**Can Pakistan emulate South Korea?**

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The spectacular rise of South Korea from an underdeveloped country to an industrially-developed one is a benchmark that many in the field of development and politics look up to. Pakistan has also aspired to achieve a similar benchmark.

In the 1990s, Nawaz Sharif had planned to make Pakistan an Asian tiger like South Korea. But this has remained a distant dream. Recently, Imran Khan also expressed the intention to turn Pakistan’s economy and restructure it along the lines of South Korea. Can Pakistan achieve the economic miracle – commonly referred as ‘Miracle on the Han River’ – which brought South Korea among the semi-periphery countries of the world?

The case of South Korea is quite interesting because there is a common myth in Pakistan that development in the country has something to do with the five-year plan that it borrowed from Pakistan in the late 1950s. However, there is no evidence that proves this assertion. Zafar Haider Jappa has eloquently refuted it in an article published in a newspaper.

Regardless of these myths, Pakistan or any other country in the periphery stand a remote chance of emulating the South Korean model. This is because the specific historical conditions available to perform the ‘Korean miracle’ will be unavailable in the case of most countries in the Global South. By exploring three theories of South Korea’s development, this article will show how empty the political slogans about making Pakistan an Asian tiger really are.

There are three fundamental elements that helped achieve the ‘South Korean miracle’. These include the colonial legacy, the influence of US imperialism, and Japan’s role that eventually translated into the Korean strategy of export-led industrialisation (ELI), which was grafted onto import-substitution industrialisation policies.

The influence of the colonial legacy played a critical role in ensuring economic growth in South Korea. This explanation has been mostly put forward by Atul Kohli, an author and scholar. According to Kohli, “Japanese colonial influence on Korea, 1905-45, was decisive in shaping a political economy that later evolved into the high-growth South Korean path to development”.

Kohli argues that colonial Japan introduced changes in the state structure. These included the creation of a centralised state that is committed to change and the depersonalisation of authority in a bid to differentiate between public and personal interests. The latter change reintegrated personal interests on a new basis whereby public goals supersede personal goals and the downward penetration of society via the bureaucracy.

The second element that fuelled development in South Korea is the role played by the US in the form of substantial financial and technical grants to South Korea in the context of the cold war. However, South Korea wasn’t a passive beneficiary of imperialist largesse. The South Korean state also introduced and implemented specific policies that helped expand and strengthen the country’s industrial base.

This explanation has been advanced by Eric Toussaint, a Belgian economist who highlighted the enabling factors that contributed towards development in South Korea. Toussaint has identified the following factors: a considerable amount of intervention from the state; radical land reforms at an early stage after South Korea gained independence; an industrialisation model based on import-substitution, which was gradually harmonised with an ELI model, state control of the banking sector; the enforcement of authoritarian planning; strict control over currency exchange and capital flows; state-enforced prices for a wide range of products; and the availability of highly-skilled educated manpower to private enterprise.

In other words, South Korea was allowed to introduce policies that hardly any other country had introduced in the post-WWII period. Many countries in the periphery witnessed military coups when radical and reformist leaderships attempted to introduce land reforms and nationalisation measures, and restricted the market’s apocryphal hidden hand. But most importantly, financial and technological support from the US to help the country outdo ‘communist’ North Korea was a decisive factor. South Korea was fortunate that it did not possess oil or any other valuable natural resources. This presumably helped avoid a Middle East-style catastrophe.

The third and, arguably, the most vital element that contributed towards the ‘South Korean miracle’ was the successful attempt to graft an ELI strategy onto import-substitution industrialisation policies. This is an explanation offered by American academic Vivek Chibber. After 1960, this change in South Korea’s economic strategy generated a different set of incentives for the Korean national bourgeoisie. While firms produced for an insulated domestic market under the import-substitution model, producers were thrown into the vortex of international competition through strategies that prioritised ELI.

Chibber (2005) argues that the shift was made possible in South Korea by highly fortuitous circumstances. Japanese firms were entering South Korea at the time to set up partnerships with South Korean producers over an export strategy. They brought with them extensive sales and marketing networks, and plentiful lines of credit – precisely what firms in India, Turkey and Latin America lacked. As a result, Korean capitalists had a critical entry barrier removed as they were shepherded into lucrative markets with a network of clients who were ready and waiting for them.

It is evident that the active involvement of two global economic giants – Japan and the US – coupled with the authoritarian government in South Korea made the mare go. A highly authoritarian regime helped ensure colossal labour exploitation. Not only were wages scandalously low but independent trade union activities were also ruthlessly suppressed. Furthermore, the availability of an educated, skilled and disciplined workforce proved to be a force multiplier.

This trajectory of development clearly shows a sharp contrast between Pakistan and South Korea. Pakistan doesn’t possess the luxury of having global giants like Japan and the US standing at its back, willing to pour in money as well as transfer technology. At the same time, Pakistan doesn’t enjoy the liberty of having free access to major markets like the US and the EU. Pakistan, however, was not the only country that failed to develop worthwhile heavy industries as South Korea did during the 1960s.

Similarly, an illiterate and unskilled workforce in Pakistan is no match to highly disciplined and skilled manpower that was available to South Korea. Pakistan’s import-based and inward-looking economy is heavily dependent on foreign loans. Therefore, it cannot pursue independent policies against the wishes of the IMF and the World Bank.

Now, the people of Pakistan have pinned their hopes on Imran Khan who is all set to form a new government in Pakistan after the PTI’s victory in the July 25 elections. It won’t be fair to immediately expect something akin to the ‘South Korean miracle’ from Imran Khan. All the new government needs to do is remedy the ailing economy and give some hope to the people of Pakistan.

First, a ‘South Korean miracle’ is neither possible in light of the aforementioned explanations nor desirable given the authoritarian, anti-working class nature of this model. Second, going back to the IMF and the World Bank won’t help. For any meaningful change to take place, a radical and new development strategy is required whereby the primary focus is on state-led development rather than the failed neoliberal recipes that are being offered. Furthermore, without a break with the prevalent global system – a process that Samir Amin refers to as “delinking” – development will remain elusive.

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