned that more industrial projects associated with reparations might lead to similar requests from other countries, such the Philippines. Furthermore, Japan was hesitant to make one-time payments because of financial commitments. As a result, South Korea started a calculated lobbying effort. Senior members of the EPB were sent to Japan to push for a policy shift. President Park sought

¹⁹⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 10.

²⁰⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 11.

²⁰¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 12.

²⁰² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 12.

domestic support at the same time, trying to foster agreement among National Assembly members and the general public.²⁰³

Pak T'aejun was also instrumental behind the scenes. He visited Japan to discuss technical collaboration and economic aid with Yawata, Fuji, and Nippon Kokan, the nation's three largest steel companies. He also made an effort to win over powerful commercial and political figures in Japan. Eventually, these efforts paid off. The Japanese government consented to back the South Korean steel project in August 1969. After eight years of tenacious work and multiple unsuccessful attempts since Korea's independence, a formal agreement between Seoul and Tokyo to proceed with POSCO's construction was established by December of that year, marking a significant milestone.²⁰⁴

2.4.3. Strategic Relationship between Park and the State

In its early years, POSCO was heavily subsidized by the South Korean government, especially President Park Chung Hee. He was crucial in providing steadfast political and administrative support in addition to securing funds and resources. Through his numerous site visits, a total of 13 between 1968 and 1979, and his protection of POSCO from excessive political meddling while granting its management autonomy, Park showed his unwavering dedication.²⁰⁵

In order to guarantee rapid advancement, Park enforced stringent regulations to preclude political exploitation of POSCO, particularly with regard to employment and fundraising. In 1971, for example, he prevented his own party from asking the corporation for campaign donations at a politically delicate time. In addition, he gave POSCO chairman Pak T'aejun all administrative authority, which was codified in a document that became well-known as the "Paper Horse Warrant." Park also gave Pak the authority to choose its own equipment suppliers, get Japanese reparations, and take advantage of government-backed guarantees that helped POSCO secure crucial contracts.²⁰⁶

As for policy framework and legislative support, important laws supporting industrialization were passed during Park's government. Special benefits such as advantageous loans, utility discounts, and access to essential infrastructure were made available to steel businesses by the Steel Industry Promotion Act of 1970. The law allowed POSCO to reduce expenses and develop more effectively, despite Pak T'aejun's concerns about the possibility of additional governmental monitoring. The Heavy and Chemical Industry Promotion Act of 1973 was another important piece of legislation that influenced South Korea's industrial policy by guiding development through a combination of limited market entrance and government guidance. The legal and financial framework that supported POSCO's expansion and the larger national push towards heavy industry was supplied by supporting legislation such as the Public Investment Fund Act and the Foreign Capital Law.²⁰⁷

²⁰³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 13.

²⁰⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 13.

²⁰⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 14.

²⁰⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 15.

²⁰⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 16.

With respect to industrial mobilization and infrastructure development, POSCO was built with the same sense of urgency as a military operation. Local governments managed the purchase of property and the transfer of thousands of families and tombs under Park's leadership. In order to prevent speculation, a public campaign urged landowners to sell at pre-announcement prices. Through interministerial collaboration, the necessary infrastructure—water systems, harbors, and railroads—was expedited, and significant expenditures guaranteed a consistent supply of materials to the location.²⁰⁸

Moreover, POSCO was placed under the EPB, which had more authority and answered directly to the president, rather than the MCI. Under Kim Hangyŏl, the EPB made sure that decisions were kept out of the hands of military or political parties, creating a technocratic atmosphere that allowed policy to be implemented effectively. Behind the scenes, any bureaucratic disputes were resolved to keep the building process moving forward.²⁰⁹

When POSCO's third phase was almost finished in 1978, the government started preparing for a second integrated steel factory. At first, Hyundai seemed to have won the proposal since it promised full private finance, supported by a number of high-ranking officials. But Pak T'aejun personally contacted President Park, who changed the ruling in POSCO's favor. As a result, Kwangyang Bay's second steel mill was built and finished in 1987.²¹⁰

Ultimately, the special bond between Park Chung Hee and Pak T'aejun was key to POSCO's growth. Park commanded allegiance and acted decisively, but Pak absorbed this confidence and transformed it into a leadership approach that prioritized output and national service. "Make steel, serve the nation" was Pak's motto, and it perfectly captured this spirit. According to economist Joseph Schumpeter, when establishing institutions, visionary leadership is crucial. This is best demonstrated by Pak's capacity to connect organizational demands on the inside with external circumstances without precedence to follow. Pak, who was referred to as the "King of Steel," helped create the unique POSCO culture that would later be known as the "POSCO Spirit" through his values.²¹¹

2.4.4. Pak T'aejun and His Four Key Administrative Principles

Born in Imnang-ni, South Kyŏngsang Province, in September 1929, Pak T'aejun grew up under Japanese colonial control. He thrived in mathematics and entered at Waseda University in 1945, specialising in Science and Engineering, after his family relocated to Japan due to financial difficulties. In 1948, Pak came home after Korea was freed and enrolled in the Korean Constabulary Officers' Training School, where he met Captain Park Chung Hee. Pak played significant roles under the new government even though Park did not include him in the original conspiracy to stage a coup on May 16, 1961. When Park ran for president in 1963, Pak resigned from the military and his post on the SCNR because he disagreed with Park's political goals. Pak had intended to study in the United States, but in 1964 he was sent to help with the normalisation negotiations between Korea and Japan. He was appointed president of the

²⁰⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 20.

²⁰⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 21-22.

²¹⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 23-24.

²¹¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 25-26.

faltering Korea Tungsten company later that year, which was essential to South Korea's exports. Pak was called back from negotiations in London in 1967 to oversee the building of the country's integrated steel factory. Pak, who was 40 years old when he was formally named head of POSCO in 1968, promised to carry out the "steel-making mission" with a founding team of 38 people and a dedication to constructing a top-notch steel mill at a reasonable cost.²¹²

Four were the core principles that Pak T'aejun created to guide the management and development of POSCO and to ensure the success of South Korea's first integrated steel mill. They were designed to build not just a successful company, but a nationally important institution. The core principles of his management philosophy are the following:

1. Steel-Making Patriotism: Steel was seen as essential to South Korea's economic and national power, and Pak T'aejun's management strategy was based on "making steel to serve the nation." By stressing the mass production of high-quality steel at low cost to support defense and modernization activities, he developed a sense of patriotism at POSCO. Pak promoted a military-like discipline and urgency and required complete staff dedication. Under his direction, POSCO finished its first phase of construction earlier than expected, saving money and raising spirits while reaffirming steel production as a national responsibility linked to Korea's past hardships.²¹³

2. Responsibility and Perfectionism: A strong sense of duty, which pushed managers to handle corporate resources with care and prioritized the public good over profits, was at the base of his philosophy. He encouraged his staff to be devoted, professional, and socially conscious. He gave lower-level managers practical latitude to foster creativity, even though his leadership was frequently autocratic on important choices. By enforcing strict standards, such as the demolition of a badly constructed power plant in 1977, he established a "zero defect" culture that characterized POSCO's dedication to quality and responsibility.²¹⁴

3. Transparent Information Management: In contrast to standard corporate procedures, Pak T'aejun instituted a policy of complete transparency at POSCO. He made certain that every department had transparent governance procedures, external auditing, and open operations. This strategy assisted in protecting POSCO from political meddling, as evidenced by Pak's 1971 agreement with President Park to run POSCO autonomously. POSCO was able to become a competitive global competitor with robust internal systems and transparency thanks in large part to its autonomy.²¹⁵

4. The Priority of Staff Welfare: As POSCO's staff increased in 1968, Pohang's housing and educational shortages became a serious issue. In order to remedy this, Pak started building employee housing since he thought it would increase workers' concentration and productivity. He obtained a financing for the project in spite of financial difficulties. In order to increase

²¹² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 27-29.

²¹³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 30-33.

²¹⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 34-37.

²¹⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 38-39.

transportation capacity, Pakistan also built a railway, which, in spite of criticism, lowered building costs, shortened construction schedules, and increased POSCO's competitiveness.²¹⁶

2.4.5. The Role of POSCO in National Development

As previously outlined, the Republic of Korea concentrated on developing its steel sector as a major engine of economic growth in its early years. In order to assist essential industries including construction, automotive, shipbuilding, industrial, and household appliances, the government sought to provide a steady, high-quality, and reasonably priced steel supply. The notable economic expansion of South Korea was facilitated by this strategic focus. Under President Park Chung Hee's direction, the government's role in creating and assisting POSCO turned out to be a successful tactic for furthering the nation's development policies, particularly in situations where the private sector was unable to manage significant investments with strong public interest.²¹⁷

POSCO was established with the explicit intention of serving as a pillar for the expansion of the national economy. POSCO's success can be ascribed to the steel industry's shaping to achieve both industrial and policy goals, which attracted broad support that was necessary for its growth. Additionally, POSCO's performance was greatly influenced by the leadership of Chairman Pak T'aejun and President Park. President Park protected POSCO from political pressure by ensuring that it had substantial government support while retaining managerial autonomy. Motivated by a strong sense of responsibility and "Steelmaking Patriotism," Pak T'aejun was able to gather and organize the material and people resources required to launch POSCO, guaranteeing the company's first success.²¹⁸

An element that is sometimes disregarded in POSCO's success is the Korean people's culture and character. Due in large part to the commitment and tenacity of its highly educated workers, POSCO was able to surpass its goals despite the initial lack of technology and experience in developing and operating an integrated steel factory. This emphasizes how crucial culture and human attributes are to the success of any strategic endeavor. For a country or organization to meet these growth expectations, its system needs to be flexible enough to adjust to changes in its surroundings. The ability to adapt is only possible when an organization's goals and vision are in line with the changing environment and its leadership is capable of successfully navigating and putting those goals into practice.²¹⁹

2.5. Heavy and Chemical Industrialization

Following the previous chapter's discussion of POSCO's establishment and its role in South Korea's early economic development, this chapter will examine the HCI strategy. The inclusion of HCI is essential, as it represents another fundamental aspect of South Korea's broader industrial transformation and modernization, particularly concerning the military. Analysing the HCI initiative highlights how large-scale, state-led industrial policies

²¹⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 40-42.

²¹⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 43.

²¹⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 44.

²¹⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 2 para. 45.

complemented individual projects such as POSCO in advancing the nation's development objectives. POSCO serves as a concrete example of early industrialization efforts and naturally leads into the broader, government driven HCI strategy.

2.5.1. Park's Dual Pursuit of Economic and Military Independence

Establishing economic self-sufficiency in the 1960s and creating an autonomous defense system in the 1970s were the two main goals that influenced South Korea's political and economic strategies during the Park Chung Hee administration. Cold War dynamics, especially changes in U.S. foreign policy like President Nixon's 1972 visit to China, had a significant impact on these priorities. But South Korea's national security concerns—such as growing North Korean hostilities and the withdrawal of US forces from the country—also influenced how it responded to these geopolitical shifts.²²⁰

In 1968, after Park was targeted for assassination by North Korea, he stepped up efforts to strengthen South Korea's defenses. In the same year, he started producing weapons domestically and created the Homeland Guard, a reserve army of 2.5 million people. As the United States proceeded towards normalising relations with China, this push for military self-reliance grew stronger, leading Park to doubt America's commitment to South Korean security. He established the Heavy and Chemical Industrialisation Plan in 1973 with the goal of strengthening national defense by directly tying economic growth to military modernisation. In order to successfully carry out these objectives, Park had already established his authoritarian rule in 1972 with the Yusin reforms. Park's centralised leadership was strengthened by the fact that the HCI Plan was implemented by a select group of advisors.²²¹

Park's vision, rather than American economic models, was the main influence on South Korea's quick industrialisation at this time, which is sometimes referred to as "compressed modernisation." He was able to tightly regulate every aspect of society, including the military, corporations, labour unions, and students, thanks to the Yusin system. The government advanced industrial and defense technologies, while political persecution expanded. Park remained strategically tied with the United States, prioritising South Korea's political and economic sovereignty while attempting to uphold American security guarantees, notwithstanding his dedication to developing an independent defense sector. But when Washington learnt of Seoul's covert nuclear weapons development in 1976, relations between the United States and South Korea deteriorated much worse, particularly under President Jimmy Carter, who suggested removing American forces from the peninsula.²²²

South Korea's defense infrastructure was significantly shaped by Park's military modernisation initiatives under the HCI Program. In order to improve national security without completely cutting off relations with Washington, his administration attempted to resolve contradictions in U.S. policy. The HCI effort ultimately signalled the second stage of South Korea's industrial

²²⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 1.

²²¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 2.

²²² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 3-4.

revolution, establishing the foundation for the country's economic growth and military might while having a long-lasting effect on modernisation.²²³

2.5.2. A Plan for the Defense Industry

After a North Korean assassination attempt on his life in 1968, Park Chung Hee launched an endeavour to advance South Korea's defense sector. Park formed the ROK Homeland Guard, a sizable reserve force, in reaction to the attack, which caused many casualties. His request for American assistance in reprisal was denied, further straining ties between the two allies. When North Korea captured the American spy ship *Pueblo*, tensions increased even more, and Washington decided to negotiate the release of American personnel instead of using force. Park started protesting against American containment measures because he felt that the United States was acting alone in responding to North Korean provocations.²²⁴

In February 1968, President Lyndon B. Johnson dispatched Cyrus Vance, a personal envoy, to Seoul to offer financial assistance and support for the construction of a munitions factory in an attempt to placate Park. Park continued to lose faith in the United States' commitment to South Korean security even after receiving the aid. Vance announced intentions to mobilise 2.5 million members of the Homeland Guard just days prior to his visit. He cancelled a planned South Korean army deployment to Vietnam that had been discussed with Johnson in exchange for military and economic incentives as a result of his developing doubts about the United States' dependability. By this point, Park had started to push for a defense strategy that was self-sufficient, realising that lowering dependency on the US was essential to South Korea's security and economic prospects.²²⁵

When President Richard Nixon declared the departure of 20,000 American troops from South Korea in 1969, Park's worries were confirmed. During this time, North Korean aggressiveness persisted, as evidenced by the explosion at the National Cemetery and the kidnapping of a patrol boat in the South Korean navy. The "Four Great Core Factories," which concentrated on the production of iron, steel, heavy machinery, and ships—industries essential to the production of weapons—were established as a result of Park's determination to construct a domestic defense sector in response to these threats. He also established the Agency for Defence Development (ADD) in 1970 to supervise the manufacture of weapons in the country.²²⁶

However, because of U.S. resistance, South Korea was unable to receive loans from European and Japanese nations, making it challenging to secure foreign money for these projects. When faced with budgetary limitations, Park and his advisors looked into other options. When government technocrat O Wŏnch'ŏl suggested using South Korea's current industrial capabilities, especially the *chaebol*, to produce weapons domestically in November 1971, it was a breakthrough. The groundwork for incorporating defense production into South Korea's

²²³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 5.

²²⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 6.

²²⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 7.

²²⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 9-10.

larger heavy and chemical industrialisation initiatives was established by this plan, which Park promptly approved.²²⁷

In order to create a national defense industry inside South Korea's commercial sector, Park formalised a five-point guideline. In addition to moulding the country's military prowess, this choice served as a catalyst for its industrial growth. In order to supervise these efforts, Park named O chairman of the newly established Second Economic Secretariat, which was actually focused on defense manufacturing but was presented in the public eye as promoting industrialisation. The heart of South Korea's defense-industrial policy was formed by Park, O., and Kim Chŏngnyŏm, and this action cemented the leadership structure that would propel the country's fast military and economic progress.²²⁸

2.5.3. The HCI Leadership Team

Born into a low-income farming family in North Kyŏngsang Province in 1917, Park Chung Hee started out as a primary school teacher before deciding to pursue a career in the military by enrolling in the Manchukuo Military Academy and then the Japanese Military Academy. He joined the South Korean army after 1945 after serving in the Japanese Kwantung Army, but he was imprisoned in 1949 on suspicion of having communist affiliations. He became a major general after being reinstated during the Korean War and went on to lead the coup on May 16, 1961. Through programs like the first Five-Year Economic Development Plan, Park, who commanded the military junta and later became president, encouraged state-led, export-driven economic growth. Although relations deteriorated following a 1968 North Korean assassination attempt and Washington's poor response, his administration witnessed swift industrial advancement and improved U.S. relationships through diplomatic initiatives. In response to the alleged security risks, Park established the Homeland Guard, which consists of a staggering 2.5 million reserve soldiers. In order to supervise the industrial and governmental reforms necessary for South Korea's economic transition, he concurrently formed a centralised leadership group known as the HCI triad.²²⁹

In contrast to Park, who had a history of communist activities and Japanese collaboration, O Wŏnch'ŏl was born on October 2, 1928, into an affluent North Korean landlord family. During the Korean War, he enlisted in the Korean Air Force while a chemical engineering student at Seoul National University, where he remained a major until 1957. He joined the Military Revolutionary Committee in May 1961 at the age of 33 and was assigned to the MCI. O was instrumental in South Korea's industrialisation and served in the MCI for his whole public service career. As the driving force behind the HCI Program, he oversaw its execution and oversaw President Park's clandestine efforts to develop nuclear and missile capabilities as well as the Military Modernisation Program, which was eventually dubbed the Yulgok Operation. By combining Park's political power, O's industrial strategy knowledge, and Kim Chŏngnyŏm's

²²⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 10-11.

²²⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 12.

²²⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 13-15.

finance management, O's contributions represented the South Korean model of industrial growth.²³⁰

The third important tripartite member, Kim Chŏngnyŏm, was in charge of obtaining the funding required for the HCI Program. He was born on January 3, 1924, and after graduating from Oita College of Commerce in Japan, he started working at the Bank of Chosŏn (later the Bank of Korea) in 1943. After creating the first currency reform proposal for South Korea in 1953, he rose to fame. After graduating with a master's degree in economics from Clark University in 1959, he was named director-general of the Ministry of Finance's finance bureau, which had a significant impact on the nation's economic policy.²³¹

By working together, Park, O., and Kim created a highly centralised structure that fuelled South Korea's swift economic development. Kim's economic leadership, O's industrial expertise, and Park's political influence all contributed to the nation's modernisation plan.²³²

2.5.4. South Korea's Domestic Arms Industry

Eight light-weapon prototypes were successfully created by South Korea on April 3, 1972, less than five months after Park Chung Hee issued an urgent directive to develop weapons for twenty reserve divisions. M1 carbines, M19s, A4 machine guns, and 60mm trench mortars were among them. Working around the clock to fulfil Park's deadline, the recently formed Agency for Defence Development (ADD) completed this work under the project name "Lightning Operation" (*pŏn'gae saŏp*). Even before he formally solidified his authoritarian authority with the Yusin Reforms in October 1972 and the Yusin Constitution in December of the same year, Park's strong control over his administration was demonstrated by the initiative's swift execution.²³³

Despite still being in the prototype stage, these weapons were important because South Korea might use them as leverage to secure American backing for its own armaments manufacturing. The South Korean military had been mostly dependent on light weapons supplied by the United States until now. Nevertheless, this project's success persuaded the United States to give South Korea industrial blueprints as well as technical advisors. This was the start of Park and his strategists' quest for an autonomous defense sector, which Park characterised as the cornerstone of self-sustaining national security.²³⁴

2.5.4.1. The Expansion of the HCI Program

President Park Chung Hee made a significant change on January 12, 1973, when he formally introduced the HCI Policy, making it a central component of his Yusin Reforms. By establishing ambitious goals of reaching \$10 billion in export earnings and increasing the GDP per capita to \$1,000 by the early 1980s, this program demonstrated a strong commitment to

²³⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 16-17.

²³¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 18.

²³² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 18.

²³³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 19.

²³⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 20.

swift industrial growth. Park attempted to lead the HCI Program by organising the big family-run businesses, or chaebŏl, and obtaining significant foreign investments, notably a \$5.8 billion loan from the US, despite the government's initial lack of complete readiness.²³⁵

Six large industrial complexes with specialisations in important industries like steel, shipbuilding, heavy machinery, electronics, petrochemicals, and nonferrous metals were the focus of the HCI effort. Ch'angwŏn, a formerly rural hamlet that was converted into a sizable industrial metropolis with 104 enterprises and more than 100,000 workers, is one noteworthy example. The magnitude and importance of the program are reflected in the government's allocation of a sizeable portion of national investment—22.1% of the total between 1973 and 1981—to manufacturing.²³⁶

Park enacted authoritarian laws such as the Industrial Parks Development Promotion Law, improved bureaucratic procedures, and instituted institutional reforms to speed up execution. The purpose of these actions was to reduce opposition and guarantee the smooth advancement of economic activities. Park's strict control over the HCI triad and his labor-control measures, such as the Factory Saemaul Movement, further solidified state power through his extremely centralised leadership style.²³⁷

However, considerable popular dissatisfaction was sparked by the forceful drive for industrialisation under a political regime that was becoming more and more oppressive. Growing discontent with Park's authoritarian rule was shown by the widespread demonstrations against the Yusin administration. By the late 1970s, South Korea's military modernisation initiatives were intimately associated with the HCI Program, which was part of a larger policy that saw economic expansion as crucial to national security. The HCI Policy aided in the economic change of South Korea, but it also exacerbated political tensions, which ultimately led to Park Chung Hee's collapse.²³⁸

2.5.5. The Yulgok Military Modernization Initiative

President Park Chung Hee approved the "Yulgok Project," a classified defense project, in March 1974 with the goal of enhancing South Korea's military prowess and obtaining more advanced weapons. Park was greatly incensed by a North Korean naval attack on Paengnyŏng Island, which prompted this action. In an address to the island's citizens, he urged them to fend off any additional attacks, stressing that they should "hold out for a week" to give the South Korean military time to retake the region in the event of an invasion.²³⁹

Park presented this military reform as a direct response to North Korea's threats, analogous to what is today known as a counterterrorism operation. The government established the National Defence Fund, a media-driven fundraising campaign, to finance this massive endeavour. Between 1974 and 1975, the fund raised over 16 billion won, or over \$32 million. To further

²³⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 21.

²³⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 22-23.

²³⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 24-25.

²³⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 25.

²³⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 26.

fund the endeavour, an obligatory National Defense Tax was implemented in July 1975. The project received almost 6% of South Korea's gross national product between 1975 and 1976, and by 1980, the program's total government revenue had grown to over \$5.2 billion.²⁴⁰

At first, a five-member Ministry of Defense committee headed by a deputy minister oversaw the initiative. Among its members was O Won'chol, who was the chief of the Heavy and Chemical Industry Planning Corps and one of Park's top economic advisors. By including O, the program was directly under presidential supervision, especially when it came to choices on the procurement and selection of weapons.²⁴¹

A three-tiered oversight system was put in place by Park to keep everything under control and stop corruption. A Blue House team of senior aides, the Defense Ministry committee, and an unofficial group of high-level decision-makers that included Park, the Chief of Staff, O Won'chol, the Defense Minister, and the head of the Agency for Defense Development were all part of this. To cut out middlemen and stop illegal commissions, other measures were implemented, such as rules requiring direct transactions with manufacturers and standards for defense procurement.²⁴²

In order to maintain the system's efficiency and transparency, Park used South Korea's intelligence services to keep an eye on all officials engaged in defense acquisitions. From a strategic perspective, Park was able to use the Yulgok Project to expedite military modernisation by using North Korean hostility as an excuse. Furthermore, Park and his advisers took advantage of the contradictions in American arms policy, understanding that the United States was more inclined to supply cutting-edge technology if Seoul proved it could act on its own initiative.²⁴³

For example, Park ordered O Won'chol to start a missile development plan in late 1971, and in spite of American protests, French Exocet anti-ship missiles were purchased. Paradoxically, this action ultimately made it easier for South Korea to acquire American-manufactured Harpoon missiles, which had previously been refused to them. Park was inspired by this encounter to keep evading American policy constraints in his quest for cutting-edge weapons.²⁴⁴

Park had become more dubious of American assurances by the end of 1974, particularly with reference to the presence of troops on the peninsula. Despite President Gerald Ford's assurances when he visited Seoul, Park was concerned that South Korea may suffer a similar fate to Vietnam, especially when Saigon fell in 1975. He was worried that a military withdrawal from South Korea may be prompted by pressure from the American people and Congress.²⁴⁵

²⁴⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 27.

²⁴¹²⁴¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 27.

²⁴² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 27.

²⁴³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 28.

²⁴⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 29.

²⁴⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 30.

Park's concerns about regional instability were heightened by North Korean leader Kim Il Sung's visit to China, which was his first since 1961. This visit's timing encouraged Park to strengthen his autocratic Yusin government and increase national defense spending. South Korean rumours of a probable American withdrawal were stoked by worries about a prospective change in U.S. strategic interests in East Asia. The crux of Park's thinking was encapsulated in a diplomatic cable sent by U.S. Ambassador Sneider to the Secretary of State in April 1975: until South Korea strengthened its own defense capabilities, it would be at risk of being left defenseless in the event of conflict if U.S. backing declined.²⁴⁶

2.5.6. A Secret Nuclear and Missile Development Strategy

President Park Chung Hee signed a loan arrangement with France in July 1975 to construct nuclear power plants and reprocessing facilities, furthering South Korea's progress towards self-sufficient defense capabilities. This action came after a contentious missile technology agreement with Lockheed in the United States that had previously caused tensions with Washington. Park's growing mistrust of American security assurances following the U.S. withdrawal from Vietnam and growing North Korean threats, such as the 1974 killing of First Lady Yuk Young-soo, are reflected in the French deal's pursuit without U.S. consultation, in contrast to the Lockheed negotiations.²⁴⁷

By the middle of 1975, Park publicly expressed concern that if the U.S. nuclear umbrella faded, South Korea might seek its own nuclear weapons. U.S. Secretary of Defense James Schlesinger responded by making an urgent trip to Seoul to provide support in return for Park halting his nuclear aspirations, a deal that was only partially kept. Seoul persisted in its covert activities, including the acquisition of a Canadian CANDU reactor, even though Washington blocked funding for other nuclear programs and U.S. pressure eventually forced France to revoke the nuclear reprocessing agreement.²⁴⁸

Park kept the programs extremely secret, hiding nuclear research behind fictitious names such as the "Taejŏn Machinery Depot" and enforcing strict security at major industrial centres like Changwon. Prioritising national security over economic viability, South Korea established the Korean Nuclear Fuels Development Corporation in 1976 to build nuclear components domestically.²⁴⁹

Until September 1978, when South Korea became the seventh nation to successfully launch its first guided missile, the NH-K, Park's development was substantially concealed despite U.S. surveillance. The United States sent many high-level delegations to evaluate the situation after becoming alarmed, and President Carter visited Seoul in 1979 as a result. Park's desire for military and nuclear independence from the United States was the root of the deeper tension,

²⁴⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 31.

²⁴⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 32-33.

²⁴⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 34-35.

²⁴⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 36-37.

even though Carter publicly denounced Park on human rights grounds. Washington had been increasingly concerned about this trend since 1976.²⁵⁰

2.6. The End of Park's Leadership

2.6.1. Political Transition Following Park's Assassination

The severe political unrest that swept over South Korea in the 1970s, especially from 1977 to 1979, when Park Chung Hee was assassinated and a military coup followed, is hard to properly understand today. Examining the major events that transpired after Park's death is essential due to the complexity of the situation, particularly the part played by Chun Doo Hwan, who became powerful and took charge of national security, including the inquiry into Park's murder. South Korea was under tremendous pressure at the time, torn between mounting North Korean threats and President Carter's resolve to remove American combat soldiers following the collapse of Vietnam.²⁵¹

In addition to these difficulties, the United States persisted in its harsh criticism of South Korea, especially following the Koreagate bribery incident discussed previously in section 2.3.2.2., with a particular emphasis on Park's violations of human rights. These outside forces combined with the internal unrest that followed Park's passing to produce a disastrous situation for South Korea. Gleysteen addresses the U.S.'s role in Park's demise in his memoirs, categorically denying that the country was complicit in any plot to overthrow him. He contends that Park's own conduct made his death unavoidable. This viewpoint might not, however, adequately convey the situation's complexity. Americans must consider whether their activities unintentionally helped to Park's demise because of the U.S.'s extensive and intensive participation, as Gleysteen points out.²⁵²

In response to U.S. policies, especially those after the Nixon Doctrine, South Korea focused on defense-driven economic growth, which led to its late industrialization. This led Park to speed military modernization and pursue covert nuclear weapons and missile programs. For Park and his most trusted advisors, the country's existence depended on it. They believed that regardless of American assistance, national security had to be protected by any means necessary. One could counter that Park erred by moving forward with these nuclear and missile projects without open discussion with the United States. Although having a small nuclear arsenal might not have immediately made South Korea safer, it would have probably raised tensions with China, Japan, and Russia, South Korea's neighbors, who might have had doubts about the country's intentions. More significantly, Park ran the risk of further eroding the already shaky U.S. commitment to safeguarding South Korea by pursuing a clandestine nuclear program. Despite these dangers, Park had legitimate concerns about a possible American retreat, especially following the country's withdrawal from Indochina. He was concerned that the United States might not uphold its end of the armistice in the case of a North Korean attack.²⁵³

The United States' role in Chun Doo Hwan's ascent to power was another crucial issue. In addition to tolerating Chun's December 12, 1979, coup, the United States also backed him and

²⁵⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 1 para. 38-39.

²⁵¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 199.

²⁵² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 199-200.

²⁵³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 200.

his military government when the May 1980 protesters were violently put down, allowing Chun to win the presidency. Chun carried out purges under the martial law imposed on May 17, 1980, which resulted in the removal of roughly 9,300 senior government officials, over 500 prominent politicians, 30 to 40 generals, and numerous other professionals who made up a sizable section of South Korea's leadership.²⁵⁴

2.6.2. Chun Doo Hwan's Seizure of Power

It is clear that the United States had a major impact on the events leading up to Chun Doo Hwan's ascent to power, much like it did in the overthrow of President Syngman Rhee in 1960, even though it has continuously denied having a major role in the Kwangju massacres. According to Shorrock, the military coup headed by Chun on May 17, 1979, was approved by senior Carter administration officials long before it actually happened. O Wonch'ol's statement, in which he recalled an American plainclothes officer advising him a week before the coup that he would be detained by the new military dictatorship, lends credence to this assertion.²⁵⁵

And the reason why the United States backed Chun's ascent to power was based on security concerns being a major, if not the only, contributing factor. Chun had emerged as the dominant figure in South Korea, and the U.S. needed to work with him on national security issues, like as the ADD's clandestine development of nuclear weapons and missile capabilities. Both the Carter and Reagan administrations believed that in order to further American security interests in South Korea and the larger North-East Asian region, they had to back Chun.²⁵⁶

Ten days after Park's murder, according to Shorrock's account, the Carter administration established a "top secret policy-making group" that included President Carter and four important individuals: Ambassador William H. Gleysteen, Assistant Secretary of State for East Asia Richard C. Holbrooke, Secretary of State Cyrus Vance, and Deputy Secretary of State Warren Christopher. Under the code name "Cherokee," this group kept a careful eye on Korean events and developed a new policy that was declared on June 21, 1980. Holbrooke, who was getting ready to travel to Seoul, was told to meet with General Chun by Warren Christopher, who also explained the new policy. Holbrooke was instructed to express the "implicit recognition" of Chun's authority by the U.S. administration and to make it apparent that his actions will determine the character of future ties. Additionally, Christopher gave Holbrooke instructions to let Chun know that the United States will continue to have "some freedom of action" in its interactions with South Korea.²⁵⁷

2.6.3. Restructuring National Defense

No matter how important this warning was to American officials, Chun's conduct in the critical months after Park's murder had a profound effect on American decision-makers. For example, in August 1980, Chun and his military leaders removed about thirty important members of the ADD, including its director, Dr. Sim Munt'aek, and Dr. Ch'oe Hyonho, who had over seen the development of Korea's first missile, the K-2, in 1977–1978. The Carter administration came to the conclusion that "Mr. Chun had enough public support to justify his rise as South Korea's

²⁵⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 200.

²⁵⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 201.

²⁵⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 201.

²⁵⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 201.

next president” by the same month, as noted by Shorrock. According to official records, Chun became president on August 30, 1980.²⁵⁸

More than 800 scientists were removed from the ADD in a major purge carried out by Chun's administration in December 1982. The Chun government promised the United States during this time that South Korea would not produce missiles that could travel more than 180 kilometers. Overall, under the Chun and Reagan administrations, ties between the United States and South Korea significantly strengthened. After the financial crisis of 1979–1980, when Korea came under IMF investigation, the United States had a strong interest in helping Korea. According to one academic, the United States was instrumental in reducing outside pressure on Korea to enact broad liberalization measures, which resulted in Japan providing Korea with financial assistance backed by the United States while other countries grappled with bankruptcy.²⁵⁹

²⁵⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 201-202.

²⁵⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 202.

Chapter 3: Contrasting Views on South Korea's Economic Growth and Emerged Challenges

The third and final chapter of this thesis examines the complex legacy of Park Chung Hee's leadership in South Korea, focusing on the contentious debate surrounding his economic achievements versus his authoritarian methods. While scholars acknowledge that Park's stringent policies, such as the Five-Year Plans and export-oriented industrialization, were instrumental in transforming South Korea from an impoverished nation into an economic powerhouse, his suppression of democratic institutions, censorship, and harsh political repression remain deeply controversial. Some argue that his strong-handed approach was necessary for rapid modernization, while critics contend that such authoritarianism undermined long-term democratic development. By analyzing these divergent perspectives, this chapter seeks to evaluate whether Park's economic successes can be disentangled from his autocratic governance, ultimately contributing to a nuanced understanding of his rule in shaping modern South Korea.

3.1. Park Chung Hee's Mixed Legacy

According to Kim Hyung-A, a Research Fellow at the Centre for Asia Pacific Social Transformation Studies (CAPSRTANS), the legacy of Park Chung Hee's government had a strong influence on contemporary Korean leadership and governance. Numerous political changes in South Korea since his passing in 1979 have either expanded upon or addressed the ideology and structures put in place during his reign. Because Park's initiatives had a major impact on the political and economic development of Korean society, his influence may still be seen in the country's current structure. The fundamental causes of Korea's distinct industrialisation path—often referred to as the "Korean model"—and the reasons national leaders gave priority to a self-determined course, known as the "Korean Way," have been examined in this article.²⁶⁰

The connection between Park's desire to make South Korea a modern, industrial nation and his authoritarian rule is a major theme. Together with a group of technocrats from the MCI, he led a vigorous export-oriented strategy that resulted in notable economic expansion. Living conditions significantly increased and Korea started to establish itself as a regional power under his direction. Under Park's theory, which was presented as gaining national autonomy—Chaju—in politics, economics, and defense, rapid progress and fervent anti-communism were coupled.²⁶¹

A Korea-centric strategy to lessen reliance on the US resulted from this idea. The success of the strategy was evident in the efficacy of export strategies following 1964, particularly during the Yusin administration (1973–1979), when Korea gave priority to the chemical and heavy industries. But it's important to acknowledge that outside forces, especially Cold War geopolitics and Korea's entry into international capitalist markets, also had a significant role in the country's quick ascent. From normalisation with Japan in 1965 to the strategic advantages of joining the Vietnam War, Park skilfully took use of these circumstances to match Korean goals with international chances.²⁶²

²⁶⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 205.

²⁶¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 205.

²⁶² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 206.

The development model of South Korea differs from that of other newly industrialised nations (NICs) in Asia in three key ways. First, as demonstrated by the contentious bilateral ties in the 1970s, South Korea's industrialisation was driven by indigenous techniques that periodically ran counter to American preferences. Second, the concept focused on chaebol, or big corporations. Korean planners felt that big, established companies were more appropriate for export-led strategies and the aspirational objectives of industrial modernisation, in contrast to Taiwan's small business-led growth. To spearhead this change, the state chose corporate leaders as well as key industries.²⁶³

Chaebol was also mobilised for defense manufacturing by the Park administration, particularly after a sizable reserve army was established in 1968. His government saw military and economic advancement as two sides of the same coin. Park used intelligence-supported centralised control to stifle opposition and guarantee conformity. Later, the dependence on chaebol exposed structural weaknesses like favouritism and a lack of transparency, which fuelled the financial crisis of 1997. These conglomerates, however, showed tenacity; by the early 2000s, businesses such as POSCO, Samsung, and Hyundai had recovered to become world leaders in their respective sectors.²⁶⁴

The establishment of political authoritarianism through the Yusin system was the third, and possibly most distinctive, aspect of Park's growth vision for South Korea. As a result, Park was able to streamline government in support of swift industrialisation and exert nearly total control over state institutions, corporations, and civil society. Although Japan's MITI-era industrial bureaucracy is sometimes mentioned as a successful example of state-led development, Park's concentration of authority went beyond that model, allowing for a special combination of economic management and political monitoring.²⁶⁵

Strong support from Korea's technocratic elite, who agreed with Park that decisive leadership was crucial for nation-building, made this centralised system practicable. People like Kim Chongnyom and O Wonch'ol contributed to making industrial strategy a top national priority. Park gained the backing of the military, business, and bureaucracy by formally announcing heavy industry as a national purpose. Even while many criticised his authoritarian methods, his appeals to national pride and social betterment struck a profound chord.²⁶⁶

Park's impact was also seen in the fields of ideology and culture. He aimed to uphold traditional Korean values and establish a disciplined work culture through initiatives like the National Charter of Education and the Saemaul Movement. These programs strengthened state authority while simultaneously influencing public behaviour. Opportunities for women were still restricted during this time, but advancement was available to those who were prepared to put in the necessary effort, particularly educated men.²⁶⁷

The promotion of technocrats, particularly engineers in the MCI, as the main forces behind reform was another significant result of Park's policy. They had a similar impact as Japanese officials at MITI in previous industrial endeavours. Park's age was characterised by leaders like Kim Chongnyom and O Wonch'ol who got their education either domestically or during the colonial era, even if economists with U.S. educations rose to prominence in subsequent decades.

²⁶³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 206.

²⁶⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 207.

²⁶⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 207-208.

²⁶⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 208.

²⁶⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 208.

Although some of the economists from the EPB had U.S. training, they were usually led by Park's inner circle of technocrats.²⁶⁸

In conclusion, a strong combination of business involvement, bureaucratic planning, and political authority propelled South Korea's economic rise under Park Chung Hee. Park certainly aimed for his own political longevity, but he also really dreamed of a modern, independent Korea, which he felt could only be achieved by the centralised, top-down system he established. The legacy that this "Korean Way" left behind still influences the political and economic landscape of the country today.²⁶⁹

3.1.1. A Clash of Visions

Nobel laureate Amartya Sen lists five fundamental freedoms—political freedom, economic facilities, social chances, transparency, and protective security—that support the growth of individual capabilities in his book *Development as Freedom*. Sen argues that poverty should be understood as a deprivation of these essential skills rather than only a lack of money. It's interesting to note that South Korea, under President Park Chung Hee, actively delayed political liberties—the same freedom Sen values most—while pursuing a number of these freedoms, especially social and economic advancements.²⁷⁰

Park referred to his modernization strategy as the "Korean Way," and it was quick and unorthodox. South Korea's GDP increased by more than 450% between 1962 and 1980, from \$12.7 billion to \$57.4 billion (adjusted to 1980 values), while exports increased significantly from \$100 million in 1964 to \$10 billion in 1978. During this period, South Korea's economy grew at the quickest rate in the world, with an average annual GNP growth rate of 8.5%. The government made significant investments in roads, telecommunications, and power in addition to economic development. Telephone connections quintupled in a decade, and the output of electric power more than tenfold rose between 1961 and 1971.²⁷¹

Nine major motorways were built in Korea during this time, and the country's roads were generally better. Additionally, the government increased access to jobs and education, two crucial components of industrialization. Between the 1960s and 1970s, enrolment in middle and high schools increased dramatically, and the development of a health care system and family planning initiatives resulted in a significant increase in life expectancy, which increased from 55.3 years in 1960 to over 66 by the end of the 1970s.²⁷²

The workforce was also changed by Park's policies. The manufacturing sector grew quickly between 1960 and 1980, and white-collar jobs in industry increased dramatically during that time. The rise of a contemporary middle class was reflected in the startling increases in the number of engineers, salespeople, and secretaries.²⁷³

However, civil freedoms suffered as a result of development's advantages. Under the pretext of national advancement, demands for sacrifice, forced conformity, and political repression were enforced. Discontent with authoritarian governance and inequality increased as the economy developed, particularly among workers and students. In the 1970s and 1980s, this

²⁶⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 209.

²⁶⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 209.

²⁷⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 209.

²⁷¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 209-210.

²⁷² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 210.

²⁷³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 210.

dissatisfaction sparked a broad-based pro-democracy movement that eventually gave rise to the Minjung movement, which centered on themes of democracy, the people, and the country.²⁷⁴

After Park's assassination, the movement posed a significant threat to both Park's government and the Chun Doo Hwan administration, which maintained military authority. Despite the harshness of Chun's dictatorship, it became more and more unsustainable as residents' political consciousness increased. Korea had advanced too far, both socially and economically, for authoritarianism to reappear without widespread opposition by the late 1980s, when democratic institutions were starting to take hold.²⁷⁵

Civil society flourished under President Roh Tae Woo, and by the mid-1990s, President Kim Young Sam had started a reform program called the "campaign to rectify the past." In an effort to combat authoritarian legacies, this movement resulted in Chun and Roh's historic incarceration. Despite its initial popularity, Kim's government lost favor as a result of corruption scandals, including as the 1997 bankruptcy of Hanbo Steel and a case involving his son.²⁷⁶

The election of Kim Dae Jung as president that year, in the midst of an economic crisis, demonstrated the public's yearning for honest leadership. It's interesting to note that many Koreans had positive memories of Park's time of strong leadership and quick progress, even after democratization. South Korea's tremendous economic progress and its complicated connection with democracy and authoritarian memory were two of the country's defining characteristics by the end of the 20th century.²⁷⁷

3.2. Patriot or Dictator?

The legitimacy and ramifications of Park Chung Hee's rule are still being debated decades after his passing. Park believed that his authoritarian framework, the Yusin system, was entirely acceptable. From the perspective of a military strategist, he felt that democratic standards should be suspended in order to achieve national industrial and military modernization. Despite internal opposition and outside pressure, he positioned himself as essential to this objective because he believed that building a self-sufficient defense industry was essential to defending South Korea against North Korean threats. With a focus on economic and defense policies, he aimed to create a safe and independent Korea while preserving and redefining the relationship with the United States on more equal terms.²⁷⁸

Park aimed to lessen Korea's dependency on the United States rather than cut off relations with it. His goal was to sustain a partnership that was both sovereign and cooperative, enhancing national capacity without coming out as inferior. This realistic approach to alliance politics is somewhat reminiscent of Kim Il Sung's strategy towards China and the Soviet Union, where help was accepted without sacrificing national sovereignty.²⁷⁹

According to some observers, Park was thinking about changing the Yusin Constitution after the middle of 1978, perhaps to permit greater public involvement in politics. Nevertheless, no

²⁷⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 210-211.

²⁷⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 211.

²⁷⁶ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 211-212.

²⁷⁷ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 212.

²⁷⁸ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 212.

²⁷⁹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 212-213.

hard evidence of such plans has been discovered. In reality, Park expressed delight in the results of the Yusin system in a diary note written just before his murder. Despite criticism, he felt history would evaluate it fairly.²⁸⁰

Evidence that Park had been working on a comprehensive development strategy known as "A Plan for Remodeling Korea for the 2000s" came to light after his death. His study apparently contained materials pertaining to this idea, and subsequent interviews—such as with O Won'chol at Wolgan Choson—confirmed its presence and Park's dedication to it.²⁸¹

There are also allegations that Park had selected a successor and planned to retire in 1983. According to Park Geun-hye, his daughter, he might have chosen Choi Kyu-ha, who took over as president in the interim after his passing. However, Kim Chong-p'il and other close associates were also seen to be potential successors. According to a former chief of staff, he personally saw arrangements for Kim Chong-p'il to assume leadership before to Park's expected early resignation.²⁸²

The paradox at the core of Park's leadership is encapsulated in Kim Chong-p'il's illuminating response, when asked in 2000 what Park's greatest weakness was: an overwhelming ambition for power. Rapid progress under authoritarianism is one legacy of his unrelenting drive for modernization, which frequently came at the expense of democratic norms. This tension has continued to shape South Korea's political environment. The exposure of prominent family members and other corruption scandals that dogged regimes from Chun Doo Hwan to Kim Dae Jung have made some people, particularly conservatives, nostalgic for Park's authoritarian management style. Robert Scalapino, a political scientist, noted that even among previous pro-democracy leaders, South Korean politics still exhibit remnants of the past, with a culture that promotes centralized authority and individualized leadership.²⁸³

Rather than being an unquestioning support of Park's reign, this enduring respect for him frequently results from a desire for economic stability and effective leadership. Both his accomplishments and shortcomings are still acknowledged by many South Koreans, who believe that political and civil liberties must not be sacrificed for progress.²⁸⁴

Park is still a complicated figure in Korean history despite his dictatorship. He changed the course of the country as a transformative leader, but he was also profoundly impacted by personal hardships brought on by poverty, colonial oppression, and ideological strife. His ascent from adversity to autocratic rule was a reaction to the national issues of his era as much as it was a result of his history.²⁸⁵

3.2.1. Park's Political Philosophy

The leadership and philosophy of Park Chung Hee have attracted a lot of scholarly attention, leading to a diverse range of viewpoints. The majority of study may be divided into two main categories: one that highlights his contributions to South Korea's quick economic growth and modernization, and another that criticizes the authoritarian elements of his leadership in light of democracy. In general, the former presents Park as an authoritarian leader whose anti-

²⁸⁰ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 213.

²⁸¹ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 213.

²⁸² Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 213.

²⁸³ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 214.

²⁸⁴ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 214.

²⁸⁵ Kim, H. (2004). *Korea's development under Park Chung Hee*. Routledge, p. 214.

democratic practices eclipse his financial achievements. The latter, on the other hand, frequently emphasizes his success as a practical leader, presenting his authoritarian inclinations as a necessary compromise for modernization.²⁸⁶

Both methods are insightful, but neither one by itself paints a whole picture of Park's time. Park's political worldview's deeper structure, in especially how his principles shaped national identity and public awareness, is still little understood. This chapter explores the core ideas of Park's political theory, particularly his conception of democracy, nationalism, and rights as well as his prioritization of national goals. Compared to narratives that only concentrate on authoritarianism, it provides a more comprehensive and, to some degree, more positive understanding of his ideological legacy.²⁸⁷

Examining the justification for the military takeover on May 16, 1961, is essential to comprehending Park Chung Hee's political philosophy. The Supreme Council for National Reconstruction's official statement defended the military's takeover as an essential intervention to stabilize a nation on the verge of collapse. With nationalism at the center of their discourse, Park and his supporters presented the coup as a "revolution for national salvation."²⁸⁸

Park placed a strong emphasis on reviving the sense of national identity and spirit right from the start. He demanded that corruption be eradicated, that communist influence be resisted, and that the standard of living for common people be raised. Despite his contentious past, which included time spent in the Japanese military and early ties to the South Korean Labor Party, his leadership was characterized by strong anti-communist sentiment and nationalism.²⁸⁹

It is noteworthy that Park did not completely oppose democratic principles. Early in his rule, he framed democracy as a destination that could only be attained after attaining economic prosperity and national stability, characterizing ideals like equality and freedom as long-term objectives rather than a threat. According to him, political and economic freedoms are intertwined, and Korea's independence and self-sufficiency will eventually demonstrate that democracy is superior to communism. But under his leadership, these principles were constantly pushed aside in favor of the needs of modernization and national survival.²⁹⁰

Park's methodical prioritization of national objectives was a defining characteristic of his leadership. According to him, national goals ought to be arranged according to their viability and urgency rather than being pursued all at once. He believed that economic independence and modernization were essential to democratic rebuilding, national defense, and eventually unity.²⁹¹

According to Park's reasoning, economic progress should be at the top of this hierarchy. He saw it as crucial for raising living conditions as well as protecting the country from both internal

²⁸⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 1.

²⁸⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 1-2.

²⁸⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 3-4.

²⁸⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 5.

²⁹⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 6-8.

²⁹¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 9.

instability and external threats. By the 1970s, he was adamant that establishing a self-sustaining economy was a prerequisite for political advancement and even national reunification. Park placed South Korea's national objectives in this order: economic growth and the elimination of poverty, security of the nation, reconstruction under democracy, reunification of the nation. In order to achieve the others, Park viewed economic development as a strategic weapon. Liberal democracy was a luxury that he believed could only be maintained by a strong economic base, not a barrier in and of itself. From this angle, his choice of priorities demonstrated a cogent political philosophy based on national requirements in addition to pragmatism.²⁹²

Park's opinions on democracy had changed considerably by the early 1970s. He made a clear break with liberal democratic institutions in 1972 when he declared a state of emergency and enacted the Yusin Constitution. Park started advocating for a system of "total harmony" (*ch'onghwa*), which placed a strong emphasis on corporatist governance and national unity. Liberal democracy, he said, was unstable and unfit for a country currently confronting existential challenges.²⁹³

Park contended that Western-style democracy jeopardized national survival by putting individual liberties ahead of the welfare of the whole. His criticism of liberalism went beyond mere theory. Prior to granting "small freedoms," like political expression and dissent, he insisted that the state must first secure the nation's survival, or "big freedom."²⁹⁴

Based on Franklin D. Roosevelt's "Four Freedoms," Park prioritized "freedom from fear" and "freedom from want" over "freedom of speech" and "freedom of assembly." He maintained that actual human rights necessitated a powerful and interventionist state in order to provide for things like food security, access to education, public health, and safety. Park saw democracy in this way as a process of evolution aimed at ensuring material and national well-being rather than as a system of procedures.²⁹⁵

The political philosophy of Park Chung Hee was more in line with nationalist ideals than liberal democratic values. Even if his repression of civil freedoms has led some to call him a dictator, it is important to consider whether liberal democracy should be the only standard used to assess political leadership, especially in post-colonial or developing nations.²⁹⁶

According to Park, "for the people" government could excuse departures from "by the people" governance. He placed a high priority on social and economic rights, contending that before democratic institutions could establish themselves, the population's fundamental needs had to be satisfied. In this way, Park's concept of "Korean democracy," sometimes known as "guided democracy," is similar to developmental authoritarian forms found in other parts of Asia and the Global South.²⁹⁷

²⁹² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 9-14.

²⁹³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 15-17.

²⁹⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 18-20.

²⁹⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 21-22.

²⁹⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 23.

²⁹⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 23-24.

Whether the repression of civil liberties—what Isaiah Berlin would refer to as "negative freedoms"—was a necessary trade-off for attaining "positive freedoms" like economic dignity and national security is a crucial question in assessing his legacy. Given South Korea's precarious situation in the 1960s and 1970s, Park's prioritization may have been reasonable, even though his overreach, particularly the desire to institutionalize a permanent presidency, must be critically acknowledged. Therefore, critics must show that, in the identical circumstances, liberal democracy could have provided national security and economic progress more successfully. Given the unstable geopolitical landscape and North Korea's ongoing provocations under Park's presidency, this counterfactual has not yet been established.²⁹⁸

Park Chung Hee's strong desire for modernization, independence, and national survival influenced his political thought. He sacrificed democratic processes to what he saw as more pressing requirements because he believed that economic development was the key to a successful nation-state. His strategy was based on a nationalist vision that sought to protect the Korean people's material and moral strength, even though it was dictatorial in practice.²⁹⁹

It is necessary to look beyond the dichotomy of democracy versus tyranny in order to comprehend Park's legacy. His leadership encourages a more thorough analysis, one that asks whether political leadership in times of transition needs to occasionally depart from liberal standards in order to confront pressing national issues. Re-examining Park's philosophy can provide important insights into striking a balance between individual rights and group objectives as South Korea develops as a democratic nation, particularly during times of national upheaval.³⁰⁰

3.3. Between Authoritarianism and Development

In a special essay by Nak-chung Paik, one of the scholars present in *Reassessing the Park Chung Hee era*, the author in question discusses how to critically and reflectively approach the legacy of Park Chung Hee by acknowledging both his economic achievements and authoritarian repression, while emphasizing the need to consider one's own perspective and contemporary concerns.

Paik begins his reflection on the Park Chung Hee era by acknowledging his own limitations—both in terms of scholarly expertise and personal distance from the topic. Rather than providing definitive judgments, he offers a framework for approaching the subject, presenting his remarks as those of a literary thinker rather than a historian. He emphasizes that personal experiences and subjective positions inevitably color one's interpretation of the period and suggests that these perspectives, especially those of victims of the regime, should not be excluded from academic evaluations.³⁰¹

Although it is important to distinguish between Park Chung Hee as a person and the time period that he ruled, in reality, opinions on the time period are frequently influenced by feelings towards the man. Park's legacy in South Korean society is still sharply divided; some view him

²⁹⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 24-26.

²⁹⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 26-27.

³⁰⁰ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 5 para. 27.

³⁰¹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 1.

as a modernising force, while others see him as an oppressive autocrat. In addition to making detached analysis challenging, the fact that many of the people who were directly involved in or impacted by his rule—whether as victims or beneficiaries—are still alive and active in public life emphasises how crucial it is to include these lived voices in any meaningful evaluation.³⁰²

Paik shares his personal experiences of repression under the Park administration, including being arrested for dissenting opinions and losing his academic position for supporting democratic reform. Although they weren't the most intense, these events influenced his perspective and made him insist on being open about one's personal stance when discussing this era of Korean history.³⁰³

Even though he was active in the democratic movement, Paik admits that it frequently fell short of providing tangible alternatives to Park's economic theory. Although they correctly criticised violations of human rights and environmental damage, critics did not always present workable solutions to the prevailing economic needs. Even though it came at a severe social cost, Park's developmental strategy—which was centred on export-led growth and rapid industrialization—was undoubtedly in line with the state of the world economy.³⁰⁴

Any fair assessment of Park, according to Paik, must transcend the crude division of "economic saviour versus brutal dictator." Historical context is necessary to comprehend the relationship between authoritarian governance and economic development. Park's legitimacy was based in part on his ability to bring about wealth, but this achievement also increased popular aspirations for rights, democracy, and dignity. Paradoxically, his accomplishments aided in the development of the very elements that would eventually oppose his authority.³⁰⁵

Paik emphasises that South Korea must work towards democratic and environmentally sustainable economic growth in the future. Rethinking the fundamentals of economic policy is necessary in light of the ecological crises, especially the East Asian region's fast industrialisation. He argues that Korea has to create a new growth model that corrects its autocratic and unsustainable inclinations while also incorporating practical aspects of Park's legacy.³⁰⁶

As he considers Park's legacy, Paik comes up with the term "meritorious service in unsustainable development." He praises the Park era's achievements but questions its sustainability in the long run, both politically and environmentally. Park's government mostly relied on military dictatorship and Cold War geopolitics, which were unsustainable. Even while his authority was momentarily prolonged by his consolidation of power under the Yusin system, it ultimately exacerbated domestic instability and international pressure.³⁰⁷

³⁰² Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 2.

³⁰³ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 3-5.

³⁰⁴ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 6-7.

³⁰⁵ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 8.

³⁰⁶ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 9-10.

³⁰⁷ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 11.

Paik concludes by highlighting the importance of acknowledging the accomplishments of South Korea's democratisation as a factor in the long-term growth of the nation. The foundation for a more equitable and sustainable society was largely established by activists who fought for environmental protection, exposed corruption, and demanded labour rights. Economic advancement might have stagnated or perhaps retreated into instability or authoritarian regression in the absence of their efforts.³⁰⁸

According to Paik, addressing Park Chung Hee's complicated legacy is crucial for preserving modern Korea's democratic and developmental objectives as well as for historical clarity. A critical and nuanced evaluation can steer the nation towards a more sustainable and inclusive future while averting the return of authoritarian nostalgia.³⁰⁹

To further support Paik's stance, recent findings have proved the economic accomplishments of Park's Era. First, A study made by Jaedo Choi and Younghun Shim called *From Adoption to Innovation: State-Dependent Technology Policy in Developing Countries*, proves how South Korea's remarkable transition from poverty to technological leadership was closely linked to deliberate efforts to absorb foreign technology and promote domestic innovation. The South Korean case, particularly during Park Chung Hee's presidency, illustrates how a strong developmental state can guide industrial transformation and long-term growth by strategically managing technological change. Drawing on detailed firm-level data, it shows that countries at earlier stages of development benefit most from tailored policies that prioritize technology adoption. These insights offer valuable lessons for other developing nations seeking to modernize their economies.³¹⁰ A second research finding titled *Industrialization and the Big Push: Theory and Evidence from South Korea*, investigates how a coordinated, large-scale effort to adopt advanced technologies can trigger industrialization, using the South Korean experience as a case study. The analysis identifies key mechanisms—such as direct benefits for adopters, positive spillovers, and regional complementarities—that support the theoretical premise of a “big push.” By developing and calibrating a dynamic model with detailed firm-level data, the study demonstrates that South Korea's state-led industrial strategy, particularly under Park Chung Hee, was instrumental in steering the country away from a low-industrial equilibrium. The findings underscore the role of effective coordination and market access in enabling rapid technological diffusion and sustainable economic transformation, offering critical insights for development policy in similar contexts.³¹¹

³⁰⁸ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 12-17.

³⁰⁹ Kim, H., & Sorensen, C. W. (2011). *Reassessing the Park Chung Hee era, 1961-1979: Development, Political Thought, Democracy, and Cultural Influence*. University of Washington Press, ch. 4 para. 18.

³¹⁰ Choi, J., & Shim, Y. (2024). *From Adoption to Innovation: State-Dependent Technology Policy in Developing Countries*. IMF Working Paper 24/154, p. 39.

³¹¹ Choi, J., & Shim, Y. (2025). *Industrialization and the Big Push: Theory and Evidence from South Korea*. IMF Working Paper 24/259, p.40.

Conclusion

South Korea's rapid economic ascent from the ruins of the Korean War to a global industrial leader stands as a testament to the complex interplay of authoritarian governance, strategic state intervention, and geopolitical circumstances. This thesis has examined the historical trajectory of South Korea's development, focusing on the pivotal role of Park Chung Hee's regime in shaping the nation's economic destiny. By analyzing the policies, ideologies, and structural transformations of this era, several key conclusions emerge.

First, the post-war political instability under Rhee Syngman and the short-lived Second Republic demonstrated the challenges of establishing a stable governance model in a divided, aid-dependent nation. Park Chung Hee's 1961 coup marked a decisive shift toward a centralized, militarized state that prioritized economic growth above political freedoms. His regime's implementation of *guided capitalism*, Five-Year Plans, and export-oriented industrialization laid the foundation for South Korea's industrial takeoff. The symbiotic relationship between the state and *chaebols*—fostered through preferential loans and strict performance quotas—created an engine for rapid industrialization, albeit at the cost of economic democracy and labor rights.

Second, Park's developmental dictatorship relied heavily on mass mobilization, ideological indoctrination, and repression. Initiatives like the Saemaul Undong and the HCI program were instrumental in modernizing rural areas and establishing key industries. However, these policies also entrenched authoritarian control, stifled dissent, and exacerbated social inequalities. The case of POSCO illustrates how state-backed industrial projects could achieve global competitiveness, yet their success was contingent on political patronage and exclusionary decision-making.

Third, Park's pursuit of military-industrial self-sufficiency, including covert nuclear and missile programs, reflected his vision of a fully autonomous Korea. However, this ambition also heightened tensions with the U.S. and contributed to the regime's increasing isolation before Park's assassination in 1979. The subsequent transition to Chun Doo-hwan's authoritarian rule and later democratic reforms in the 1980s and 1990s revealed both the fragility of Park's model and the necessity of political liberalization for sustained growth.

The debate over South Korea's economic miracle often centers on whether Park's authoritarian efficiency was indispensable or whether growth could have been achieved through democratic means. Proponents of the "developmental state" argument emphasize the effectiveness of centralized planning in late-industrializing economies, while critics highlight the social costs and argue that democratic institutions might have fostered more equitable growth. The eventual financial crisis of 1997 further exposed vulnerabilities in the *chaebol*-centric model, prompting structural reforms that balanced state intervention with market liberalization³¹².

South Korea's experience offers critical lessons for developing nations seeking rapid industrialization. While state-led development can achieve remarkable short-term growth, long-term sustainability requires institutional adaptability, checks on corporate power, and inclusive governance. The country's shift from dictatorship to democracy—while maintaining

³¹² Lee, P. (2000). *Economic Crisis and Chaebol Reform in Korea (Discussion Paper No.14)*. APEC Study Center, Columbia Business School, p. 2.

economic dynamism—suggests that political openness need not come at the expense of development.

Therefore, it can be said that Park Chung Hee's developmental strategy for South Korea provides a convincing example for modern emerging nations looking to undergo swift economic change. A key component of this approach was a state-led industrial policy, whereby the government used a number of five-year economic growth plans to actively direct loans, subsidies, and strategic planning. By integrating South Korea into international markets and utilising exports to increase productivity, generate foreign exchange reserves, and promote technological learning, Park prioritised export-oriented growth over the import-substitution tactics typical of many postcolonial regimes. This change was made possible by a very capable bureaucracy, particularly the Economic Planning Board, which functioned with considerable autonomy. Another crucial component of the Korean model was the tight, performance-based cooperation between the government and new conglomerates, or *chaebol*, which were held responsible by export and reinvestment goals but supported by institutional and financial means. To guarantee that there would be skilled workers available for industrial growth, Park's administration also placed a high priority on mass education and infrastructure development, especially in technical and vocational disciplines. The unifying nationalist philosophy that underpinned this economic strategy viewed advancement as both a patriotic duty and a way to right historical wrongs. Although there were substantial social and political costs associated with the model's implementation under authoritarian control, it nevertheless shows how effective state intervention, institutional strength, and well-coordinated public-private cooperation can be in attaining rapid industrialisation. Nevertheless, its relevance in the modern day necessitates a careful adjustment to institutional limitations, democratic norms, and the unique sociopolitical circumstances of emerging countries.

In conclusion, South Korea's economic miracle was neither inevitable nor solely the product of Park Chung Hee's authoritarian rule. Although a few recent studies suggested that his way of dealing with the economy of South Korea has truly given it a starting push, it was the result of a unique convergence of historical contingencies, strategic policymaking, and societal resilience. The legacy of this era remains contested, but its implications continue to shape discussions on development, governance, and the balance between state power and economic freedom in the modern world.

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