

Conclusion

An apparent institutional irony has arisen from late industrialization: the quicker the rate at which late industrialization is pursued, the more likely it is that traditional institutions and values will be introduced into the process. Such irony is primarily attributed to notions of inferiority and urgency that stem from a sense of backwardness felt by leading elites in late-industrializing nations. Society and institutions undergo serious changes in the course of these efforts to overcome backwardness. Neofamilism is a social consequence of South Korea's late industrialization. It encompasses a socially meaningful unit that defines identity, survival strategies, and modes of institutional operation. Analysis of the byproducts of Korea's late industrialization through the lens of neofamilism shows that industrialization does not beget universal consequences.

To overcome a crude class-reductionist approach, the concept of class in late industrialization has evolved among social scientists to accommodate factors such as sociocultural milieu and political and international environments, in which industrialization and social changes occur. However, despite focusing on heterodox factors that would mitigate a crude class-reductionist approach, such revisionist works have been unable to articulate an alternative to class. In this study of neofamilism, social changes are approached to see how distinct outcomes from late industrialization give rise to possible alternatives. Thus, neofamilism coexists, overrides, and contends with the conventional concept of class to explain resulting phenomena of social change.

Further contextualization of industrialization began with a renewed interest in political economy and the subsequent "varieties of capitalism" approach, yet a significant gap remains between political economy and social change in the study of late industrialization. The findings of this book narrow this gap by proposing a way to understand the social implications of state-led

economic policies. One of the findings is that state-society relations can be differentiated into four key types. By framing the case of South Korea within a “state-leading-society model,” the impact of neofamilial structures on civil society and democratization becomes readily apparent. Accordingly, the acontextual approach that is currently popular in the literature on civil society is open to criticism; identifying civil society in relation to democratization requires a close examination of society at a macro level. In Korea’s case, the neofamilial base of Korean society has hampered the development of civil society. Similarly, the social implications of state actions merited close attention, along with delineating the exact ways in which the state introduced traditional institutions and values into society and how neofamilism emerged from this deliberate effort.

In turn, neofamilism raises critical questions in understanding democracy and democratic consolidation. In the case of South Korea, neofamilism is shown to be a major cause of regionalism in voting, inability to attain democratic consolidation, and highly polarized party politics. Although South Korea’s democratization satisfies the minimal definition of democratic consolidation in that there is no group in Korea opposed to democracy, the country’s democracy is far from consolidated; highly polarized party politics render issues-based debate and compromise nearly impossible. This study has provided a well-grounded elucidation of prospects for Korean democratic consolidation, which has heretofore not been based on solid sociological analysis.¹ Furthermore, disaggregate and dynamic approaches to understanding the state made it possible to explore how a strong state gradually hollows out and how both the state and business ultimately weaken, expanding the patterns of state-society dynamics beyond the state-versus-society model.

This book demonstrates how traditional institutions are introduced into the process of late industrialization and their impacts on interactions between the state, business, and society. Studies of tradition have progressed little since the paradigm of modernization was heavily criticized in the mid-1970s and political economy began to focus on the roles of institutions and policies to explain the success of late industrialization. Tradition has mainly been approached in the contexts of management, of particular industrial sectors, or considered wholly external to industrialization. Tradition has been reconceptualized as an integral part of industrialization, as something that is enabled through deliberate state mediation.

Since each case of late industrialization differs in terms of the timing of industrialization as well as international and domestic contexts, it is not possible to expect the social consequences of each case to be similar. What these cases do share is a common framework for analysis, including criteria such as the types of elites involved, the context in which they come to recognize the sense of backwardness, and the traditional institutions and values on which they rely. For South Korea, the social and institutional legacies of its colonial history, the breakdown of the traditional ruling elite, and the international environment shaped by the Cold War contrast with the case of Japan, which possessed strong continuity of elites, traditional institutions, and values within an international environment largely characterized by imperialism. In the latter, elites achieved consensus to make judicious and conscious efforts to reinvent traditional institutions such as *ie*. South Korean elites were neither as united nor conscious about how to reinvent traditional institutions and values; due to Korea's colonial past, there was a lack of consensus on what constitutes Korean tradition and which values needed to be reinvented.

Despite differences in contextual conditions, what late industrialization cases have in common is that the facilitating factors of late industrialization form the seeds for institutional and social problems while late industrialization attains a certain level of success. Put differently, social and institutional problems are embedded in the dynamics of late industrialization, and it becomes difficult to pinpoint the sources of problems that emerge thereafter. This illustrates the difficulty of describing history in developmental terms or stages; the success and the problems start at the same time. In Japan, the seeds for the elites' subtle but tight grip on the masses had been sown much earlier than the 1930s, when militarism became visible. Similarly, the beginning of South Korea's industrialization set the stage for rampant regionalism, which seriously began to affect democratization later on.

Methodologically, implications for social changes in late industrialization can be derived from analyzing interactions between the state, business, and society; talent recruitment patterns of the state, the sense of backwardness, perceptions of tradition, and the status of traditional social structures are critical to such analysis. As these factors are historically and contextually determined, social changes of late industrialization are impossible to generalize. In this respect, our analysis has implications for other late

industrialization cases in terms of how to approach the process and consequences of late industrialization.

Last, comparative studies of late industrialization, rather than domestic analysis alone, reveal possibilities for typologies of social changes in late industrialization. Comparative analysis of cases of late industrialization is possible by using the same variables. Another area of inquiry is the international environment in which a given case of late industrialization occurs. The international environment influences late industrialization strategies and policies, and in turn the consequences of late industrialization affect the international perspectives of late-industrializing countries. It is an intriguing question how differing circumstances of international order affect patterns of economic development in Japan, South Korea, and China: Japan's late industrialization was launched in the heyday of classical imperialism; for South Korea, the Cold War was an important factor in determining industrialization strategies; China has been industrializing in the context of globalization. A strong demand for international recognition also tends to accompany successful late industrialization. Thus, the international environment in which late industrialization occurs determines the differing ways in which such desire for recognition manifests, requiring serious analyses for the future.²

Several new developments raise the question of whether neofamilism is receding in Korea, with globalization being the most important driver. The crumbling of the state-based economic developmental model due to external economic pressures—though largely of Korea's own creation—was a bitter pill to swallow for Korean society. Most relevant was the undermining of the roles and functions of the state. As many argue, the state has not completely lost; in fact, the state picked up new functions in the aftermath of the 1997 financial crisis, including social welfare.³

However, the state lost the powers of economic planning and policy that it had employed during Korea's developmental period; no longer could state resources be allocated in favor of certain regions. The loss of these state powers marked an important turning point for the persistence of regionalism, which had originated from the perception and reality that the southeastern region was favored during state-led industrialization. The change was not instant but set the background for change.

Democratization brought about regime changes through elections, which in turn also drastically altered perceptions of the state. Region-based voting

patterns persisted; the regional base of regimes shifted from the southeastern region to the southwestern region of Korea. The composition of elites began to shift accordingly, as did which regions became favorable in terms of recruitment. The most serious blow to regionalism was the dramatic impeachment of the conservative president Park Geun-hye in 2016–17. Its implications for regionalism are unmistakable, as her political stronghold was in the southeastern region. The successive political defeats for the conservative party in a series of political elections (2017 presidential election, 2018 local election, and 2020 general election) meant the striking shift in perception that it was the beginning of the end of the southeastern region's dominance in Korean politics. Southeast regionalism can historically be characterized as “winning regionalism” for its residents in that they have directly and indirectly benefited from state actions during the developmental era. However, regionalism in the southwestern region could be called “defensive regionalism” as it was formed in reaction to southeast regionalism and based on the perception and experiences that the southwestern region was discriminated against by the state. As such, the breakdown of southeast regionalism was a catalyst for southwest regionalism.

The adoption and expansion of social welfare played an important role in changing mass perception of the state. Korea has been known to be parsimonious in terms of welfare provision, with state adoption of new social welfare measures implemented only at the outbreak of the financial crisis in 1997. Although the scope of social welfare and the scale of benefits are still not extensive, the proportion of social welfare as part of the national budget has been growing.⁴ The significance of social welfare in shifting neofamilism is that it is primarily based on individual and household conditions and not regional background. Thus, social welfare measures are important in changing the perception that the state favors certain regions. The impact of the adoption of social welfare on a more extensive scale also impacted family dynamics; it reduced the burden of the family to take care of parents medically and otherwise and also affected family solidarity.

Globalization also brought about significant changes in economic institutions. Chaebols became less dependent upon the state as the Korean government required them to reduce their debt ratios to 200% in the aftermath of the 1997 financial crisis. Corporate governance structure and business operations have gone through unprecedented changes, with increased outside

influences and greater transparency. For example, the abrupt introduction of international standards in the financial sector considerably altered the strategies to access financial resources for both individuals and businesses. Influence from the state or a patron has become less meaningful, and a new system of insuring guarantees have largely replaced individual mutual guarantees. Lending is based more on a risk assessment of individual capacity to pay off debt. These changes undermined the neofamilial bases of family, school, and region.

With the weakening of neofamilial ties, the frequency of resorting to legal means for conflict resolution has grown unprecedentedly. By the early 2000s, this litigiousness had resulted in Korea becoming known as “a society of excessive suing.” While population growth remained stable in the 1980s compared to that of 1910 to 2005, lawsuits per capita rose from two cases per 1,000 people between 1910 and 1980 to 25 cases per 1,000 people by 2005, more than a tenfold increase.⁵

Another statistic also confirms this increase in litigation cases. Between 1997 and 2007, the population grew by 6.4%, compared to an increase of 28.3% in litigation cases. The total number of legal dispute cases received was 3,125 per 10,000 people in 1997 and reached 3,846 per 10,000 people in 2006. Notably, civil cases showed the largest increase over criminal or family cases; civil cases nearly doubled from 139 per 1,000 people to 260, while criminal cases grew from 38 to 46 per 1,000 people. Such a contrast indicates that social conflicts more often were brought to court for resolution. This suggests that the practice of resolving conflicts through human relations based on neofamilial ties had weakened.⁶

Another legal development with a potentially serious impact on neofamilial practice is the legislative passage of the Act on the Ban of Illegal Solicitation and Bribery (also known as the Kim Young-ran Law), intended to prevent corruption. Under the act, public officials can face criminal charges for accepting a bribe worth more than one million won.⁷ Beyond this specific measure, a broad movement to change traditional authority relations will also seriously impact relationships based on neofamilial ties. A law restricting workweeks to 52 hours affects workplace relations between employers and employees. Furthermore, protests against abuse and bullying by those in positions of power (*kapchil hyōngsang*) have also been evolving spontaneously and will impact neofamilial practices by affecting hierarchical relations in Korean

society. Ever-expanding campaigns for gender equality and anti-sexual harassment and abuse accelerate changes in human relations and further challenge the social order observed under neofamilism.

The booming popularity of social media is a relatively new but a pervasive phenomenon in South Korea. One survey reported that 47.7% used social networking services in 2019, up from 16.8% in 2011. Active participation in social media may play a role in overcoming narrow neofamilial social bases. Along these lines, the series of massive candlelight protests coordinated through social media that culminated in the successful impeachment of President Park Geun-hye is interpreted as a sign of a stronger civil society.⁸

While there are certainly signs that neofamilism is weakening in Korean society, there are also indications that suggest otherwise. For example, the media frequently reports malfeasance in neofamilial hiring practices across the entire spectrum of society.⁹ Labor unions have employed illicit methods to give priority to family members in hiring new workers and reclassifying them as regular workers.¹⁰ Several financial institutions were reported for recruiting based on neofamilial influence. University professors have been known to give better grades to their own children in classes. In a 2020 scandal involving the minister of justice, he and his wife were convicted of having forged citations for their daughter, a high school student, and fraudulently attributing first authorship to their child for a scientific journal article in order to improve prospects for college admissions.¹¹

All of these cases speak volumes about the persistence of neofamilism in a new environment and demonstrate that the institutional backgrounds for neofamilism have changed. In the original form of neofamilism, the state was the main institution in charge of economic incentives, and thus access to such incentives was crucial. However, since the introduction of market principles in the economy and the increasing importance of laws and regulations, neofamilial practice is primarily employed to reduce uncertainty caused by market operations. The continuity of neofamilial practice to avoid the open competition accompanying the shift in institutional contexts can be characterized as type II neofamilism, distinct from the original form of neofamilism (type I). Perhaps for this reason, a survey from 2015 of people in their 20s to 40s on the prospects of neofamilism's persistence showed a similar response to a 2006 survey of people in their 60s and beyond.¹²

The conflicting evidence on the persistence of neofamilism speaks to the transitional nature of Korean society: even under market conditions, neofamilism is alive and well despite counterfactors such as globalization, the weakening of the conservative party, and the welfare system. A closer look at the sources of change is necessary to understand why neofamilism persists. To start, institutional reforms in the aftermath of the financial crisis were initially adopted with little resistance. As time progressed, embedded institutions began to show resistance, resulting in uneven change and intersectoral gaps in finance, labor relations, and corporate governance systems.¹³ This situation gave rise to clashes between institutions and eventually the ascendance of embedded institutions, exemplified by the system of having outside board members on the board of directors and succession patterns in chaebols. Economic institutions are currently in the process of searching for a market system with a distinctly Korean flavor, an equilibrium between Korean embeddedness and hurried importation of IMF-prescribed institutions.

In politics, the impeachment of President Park Geun-hye and political defeat of the conservative Saenuri Party marked an important change in regionalism in Korean politics. Political regionalism has not disappeared completely, as clearly indicated in the results of the April 2020 general election. Korean politics has long been suffering from the disconnect between political parties and the general population. Regionalism underpins this disjuncture: political parties have relied on regionalism for elections and have been unresponsive to the general public. Korean society is in a confusing situation in which the political parties and general public continues to lack connection while regionalism lingers.

Similar observations can be made about civil society. As mentioned in chapter 5, civil society has grown remarkably with the unfolding of democratization, but the increase in sheer numbers does not mean the flourishing of civic-mindedness; the bulk of the increase in civil organizations was based on neofamilism. One study found that 50% of participation in civic organizations occurred in those based on school, blood, and regional ties, with the rest in leisure and religious organizations (10% and 15%, respectively). The participation in civil organizations, interest groups, and political organizations had previously been less than 10% (9.8% in 1999, 5.5% in 2003, and 7.1% in 2006).¹⁴

High participation rates in neofamilial organizations illustrate the neofamilial ethos and perspective. The neofamilial ethos is characterized by exclusivity, a sense of closed boundaries, intolerance to outsiders, and most importantly a poorly developed conception of a society beyond a narrowly defined small community. Thus, neofamilism can explain the lack of sufficient analytical attention to public space in much literature on Korean civil society and civic organizations. Under such circumstances, civic organizations without citizens can be easily transformed into self-serving politicized advocacy groups with a narrow base for compromise. Neofamilism thus explains the gap between a rather active political democracy and weak social democracy. Such poorly developed social democracy leaves room for regional political parties to further weaken political institutionalization in the Huntingtonian sense.

The emergence of multiple, disconnected civic organizations in Korea is quite analogous to Weimar society in Germany. Weimar society was notorious for its proliferating civic organizations that lacked both horizontal and vertical linkages.¹⁵ Germans resided in their social organizations to deal with anxiety and uncertainty. These numerous civic organizations were not linked to political parties, which were highly fragmented and weakly developed.

Neofamilism appears to be both persisting and declining, depending on where one looks; Korean people and society seek comfort in neofamilial settings amid present uncertainty from the ongoing development of market principles in the economy and the seemingly irreconcilable contrast between the formal legal system and a highly volatile political party system. At the same time, a highly globalized economy, signs of breakdown of regionalism, and burgeoning changes in authority relations seemingly challenge neofamilism's endurance.

Overall, Korean society is largely in a state of split, schizophrenic flux, observed for example in cycles of reactive surges against national crisis followed by a return to normalcy. Candlelight demonstrations illustrate this phenomenon. This particular form of protest has occurred in times of crisis—such as the protests against the importation of beef tainted with mad cow disease, which resulted in the ousting of a president who was found to have abused and mismanaged state power—and could be considered a strong sign of healthy civil society. However, Korean society, after massive response to the national crisis caused by state mismanagement and the initial positive

results of the management of the COVID-19 pandemic, devolved back to the original practice of lack of compromise and civility. This atavistic dynamic between two extreme positions can be regarded as reflecting anxiety shared by Korean people, a psychological vacuum formed by the lack of an identity base and set of survival strategies to replace weakening neofamilial ties. Critical situations on a national scale tend to induce the collective expression of this anxiety, while amplifying the fact that there are few other outlets to channel these thoughts and feelings. Thus, vitriolic, hostile expressions on social media should not be viewed as indicative of a highly activated or mature civil society, as most of them betray that they are not ready for discourse or compromise.¹⁶

Korean society and politics have undergone a prolonged transition: progressives and conservatives are in search of an alternative to regionalism but have yet to find one, and meanwhile they are losing support from the general population. It seems there may be a middle ground emerging in Korean politics. The process will be one in which imported democracy from the West transforms into a democracy infused with Korean tradition.¹⁷ Similarly, Korean economic institutions and operations will continue to incorporate Korean embeddedness. Korean society is finding ways to build institutions, whether democratic or capitalist, that are socially compatible and culturally legitimate. The Western democracy imported from and imposed by the United States in the mid-20th century coexisted with Korean-style late industrialization, which was implemented with non-democratic elements. The challenge now is to overcome non-democratic legacies embedded in Korean society during industrialization and to strike a balance between individualism and collectivism. Only when Korea reaches such milestones will neofamilism cease to persist.

