

# KOREA'S ECONOMIC TRANSFORMATION

**GRADES:** High School

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**SUBJECT:** Economics

**TIME REQUIRED:** One week

## OBJECTIVES:

1. To understand and appreciate Korea's economic rise.
2. To understand the policies that transformed Korea's economy.
3. To evaluate Korea's economic policies on its people and to compare it to an economic growth model.

## MATERIALS:

- *Korea's Place In The Sun* by Bruce Cumings (2005) pp. 309-341
- *Korea Through The Ages, Vol 2 Modern* edited by Gil-sang Lee pp. 186-197
- *Facts About Korea* pp. 84-116
- Rostow economic growth model available at:  
<http://www.mtholyoke.edu/acad/intrel/ipe/rostow.htm>)

## INTRODUCTION:

This assignment highlights how Korea transformed its economy in a short period of time and the lessons learned from its experience. This assignment should be part of a larger discussion on how countries have dealt with transforming their economies and the economic ideas behind growth models.

## PROCEDURE:

1. Put up facts about Korea without telling them it's Korea:
  - Population- 48 million (US population- 300 million for comparison)
  - Territory- 99,678 km squared (2/3 of the land is mountainous)
  - GDP- \$969.9 billion (2007)
2. Ask students—using the statistics given—describe this country? What kind of society does this country have? What kind of industries/jobs do you think this country has? What are the possible strengths and weaknesses of this country?
3. Show pictures of Korea: metropolitan scenes, Hyundai shipbuilding, rice fields/agricultural scenes.
4. Tell students that the country is South Korea and that in 1960, South Korea was one of the poorest countries in the world.

5. The interesting question is: How did Korea become the 'miracle of the Han'? How did Korea in a mere 30 years become an economic powerhouse?
6. Some statistics on Korea:
  - In 1958, 81.6% worked in the agricultural and fishery sectors of the economy while 13.8% worked in the commerce and service sectors of the economy.
  - By 2007, 7.5% worked in the agricultural and fishery sectors of the economy while 75.2% worked in the commerce and service sectors of the economy.
  - The average number of years of education increased from 6.6 in 1975 to 10.6 in 2000.
  - 2005, 99.9% of elementary school graduates moved on to middle school, 99.7% of students who finished middle school went to high school, and 82.1% of high school graduates entered college.
7. Read excerpts from and take notes on the following:
  - *Korea's Place In The Sun* by Bruce Cumings (2005) pp. 309-341
  - *Korea Through The Ages, Vol 2 Modern* edited by Gil-sang Lee pp. 186-197
  - *Facts About Korea* pp. 84-116
  - Handout 1: Summary of the Five Stages of Economic Growth (attached)
8. Explore and answer the following questions
  - What role did the government play in the economic turnaround of Korea?
  - What policies did the government create and implement?
  - What strengths did Korea capitalize on and how did they diminish their weaknesses?
  - What policies were the most effective in creating a strong economy?
  - Were there any losers in this economic turnaround?
  - What lessons can we learn from 'the miracle of the Han'? Can these lessons be used to help other LDCs?
9. Research the Rostow growth model that was popular in the 1960s and compare Korea's economic rise to the model. Did Korea follow the Rostow model, some if it, or blaze its own path?

## **EVALUATION:**

Students can do this project in groups of three to four.

The product must be a 4-5 page paper or a 5-7 minute presentation.

## **RESOURCES**

Cumings, Bruce. *Korea's Place In The Sun*. New York: Norton, 2005.

Lee, Gil-sang, ed. *Korea Through The Ages, Vol. 2 Modern*. The Academy of Korean Studies, 2005.

*Facts About Korea*. Korean Culture and Information Services, 2008.

<http://www.mtholyoke.edu/acad/intrel/ipe/rostow.htm>