
Export-Oriented Industrialization and Democratization in South Korea

DR. Yasmin Khodary,
The Political Science Department,
The British University in Egypt
Sohila Sayed Ibrahim,
Researcher in political science

Abstract

The export-oriented industrialization (EOI) policy of South Korea has achieved a considerable success. Driven mainly by exports, the economic growth of South Korea succeeded in transferring it from an impoverished war-torn nation to a prosperous one. The aim of this study is to answer the following research question: to what extent did EOI policies affect South Korea's economic development and democratization? The study argues that the EOI was the not only the main driver of South Korea's progress - through achieving trade balance, economic and industrialization development- but it also boosted the democratization process in South Korea. While employing the assumptions of the economic neoliberal theory, the study examines the effect of EOI policies on economic development and democratization in South Korea during the last decade. In doing this, the study shall explain the challenges to South Korea's economic development and democratization as well as offer some policy alternatives to tackle them.

1. Introduction

Export-oriented industrialization (EOI) policies were quite prevalent in Southeast Asia, particularly in Hong Kong, Singapore, Taiwan, and South Korea, between 1970 to 1985. The export-oriented industrialization (EOI) policy of South Korea has achieved a considerable success. Driven mainly by exports, the economic growth of South Korea succeeded in transferring it from an impoverished war-torn nation to a prosperous one. The aim of this study is to answer the following research question: to what extent did EOI policies implemented in South Korea in the last few decades, affect South Korea's economic development and democratization? The study argues that the EOI was not only the main driver of South Korea's progress - through achieving trade balance, economic and industrialization development- but it also boosted the democratization process in South Korea. The EOI led to further economic development and prosperity which, eventually, supported the establishment of democracy. The middle class in South Korea grew alongside the economy, and citizens began to demand more political representation and accountability from their government.

While employing the assumptions of the economic neoliberal theory, the study examines the effect of EOI policies on economic development and democratization in South Korea during the last decade. This study is putting to test the neoliberal theory by contrasting the EOI policies and democratisation in South Korea through referring to the neoliberal theory's assumptions, which,

for example, believes in free and open market, trade liberalisation, and foreign investment. The promotion EOI is viewed as a crucial step towards integrating economies into the global economy and advancing economic liberalisation. However, democratization is seen as a necessary complement to market-oriented policies, as it provides a mechanism for social and economic inclusion, political stability, and the protection of individual rights (Winch, 1985).

The literature on EOI and democratization is dominated with literature that explores the negative impact of neoliberalism and EOI on social justice as well as the democratization process. For example, Önis (1995) argues that while neoliberalism has been successful in promoting economic growth in some contexts, it has also contributed to a range of social and economic problems, including inequality, poverty, and unemployment. Önis also examines the role of the state in promoting development, arguing that the state has an important role to play in promoting economic growth and development (Önis, 1995). Gill (1995) explains that the neoliberal state, which promotes free markets, deregulation, and privatization, has created a global panopticon, in which individuals are subject to constant surveillance and control by both state and non-state actors. This panopticon, Gill argues, is characterized by the erosion of individual privacy, the commodification of personal data, and the increasing use of surveillance technologies to monitor and control economic and social behaviour (Gill, 1995). In that sense, Brown (2006) argues that the neoliberal ideologies represent a fundamental challenge to democracy and citizenship (Brown, 2006).

In the more recent literature, scholars continued to argue about the negative relation between neoliberal policies, including EOI, and democratization. According to Palley (2020), neoliberalism's intrinsic contradictions with the welfare state is not just about efficiency or economics but also a larger ideological effort to restructure society in line with the interests of capital. He contends that an examination of the larger political and social framework in which it functions is necessary for a more thorough understanding of the welfare state and its link to neoliberalism (Palley, 2020). Other authors argue that neoliberalism has led to a range of changes in the human services sector, including the privatization of services, the introduction of market mechanisms, and the increasing emphasis on individual responsibility and self-sufficiency (Gray, Dean, Agllias, Howard & Schubert, 2015). They suggest that these changes have had significant implications for human service professionals and traditional values of social justice, equity, and collective responsibility, and has emphasized individualism, self-reliance, and market-based solutions to social problems (Gray, Dean, Agllias, Howard & Schubert, 2015).

Against such academic literatures that examined the negative relation between democratization, neoliberalism and EOI, arguing that neoliberalism and EOI in South Korea or any country come at the expense of rising inequality and lower chances for democratization, this study explores the positive role which EOI and neoliberalism played in the economic growth and democratization in South Korea. This study is divided into three sections. The first

section delineates the theoretical and conceptual framework of the study through introducing the economic Neoliberalism theory and defining export-oriented industrialisation. The second section will explain the South Korean development shapes throughout the last decade after examining South Korea's background history before employing EOI regulations. The third and final section will examine how export-oriented policies contributed to economic progress in Korea, highlighting some of its limitations. In addition, the democratisation process in South Korea and its relationship to export-led policies and neoliberalism model will be discussed from a positive respective.

2. Neoliberalism and Export-Oriented Industrialization

The essence of Neoliberalism is based on open market or market-oriented policies, including 'eliminating price controls, deregulating capital markets, lowering trade barriers' and reducing, especially through privatization and austerity, state influence in the economy. It is a political and economic philosophy that emphasizes free trade, deregulation, globalization, and a reduction in government spending. It's related to laissez-faire economics, a school of thought that prescribes a minimal amount of government interference in the economic issues of individuals and society (Venugopal, 2015). Laissez-faire economics proposes that continued economic growth will lead to technological innovation, expansion of the free market, and limited state interference

Some effects of neoliberalism might be freer markets, access to more products and services to meet consumer demand, greater rev-

enue and higher profits. Price reductions due to greater competition can also be an effect (Shaikh, 2005). Savings can result from a more efficient allocation of resources. The better organization of workforces and ability to hire needed talent for specific jobs can result from neoliberal policies, as well. Others might point out some of the negative effects believed to be associated with neoliberalism. These could include economic inequality, the growth of monopolies, a lack of job security, the loss of jobs due to outsourcing, and an increasing indifference to the needs and well-being of individuals. This is because according to neoliberalism, the market is the most effective system for allocating resources and promoting economic progress. Neoliberal policies, however, have actually increased economic inequality because the rewards of economic progress have not been allocated fairly. Due to huge firms' ability to dominate markets and drive out smaller competitors, the emphasis on market competition has resulted in the emergence of monopolies. As a result, many employees no longer have a secure employment since businesses put profits before the welfare of their employees and may outsource in order to save money. Furthermore, neoliberal policies frequently place the needs and welfare of people behind economic growth (Kotz, 2010).

Also, neoliberalism theory believes that the market is the most effective system for allocating resources and promoting economic progress. Neoliberal policies therefore place a strong emphasis on the value of market liberalisation, trade liberalisation, and foreign investment as means of fostering economic progress. The

promotion of export-oriented industries (EOI) through policies is viewed as a crucial step towards integrating emerging nations into the global economy and advancing economic liberalisation. **Export-oriented industrialization** is an economic policy known as export-oriented industrialization (EOI), also known as export led industrialization (ELI), or export-led growth. The goal of export-oriented industrialization (EOI), which focuses on producing items for export to foreign markets, is to foster economic growth and development. The basic principle of EOI is that nations may generate foreign exchange, employment opportunities, and foreign investment through the export of goods, all of which can foster further economic growth and development (Karunaratne, 1980). There are normally numerous important milestones in the EOI procedure. A nation starts by determining its preferred export markets based on variables including demand, market access, and competitiveness. Second, based on elements like comparative advantage, technological prowess, and resource accessibility, the nation picks significant industries or sectors with export potential. Third, the nation adopts policies and practises to encourage the growth of these important industries or sectors, such as providing infrastructure, financing, and other forms of support (Cavusgil & Zou, 1994).

Export subsidies, tax breaks, and preferential access to finance or other resources are examples of such policies and initiatives. Fourth, the country aims to strengthen the competitiveness of its export industries or sectors by measures such as R&D, skill training, and quality control. Finally, through efforts such as trade promotion,

marketing, and export financing, the country hopes to increase the export of goods. EOI can be a powerful tool for encouraging economic growth and development, especially in nations with limited local markets or resources (Cavusgil & Zou, 1994).

EOI can provide access to international markets, which can increase foreign exchange earnings and promote economic growth. EOI can lead to the development of a diversified industrial base, which can generate employment and increase productivity. It also can promote technological transfer and innovation, particularly if foreign direct investment is attracted to the country. The experiences of developing countries with EOI have been mixed. Some countries, such as South Korea and Taiwan, have successfully implemented EOI strategies and achieved significant economic growth (Dijk, Linnemann & Verbruggen, 1987). Other countries, however, have struggled to implement EOI strategies effectively and have experienced limited or negative economic growth, like Iran and Iraq also Turkey who pursued a strategy of accumulation (Onaran and Stockhammer, 2005).

One of the key challenges of EOI is ensuring that the benefits of economic growth are distributed fairly and equitably across society. This requires effective policies and institutions to promote social welfare, protect workers' rights, and ensure environmental sustainability. It also requires a commitment to democratic governance and the rule of law, which can help to prevent the concentration of economic and political power in the hands of a few elites (Mandel & Müller, 1974).

Overall, EOI remains a controversial economic development strategy, with both advocates and critics. The experiences of developing countries with EOI suggest that its success depends on a range of social, political, and economic factors, and that effective policies and institutions are needed to ensure that the benefits of economic growth are distributed fairly and equitably across society. Neoliberalism accepts the possibility that market-based policies could have unfavourable outcomes, such as a worsening of economic inequality and instability in society. As a result, democratisation is considered as an essential complement to market-oriented policies since it offers a vehicle for social and economic inclusion, political stability, and the preservation of individual rights. The underlying premise is that democratic societies are more likely to be steady, open, and predictable, which can draw in investment and stimulate economic growth. Additionally, democratic countries are thought to be more inclined to respect individual liberties and rights, which can foster a climate that is conducive to commerce (Winch, 1985).

So, economic liberalism theory is based on the belief that individual freedom and free markets are the best way to promote economic growth and development. It has been influential in shaping economic policies in many countries around the world, particularly in the Western world (Winch, 1985).

3. EOI Policies in South Korea and Neoliberalism

South Korea's export-oriented policies are generally seen as being in line with economic liberalism theory, which emphasizes the

importance of open markets and free trade. Economic liberalism theory argues that free trade and open markets promote economic growth and development by allowing countries to specialize in the production of goods and services that they have a comparative advantage in. South Korea's export-oriented policies have been a key factor in the country's rapid economic growth and development. By focusing on exports, South Korea has been able to take advantage of the global market and generate revenue from overseas sales. This has helped to increase the country's foreign exchange reserves, strengthen its financial position, and promote economic growth and development. The government has also implemented policies to support free trade and open markets, including signing free trade agreements with other countries and promoting international cooperation and competitiveness. Overall, South Korea's export-oriented policies are generally seen as being in line with economic liberalism theory, as they emphasize the importance of open markets and free trade in promoting economic growth and development (Bhagwati & Krueger, 1973).

Technology and Innovation

South Korea has undergone significant economic and social development in the last decade, building on its historical background of export-oriented industrialization and strong government support for economic growth (Chaudhuri, 1996). The economy of South Korea was mostly rural and reliant on traditional sectors including textiles, agriculture, and fisheries before the government adopted export-oriented industrialization (EOI) programmes. Most

of South Korea's people resided in rural areas and worked in agriculture before the 1960s. The 1950s saw the implementation of land reform programmes that helped to redistribute land and increase the production of agriculture (Kang & Ramachandran, 1999).

Over the past ten years, South Korea has made enormous efforts to increase its capability for innovation and technology. The South Korean government and the private sector have implemented a number of significant programmes and policies, including: With a focus on being a global innovator and leader in technology, South Korea has regularly allocated a significant amount of its GDP to research and development (R&D). One of the greatest R&D expenditure rates in the world in 2020 was in South Korea, where it reached approximately 4.6% of GDP (D'Costa, 2007). Moreover, the South Korean government has started a variety of programmes to promote entrepreneurship and the growth of startups in the nation. As an illustration, the government created the Korea Startup Forum in 2013 to support entrepreneurs with money and coaching. Focus on Emerging Technologies: The development of emerging technologies including artificial intelligence (AI), 5G networks, and the Internet of Things (IoT) has received particular attention in South Korea (Bennett, 2020).

Aside from that, the government has started programmes like the AI Grand Challenge, which aims to create AI technology that may be used in a variety of fields. Industry-Academia Collaboration: In order to foster innovation, South Korea has promoted more industry-academia cooperation. For instance, the government has set up

research centres where universities, research centres, and private businesses collaborate on certain research initiatives. also, International Cooperation: In the area of technology and innovation, South Korea has also worked to improve its international cooperation. In order to foster cooperation and innovation, the government has formed agreements with other nations to exchange knowledge and skills. It has also taken part in international organisations like the World Economic Forum (Mah & Ahn, 2007).

Additionally, E-commerce has expanded significantly in South Korea, notably in the social and mobile commerce sectors. A strong e-commerce infrastructure has been developed in the nation, which also has high internet penetration and mobile connectivity. Development of Smart Cities: South Korea has been working on the infrastructure and technologies for smart cities, including systems for public services, energy management, and transportation. To encourage the creation and adoption of these technologies, the nation has set up innovation hubs and testbeds for smart cities (Wang, 2008).

Economic Growth

Prior to the 1960s, South Korea's industrialization was relatively restricted, with the majority of manufacturing operations concentrated in light sectors like textiles, food processing, and handicrafts. Heavy industries like steel and chemicals couldn't operate in the nation since it lacked the infrastructure, resources, and technology they require. also, prior to the implementation of EOI regulations, was mostly dependent on imports to meet its industrial demands. The nation was dependent on imports to drive its economic growth

because it lacked the technology and resources to create many things domestically. Moreover, before to the implementation of EOI regulations, had limited international investment. The nation lacks the regulatory framework, infrastructure, and incentives required to draw sizable quantities of foreign capital (Sun Ihm, 1988). In the 1960s and 1970s, South Korea underwent rapid economic development, known as the ‘Miracle on the Han River’ (Cho, p.65, 1985).

Over the past ten years, South Korea’s economy has developed significantly. Some of this development’s major shapes include: High Economic Growth Over the past ten years, South Korea has consistently seen high levels of economic growth, with an average annual growth rate of about 2.8%. The development of export-focused sectors, particularly in the fields of electronics, autos, and semiconductors, has helped the nation. Low Unemployment and Poverty Rates: Over the past ten years, South Korea has maintained low unemployment and poverty rates, with an average unemployed rate of 3.8% and a decrease in poverty from 14% in 2010 to 7.5% in 2019 (Westra, 2006).

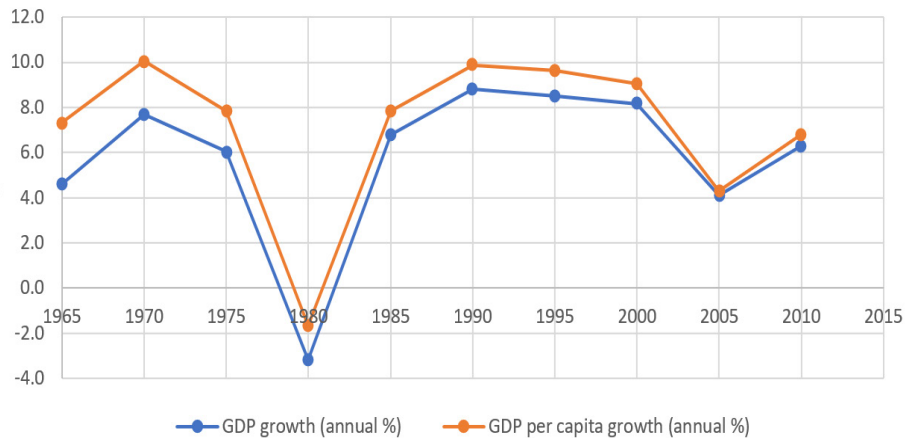
Furthermore, service sector expansion the service industry in South Korea has expanded significantly and is now a substantial contributor to the national economy. Currently, the service sector contributes around 58% of South Korea’s GDP. Moreover, a rise in foreign direct investment Over the past ten years, South Korea has drawn rising amounts of FDI, notably in the fields of innovation and technology. The nation has put strategies into place to attract

international investment, such as offering tax benefits and supporting R&D. Growing Income Inequality Over the past ten years, South Korea has seen a growing income inequality as the gap between the rich and the poor has widened. The nation has put policies in place to deal with this issue, such raising the minimum wage expanding access to affordable housing (Mah, 2007).

As appears in Figure (1), South Korea’s economy was deteriorating and began to rise gradually in the late 1970’s after adopting EOI policies in 1960’s. And it reached the highest economic development in 2021

Source: world bank data, 2023

South Korea's Economic Performance (1965-2010)



4. EOI: From economic Development to Democratization in South Korea

Export-oriented policies were crucial in promoting Korea’s economic growth. These policies, which assisted in building a strong manufacturing base and encouraging technical innovation, com-

bined government action, investments in infrastructure and human capital with strategic planning and coordination. Focusing on building a strong manufacturing base was one of the main elements that helped Korea's export-oriented policies succeed. In addition to encouraging foreign investment in the industrial sector, the government supported domestic industries with subsidies, tax breaks, and low-interest loans. Due to increased competition, the manufacturing sector was able to produce goods of excellent quality at reasonable prices (Haggard & kim & moon, 2011).

In addition to emphasising the development of a competent workforce, Korea's export-oriented policies also placed an emphasis on funding education and training. The government supported technical education and vocational training programmes, which aided in developing a highly qualified workforce capable of producing high-quality items (Kim & Heo, 2017). Strategic planning and cooperation inside the nation of Korea also had a role in the success of its export-oriented strategies. The government selected vehicles and electronics as important sectors for growth, and it supported these sectors through R&D, marketing, and export promotion. In order to create a business-friendly environment that promoted investment and entrepreneurship, the government also collaborated closely with the private sector (Kim, 1989).

South Korea has been successful in implementing export-oriented policies (EOI) into practise, which has aided in the expansion and development of its economy. But it has also encountered certain dif-

facilities. Dependence on a few important businesses, South Korea's EOI policies have concentrated on a few core industries, including electronics, autos, and shipbuilding, which have been primary drivers of the nation's economic growth. However, this reliance on a small number of industries might make the economy vulnerable to outside economic shocks and shifts in demand around the world. Ageing population: South Korea's population is getting older, which may cause a labour shortage and a drop in productivity. This can be difficult for export-focused companies that depend on a highly qualified workforce to stay competitive (Cho, p.67, 1985).

EOI and Social and Political Development

Over the past decade, South Korea has seen substantial social and political transformation. Onaran and Stockhammer suggest that South Korea's export-oriented growth strategy has been characterized by a focus on distribution, or the distribution of the benefits of economic growth more broadly across society. They argue that this approach has led to a more equitable distribution of income and wealth and has contributed to the development of a strong middle class (Onaran and Stockhammer, 2005). In addition, with free and fair elections and a vibrant civil society, South Korea has proceeded to strengthen its democracy over the past ten years (Lee & Yan, 2022). Additionally, there has been a rise in political activism and popular involvement in a number of social concerns in the nation. Population Ageing and Low Fertility Rates: South Korea's population is ageing quickly and the country has one of the lowest fertility rates in the world. The sustainability of the nation's social welfare

system and the requirement for policies to support elderly people have been raised as a result of this. Increasing Diversity, as well with an increase in international residents and immigrants, South Korea has recently become increasingly diversified (Lee & Yan, 2022).

The nation has put laws in place that encourage multiculturalism and integration, such as offering language instruction and funding for exchange programmes. Along with encouraging gender equality, South Korea has made progress in recent years, with more women participating in politics and industry. The nation still has a lot of work to do to combat violence and prejudice against women. and Social Welfare: In recent years, South Korea has strengthened its system of social welfare with initiatives to aid low-income households, the aged, and the disabled. Additionally, the nation has taken steps to combat youth unemployment and encourage job growth (Jung & tsujisaka, 2019).

So, overall, Before the implementation of EOI policies, South Korea's economy was characterised by a significant reliance on traditional industries like agriculture and textiles, a lack of industrialization, a reliance on imports, and a lack of significant foreign investment. An important turning point in South Korea's economic development occurred in the 1960s with the implementation of EOI policies, which aided in the emergence of new industries and the transition of the nation into an industrialised, modern economy. hence led to development in technology, political and social aspects too. These policies led significantly to South Korea's rapid economic development and made it a major economic power in the region

and the world (Park, 2011)

EOI and Civic and Human Rights in South Korea

South Korea's development in the last decade built on its historical background of export-oriented industrialization and strong government support for economic growth, while also making progress in social and political development. As, democratization (Lee & Yan, 2022).

The process of democratization in South Korea was closely linked to the country's export-oriented policies. In the 1960s and 1970s, South Korea underwent rapid economic development under the leadership of President Park Chung-Hee, who implemented policies to promote export-oriented industrialization. While these policies helped to transform the country's economy, they also came at the expense of political freedom and human rights. In the 1980s, South Koreans began to demand greater political freedom and an end to authoritarian rule. This led to a pro-democracy movement, which culminated in the June Democracy Movement of 1987 (Lee, 1991). As a result of this movement, the government agreed to hold free and fair elections, and South Korea transitioned to democracy. The transition to democracy had important implications for South Korea's export-oriented policies. Under the authoritarian regime, economic development had been the primary focus, and political freedoms and human rights had been suppressed. However, the transition to democracy brought a new emphasis on human rights and political freedom, which helped to create a more supportive environment for workers' rights and environmental protections (Lee, 1991).

In South Korea, export-oriented industrialisation (EOI) played a number of roles in advancing democracy. One of the most important ways was through altering the economy and bringing about a more prosperous society, which fostered the growth of democracy. The middle class in South Korea increased along with the economy, and people started to demand more political representation and accountability from their government (Koo, 1991). Due to this, civil society organisations including labour unions, women's organisations, and student organisations emerged and became crucial in the fight for democracy (Onaran and Stockhammer, 2005).

A more educated and informed populace was also a result of the expanding economy, and this helped fuel calls for more political engagement and democratic changes. Additionally, EOI supported the growth of South Korea's democratic institutions. As the economy expanded, the government made investments in public services, infrastructure, and education, which contributed to the development of a more robust and capable state. A more democratic and inclusive society was aided by the government's social welfare initiatives, which included universal healthcare and education (sondhi, 1993).

At the same time, democracy also created new challenges for South Korea's export-oriented policies. As the country became more democratic, workers and labour unions gained greater bargaining power, demanding higher wages and better working conditions. This put pressure on companies to raise prices and cut costs, which made it more difficult to compete in the global market. However,

South Korea was able to adapt to these challenges by investing in new technologies and promoting innovation (D'Costa, 2018).

The country also diversified its economy, expanding into new industries such as finance, tourism, and services. This helped to create new opportunities for economic growth and development, while also promoting political freedom and human rights. Overall, the process of democratization in South Korea had important implications for the country's export-oriented policies. While democracy brought new challenges, it also created new opportunities for growth and development, which helped to sustain the country's economic success over the long term. Also, South Korea's economy diversified after the transition to democracy, reducing its dependence on a few key industries and creating new opportunities for growth and development. The government played an important role in promoting diversification, providing funding and support for new industries and services, and encouraging international cooperation and competitiveness (Noland, 2011).

EOI and the Emergence of a Vibrant Middle Class in South Korea

Koo argues that the middle class played a key role in the democratization process by providing a powerful force for political change and social justice. The middle class was able to mobilize and organize around issues of political reform and social welfare and was able to challenge the authoritarian regime that had previously dominated the country's political landscape (Koo, 1991). Another

author observes that social movements were crucial in opposing the authoritarian regime that had previously dominated South Korean politics. Social movements were able to mobilise and organise around concerns of political reform and social justice, resulting in a more open and democratic political landscape. Yun contends that South Korean social movements were able to take advantage on a series of political opportunity structures that evolved during the democratisation process. Changes in the worldwide political environment, changes in the balance of power among various domestic actors, and the advent of new technologies and communication channels were among them (Yun, 1997).

Eberstadt, on the other hand, contends that the democratisation processes in Taiwan and South Korea were driven by a variety of causes, including economic development, altering geopolitical dynamics, and the formation of civil society. However, the author observes that the two countries' democratisation processes were marked by significant differences. Eberstadt, for example, observes that internal causes such as the formation of a strong civil society and a growing demand for political reform drove Taiwan's democratisation process. In contrast, South Korea's democratisation process was largely affected by external forces such as international pressure and the collapse of the Soviet Union (Eberstadt, 1992). Also, Yeo observes that patron-client relationships in both South Korea and Poland were able to adjust to changing political and social realities by accepting democratic reforms and advocating more political transparency. In South Korea, for example, prominent cor-

porate leaders and political elites used their influence to support democratic reforms and increase political involvement. Furthermore, Yeo contends that patron-client relationships were important in expressing a commitment to democracy and generating better social trust and collaboration. Powerful elites in both nations were able to develop support for democratic institutions and promote better social cohesiveness by adopting democratic changes and advocating greater political transparency (Yeo, 2006).

5. Discussion: EOI, Democracy and the Neoliberal Model

Since the 1980s, South Korea has adopted EOI policies and a neoliberal economic model, which has been linked to tremendous economic growth and progress. However, there is disagreement regarding how neoliberalism and democracy interact in South Korea. Neoliberalism's fostering economic development, developing a middle class that is wealthier, and increasing chances for political engagement, it has helped South Korea become more democratic. They contend that the country's democratic administration has been successful in granting these liberties, as indicated above, and that the rise of the middle class has increased demands for democratic rights and freedoms including freedom of expression and assembly (Buchanan & Nichollos, 2003).

Neoliberalism's critics contend that it has aided in the concentration of wealth and power in the hands of a few numbers of people, which has the potential to undermine democratic values of equality and representation. They contend that South Korea's neoliberal pol-

icies have weakened democratic institutions including labour rights and the welfare state, increasing inequality and social fragmentation (Suzuki, 2012). Neoliberalism has been under increasing attack in South Korea in recent years, with many advocating for a more balanced strategy that prioritises social welfare and public goods alongside economic growth (Buchanan & Nichollos, 2003). A new political movement that aims to advance a more democratic and socially just economic model has emerged as a result of this. In fact, the nation started to react to these political movements, and democracy is today stronger than it was previously in South Korea. Therefore, this is a result of neoliberalism, as it is what led to the creation of organisations and movements that demand justice and democracy.

The South Korean experience of Export-Oriented Industrialization (EOI) has been a key factor in the country's economic development and democratization in the last decade. EOI has helped to transform South Korea from a primarily agricultural economy to a modern, industrialized economy with a strong focus on technology and innovation. EOI has driven economic growth and development by promoting exports and attracting foreign investment. This has helped to create jobs, increase foreign exchange reserves, and promote economic stability and prosperity. However, it has also faced criticism for its potential negative impacts on workers' rights, environmental sustainability, and social inequality. The analysis of this progress can be viewed through neoliberalism theory, as it emphasizes the importance of individual freedom and free markets as a means of promoting economic growth and development.

Also, South Korea must continue to address the challenges it faces in order to maintain its competitiveness in the global market and sustain its economic growth and development. The government is working to diversify the economy, invest in new technologies, and promote innovation to stay ahead of the competition. Furthermore, it was discovered that the neoliberalism model with EOI strategy played a critical role in economic development and democratization growth in South Korea by examining the assumptions of neoliberalism theory that relate democratisation, economic development, and EOI policies. Despite the fact that this model has many critics, South Korea's transition from an authoritarian dictatorship to a democratic state, as well as its rapid economic development, are frequently highlighted as successful instances of the impact of EOI and neoliberalism on political and economic progress. The neoliberalism paradigm, which emphasises the significance of free markets and limited government intervention in the economy, has played an essential role in encouraging South Korean economic growth and development. South Korea's government pursued a variety of market-oriented measures, such as deregulation and privatisation, which contributed to a more favourable environment for private sector investment and economic growth.

Importantly, the economic progress generated by South Korea's EOI and neoliberalism model aided in the promotion of democracy. South Korea's rapid economic development resulted in a more rich and educated middle class, which became a potent force for democratisation. Increased economic opportunities and upward

mobility as a result of EOI and neoliberalism also contributed to reduce inequality, which helped to create a more equal society. In addition, the South Korean government played an important role in promoting democracy by implementing a range of political reforms, including the establishment of an independent judiciary, free and fair elections, and greater protection of civil liberties. In addition, the government supported civic engagement and public participation in decision-making processes, which contributed to the development of a more dynamic and participatory democracy.

6. Concluding Remarks

In the context of South Korea, it can be argued that the EOI and the neoliberal paradigm aided in the promotion of democracy and economic progress in South Korea. Market-oriented policies, political changes, and civic involvement all contributed to the creation of a more prosperous, stable, and democratic society. However, South Korea's export-oriented businesses, particularly the industrial sector, have had a severe impact on the environment, resulting in pollution and resource depletion in addition to environmental issues. Concerns regarding the sustainability of the nation's economic progress have grown because of this. In the global market, South Korea confronts competition from other nations, notably from developing nations like China and India that are also adopting EOI regulations. South Korea may feel pressure from this to innovate and maintain its competitiveness in the international market. The effectiveness of South Korea's EOI policy has been significantly attributed to the labour market reforms that nation has undertaken to promote flex-

ibility and competitiveness. However, implementing these reforms has proven challenging due to opposition from labour unions and other organisations (Krishnan, 1985).

References:

- Ahn, M & Mah, J. (2007) Development of technology-intensive industries in Korea, *Journal of Contemporary Asia*, 37:3, 364-379, <https://doi.org/10.1080/00472330701408684>
- Bennett, B. W. (2020). South Korea: capable now, questions for the future. In G. J. Schmitt (Ed.), *A Hard Look at Hard Power: Assessing the Defence Capabilities of Key US Allies and Security Partners—Second Edition* (pp. 255–292). Strategic Studies Institute, US Army War College. <http://www.jstor.org/stable/resrep27713.13>
- Berberoglu, B. (1987). The Contradictions of Export-Oriented Development in the Third World. *Social and Economic Studies*, 36(4), 85–112. <http://www.jstor.org/stable/27862916>
- Bhagwati, J. N., & Krueger, A. O. (1973). Exchange Control, Liberalization, and Economic Development. *The American Economic Review*, 63(2), 419–427. <http://www.jstor.org/stable/1817105>
- Brown, W. (2006). American Nightmare: Neoliberalism, Neoconservatism, and De-Democratization. *Political Theory*, 34(6), 690–714. <http://www.jstor.org/stable/20452506>
- Buchanan, P. G., & Nichollos, K. (2003). Labour Politics and Democratic Transition in South Korea and Taiwan. *Government and Opposition*, 38(2), 203–237. <http://www.jstor.org/stable/44483026>
- Cahill, D. (2010). ‘Actually, existing neoliberalism’and the global economic crisis. *Labour & Industry: a journal of the social and economic relations of work*, 20(3), 298-316. <https://doi.org/10.1080/10301763.2010.10669405>
- Cavusgil, S. T., & Zou, S. (1994). Marketing Strategy-Performance Relationship: An Investigation of the Empirical Link in Export Market Ventures. *Journal of Marketing*, 58(1), 1–21. <https://doi.org/10.2307/1252247>
- Chaudhuri, S. (1996). Government and Economic Development in South Korea, 1961-79. *Social Scientist*, 24(11/12), 18–35. <https://doi.org/10.2307/3520100>
- Chi, E., & Kwon, H. Y. (2012). Unequal New Democracies in East

- Asia: Rising Inequality and Government Responses in South Korea and Taiwan. *Asian Survey*, 52(5), 900–923. <https://doi.org/10.1525/as.2012.52.5.900>
- Cho, S. (1985). The Dilemmas of Export-Led Industrialization: South Korea and the World Economy. *Berkeley Journal of Sociology*, 30, 65–94. <http://www.jstor.org/stable/41035344>
 - D’Costa, A. (1994) State, steel and strength: Structural competitiveness and development in South Korea, *The Journal of Development Studies*, 31:1, 44-81, <https://doi.org/10.1080/00220389408422348>
 - D’Costa, A. (2018). Capitalist maturity and South Korea’s post-development conundrum. John Wiley & Sons Online Library. Retrieved from <https://onlinelibrary.wiley.com/doi/10.1002/app5.243>
 - Dobbins, J., Jones, S. G., Crane, K., & DeGrasse, B. C. (2007). Demoi cratization. In *The Beginner’s Guide to Nation-Building* (pp. 189–212). RAND Corporation. <http://www.jstor.org/stable/10.7249/mg557srf.17>
 - Eberstadt, N. (1992). Taiwan and South Korea: The “Democratization” of Outlier States. *World Affairs*, 155(2), 80–89. <http://www.jstor.org/stable/20672344>
 - Gemici, K. (2013). South Korea during the Park Chung Hee Era: Explaining Korea’s Developmental Decades. *Asian Journal of Social Science*, 41(2), 175–192. <http://www.jstor.org/stable/23654890>
 - Gill, S. (1995). The Global Panopticon? The Neoliberal State, Economic Life, and Democratic Surveillance. *Alternatives: Global, Local, Political*, 20(1), 1–49. <http://www.jstor.org/stable/40644823>
 - Gray, M., Dean, M., Agllias, K., Howard, A., & Schubert, L. (2015). Perspectives on Neoliberalism for Human Service Professionals. *Social Service Review*, 89(2), 368–392. <https://doi.org/10.1086/681644>
 - Haggard, S., Kim, B., & Moon, C. (1991). The Transition to Export-led Growth in South Korea: 1954-1966. *The Journal of Asian Studies*, 50(4), 850–873. <https://doi.org/10.2307/2058544>
 - Ihm, S. (Chief of the center for Economic Education) (1988) South Korea’s Economic Development, *The Social Studies*, 79:4, 165-169. <https://doi.org/10.1080/00220973.1945.11019912>

- Jung, Y., & Tsujisaka, A. (2019). Emerging Actors in The Women, Peace and Security Agenda: South Korea and Japan. Stockholm International Peace Research Institute. <http://www.jstor.org/stable/resrep20066>
- Kang, K., & Ramachandran, V. (1999). Economic Transformation in Korea: Rapid Growth without an Agricultural Revolution? *Economic Development and Cultural Change*, 47(4), 783–801. <https://doi.org/10.1086/452432>
- Karunaratne, N. D. (1980). Export-oriented industrialization strategies. *Intereconomics*, 15(5), 217–223. <https://link.springer.com/article/10.1007/BF02924575>
- Kim, H., & Heo, U. (2017). Comparative Analysis of Economic Development in South Korea and Taiwan: Lessons for Other Developing Countries. *Asian Perspective*, 41(1), 17–41. <http://www.jstor.org/stable/45171472>
- Kim, S. (1989). The Political Economy of Export-Led Industrialization in Korea and Taiwan: A Statistic Approach. *Asian Perspective*, 13(2), 69–88. <http://www.jstor.org/stable/43739078>
- Koo, H. (1991). Middle Classes, Democratization, and Class Formation: The Case of South Korea. *Theory and Society*, 20(4), 485–509. <http://www.jstor.org/stable/657688>
- Kotz, D. M. (2002). Globalization and neoliberalism. *Rethinking Marxism*, 14(2), 64–79. <https://doi.org/10.1080/089356902101242189>
- Krishnan, R. (1985). South Korean Export Oriented Regime: Context and Characteristics. *Social Scientist*, 13(7/8), 90–111. <https://doi.org/10.2307/3520299>
- Lee, J & Yan, M. (2022) The development of social work education in South Korea: a historical review, *Social Work Education*, <https://doi.org/10.1080/02615479.2022.2107196>
- Lee, S.-J. (1991). Political Liberalization and Economic Development in South Korea. *Korea Journal of Population and Development*, 20(1), 77–100. <http://www.jstor.org/stable/43783247>
- Lee, Y., & Lee, K. T. (2015). Economic Nationalism and Globalization in South Korea: A Critical Insight. *Asian Perspective*, 39(1), 125–151.

- <http://www.jstor.org/stable/43738117>
- Lim, H. (2009). Democratization and the Transformation Process in East Asian Developmental state: Financial Reform in Korea and Taiwan. *Asian Perspective*, 33(1), 75–110. <http://www.jstor.org/stable/42704664>
 - Mah, J. S. (2007). Industrial Policy and Economic Development: Korea's Experience. *Journal of Economic Issues*, 41(1), 77–92. <http://www.jstor.org/stable/25511157>
 - Mandel, M., & Müller, J. (1974). AIMS OF AN EXPORT-ORIENTED ECONOMIC POLICY. *Acta Oeconomica*, 13(1), 35–47. <http://www.jstor.org/stable/40728316>
 - Moon, C. (1990). The Transition to Export-led Growth in South Korea: 1954–1966. *The Journal of Asian Studies*. Retrieved from https://www.researchgate.net/publication/23723634_The_Transition_to_Export-led_Growth_in_South_Korea_1954-1966
 - Niblock, T. (1998). Democratization: A Theoretical and Practical Debate. *British Journal of Middle Eastern Studies*, 25(2), 221–233. <http://www.jstor.org/stable/195732>
 - Noland, M. (2011). Korea's Growth Performance: Past and Future. Manoa Hawaii Education Librery. Retrieved from <https://scholarspace.manoa.hawaii.edu/server/api/core/bitstreams/bb422729-75d8-4778-af05-f78b76574ac8/content>
 - Onaran, O & Stockhammer, E. (2005) Two Different Export-Oriented Growth Strategies: Accumulation and Distribution in Turkey and South Korea, *Emerging Markets Finance and Trade*, 41:1, 65-89, <https://doi.org/10.1080/1540496X.2005.11052596>
 - Önis, Z. (1990). The Limits of Neoliberalism: Toward a Reformulation of Development Theory. *Journal of Economic Issues*, 119–97 ,(1)29. <http://www.jstor.org/stable/4226919>
 - Palley, T. (2020) Re-Theorizing the Welfare State and the Political Economy of Neoliberalism's Campaign Against It, *Journal of Economic*

- Issues, 54:3, 588-612, <https://doi.org/10.1080/00213624.2020.1778396>
- Park, J. (2011) Trade-induced Industrialization and Economic Growth, *International Economic Journal*, 25:3, 513-545, <https://doi.org/10.1080/10168737.2011.607251>
 - Prechel, H., & Harms, J. B. (2007). Politics and neoliberalism: Theory and ideology. *Politics and neoliberalism: Structure, process and outcome*, 16, 247.
 - Qian, L. (2023) The 'Good' Neoliberalism: E-Commerce Entrepreneurship and the Search for a Good Life in China, *The Asia Pacific Journal of Anthropology*, 24:3, 216-233, <https://doi.org/10.1080/14442213.2023.2199708>
 - Shaikh, A. (2005). The economic mythology of neoliberalism. *Neoliberalism: A critical reader*, 41-49.
 - Sondhi, S. (1993). Political Economy of Industrialization in East Asia. *The Indian Journal of Political Science*, 54(1), 1-20. <http://www.jstor.org/stable/41855638>
 - Suzuki, Y. (2012) Binding constraint on economic growth under export-oriented industrialization and globalization, *Applied Economics*, 44:20, 2569-2576, <https://doi.org/10.1080/00036846.2011.566185>
 - Van Dijck, P., Linnemann, H., & Verbruggen, H. (1987). *Export-oriented industrialization in developing countries*. NUS Press.
 - Venugopal, R. (2015). Neoliberalism as concept. *Economy and society*, 44(2), 165-187. <https://doi.org/10.1080/03085147.2015.1013356>
 - Wang, J. (2007) From technological catch-up to innovation-based economic growth: South Korea and Taiwan compared, *The Journal of Development Studies*, 43:6, 1084-1104, <https://doi.org/10.1080/00220380701466609>
 - Westra, R. (2006) The capitalist stage of consumerism and South Korean development, *Journal of Contemporary Asia*, 36:1, 3-25, <https://doi.org/10.1080/00220380701466609>

doi.org/10.1080/00472330680000021

- Winch, D. (1985). Economic Liberalism as Ideology: The Appleby Version. *The Economic History Review*, 38(2), 287–297. <https://doi.org/10.2307/2597149>
 - Yeo, A. (2006). Signaling Democracy: Patron-Client Relations and Democratization in South Korea and Poland. *Journal of East Asian Studies*, 6(2), 259–287. <http://www.jstor.org/stable/23417904>
 - Youn-Suk, K. (1997). Korea and Developing Countries: Lesson's from Korea Industrialization. *The Journal of East Asian Affairs*, 11(2), 417–429. <http://www.jstor.org/stable/23255434>
 - Yun, S. (1997). Democratization in South Korea: social movement and their political opportunity structure. *Asian Perspective*, 21(3), 145–171. <http://www.jstor.org/stable/42704149>
 - Zambrana, R. (2013) Paradoxes of Neoliberalism and the Tasks of Critical Theory, *Critical Horizons*, 14:1, 93-119, <https://doi.org/10.1179/15685160X13A.0000000005>
1. The panopticon is a design of institutional building with an inbuilt system of control, originated by the English philosopher and social theorist Jeremy Bentham in the 18th century. The concept is to allow all prisoners of an institution to be observed by a single security guard, without the inmates knowing whether they are being watched.
 2. refer to a type of social relationship in which a patron, typically a person or group in a position of power or influence, provides support and protection to a client, typically a person or group who is in a weaker or subordinate position. In return for this support, the client is expected to provide loyalty and support to the patron, often in the form of political support or other forms of assistance.