
# Asia Institute Seminar

## “Korea and Globalization”

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## Interview with Nayan Chanda

## Author and Journalist

(Editor of YaleGlobal Online Magazine at the Yale Center for the Study of Globalization)

Emanuel Pastreich, President of the Asia Institute, had an opportunity to speak recently with Nayan Chanda, renowned Indian author and journalist, about Korea's new global role. Mr. Chanda is one of the leading experts on the topic of globalization. His comments on Korea are of particular value because of his conception of does not assume the West to be the center of the phenomenon. Mr. Chanda has visited Korea frequently and also gave a talk at the Asia Institute in 2009. His work is admired for his strong historical sense: he traces globalization, largely based on trade, back over the last two millennia.

Chanda's best known book is *Bound Together: How Traders, Preachers, Adventurers and Warriors Shaped Globalization* (Yale University Press, 2007), an insightful discussion of the process of globalization over the last two thousand years. Chanda posits that globalization is driven by traders seeking profits, preachers carrying 0ut a divine mission, adventurers in search of fortune and glory and warriors seeking loot and power. The book has been translated into Chinese, French, Korean, Japanese, Italian, Turkish & Portuguese. His book *Brother Enemy: The War After the War* is probably the most comprehensive study of the aftermath of the Vietnam Civil War and its implications for Southeast Asia. He also co-authored the book *The Age of Terror: America and the World After September 11* with Strobe Talbott, President of the Brookings Institution.

**Emanuel Pastreich:** It is an honor to have you here with us today for this seminar. You have had a chance to watch Korea evolve over the years as a journalist and writer. Can you reflect on recent political developments in Korea and put them in context for us?

**Nayan Chanda:** I have watched Korea for decades and find the rapid evolution of that country quite remarkable. We have seen the emergence of a mature political system since the era of Kim Dae Jung, with a diverse political debate and concerns about certain issues that were not on the table previously. I think that the evolution up through President Lee Myung Bak is quite striking. One wonders what the implications will be for the presidential election this year.

Parallel to the political development of Korea has been its astonishing technological evolution. We find in Korea the most connected country in the world. Korea has moved ahead of many industrialized countries, and its technological prowess, from automobiles to computers, from silicon wafers to power plants and the latest tablet by Samsung now sets global standards.

**EP:** How does the Korea you see today look in contrast to the Korea that you first encountered as a journalist and writer?

**NC:** Korea was a very stiff place when I first arrived here. The environment was formal in terms of meetings, and it was aloof in terms of personal exchanges. Korea had had a strong military at the center of the political system and that culture made personal interactions and public events, quite stiff. The changes over the last fifteen years have been astonishing. President Lee went as far as to assure the citizens that he would consider all aspects of society in his policy. We have leaders who feel they need to respond to the needs of citizens, to be accessible and flexible. The recent mayoral election in Seoul was another indicator of increased political maturity. The election of Park Won Su confirms that voters clearly are interested in significant change and a more inclusive, more open, society. Such an attitude is a radical change from previous eras when the military set the style and rapid industrialization was the primary concern of most policy makers.

I am very curious as to how Korea will handle the debate on the status of the middle class going forward. The challenges to the middle class posed by economic change are visible globally that have led to the Occupy Wall Street movement, and other forms of social resistance. So, the question remains, how will the Korean government address this gap in income and opportunity born of recent economic growth? I wonder how this more sophisticated political establishment in Korea will respond to more acute sociopolitical criticism and political activism.

**EP:** Many of your writings treat globalization in a historical context. That perspective is most welcome, especially for someone like myself who studied pre-modern history and culture. In the last few waves of globalization, Korea was left out. In the seventeenth century, when Spain, Portugal and Holland put together their empires and trade networks, Korea were not even players. The only Western records of Korea are the notes of the Dutch Merchant Hendrick Hamel who wrote in the 17$^{th}$ century of a few miserable years he spent trapped in Korea after a shipwreck trying to escape. When the English and Russians and Japanese sought out opportunities in Asia in the late nineteenth century, Korea was known as the “Hermit Kingdom.” But this time we find Korea right in the middle. Korea is driving global trade and we see Korean companies springing up everywhere.

**NC:** Of course I am not an expert in Korean history. But I think we can attribute some of the problems to the degree to which the whims of one individual decided the fate of a country previously. The Korean Joseon Kingdom’s decision to keep out all foreigners can be seen largely as the personal whim of the King. In Korea, and in China, the decision- making process for policy was limited to a small group in the palace that could not effectively evaluate the potential, and the challenges, to be found in the West. There was plenty of smuggling and informal trade even then, but the nation remained closed to open trade.

One can see many examples of this autocratic response not only to external challenges, but also to internal innovation. Let us take the case of admiral Zheng He in the Ming Dynasty. Zheng He built the most impressive navy at the beginning of the 15th century. His innovations and his fearless efforts brought about tremendous advancements in marine sciences and navigation in just one generation. His seven voyages through Southeast Asia, all the way to Africa, established new potential trade routes and gave Chinese confidence in their ability to conduct long-distance expeditions. China was posed to become the major maritime power. But the advances of those twenty-five years were cast aside by an autocratic government and an ignorant emperor. China went back to being an empire facing inward. In the nineteenth century, when Europe was modernizing its navy, the Empress Dowager Cixi spent the navy's budget to build a pavilion shaped like a boat at the summer palace.

One should bear in mind that when Christopher Columbus arrived in the New World, he was sailing in a boat that was one fifth the size of one of the flagship of Admiral Zheng He's fleet. The Chinese had the technological advantage, but it was the Spaniards and Portuguese who expanded shipping and build a global trade system. China just walled itself in, and in the seventeenth century China closed all its ports.

Korea also had impressive technology and know-how in the seventeenth century, but the interests of the king were domestic and internal. Agriculture and stability was the order of the day. Other opportunities were simply not followed up on.

Korea's opening to the world came in the late 19th century. But that experience was bittersweet, tied to Japanese colonial domination. It was only in the 1990s that Korea's opening to the world bore fruit and Korea took a central spot on the world stage.

**EP:** Looking at the global roles of China and India today in historical context is also interesting. In a sense, we can say that although such dominant roles for China and India seem quite alien to many in the West, these countries have merely regained the role that they played previously, just a few centuries ago. But at the same time, it is a new world. China and India now have global interests, and global cultural reach, that they have never had before.

**NC:** Well, it is a new world that we witness, but that world is still rooted in the past. China and India together produced nearly half the world's gross domestic product in 1700. Both nations had substantial manufacturing bases far before anything in terms of sophistication or scale emerged in Europe. The Chinese were making cast iron in the fourteenth century and they exported it to Europe where such technologies did not exist. The Indians were leaders in the development of

high-quality steel. Both India and China focused on manufacturing technology, the process by which ceramics and silk are produced on a mass scale to high standards of quality. There was no such concept in feudal Europe. As a result, Indian textiles dominated the world until the Industrial Revolution. England has a chronic trade deficit with China through the middle of the nineteenth century.

India and China had advantages. Their civilizations are ancient and strong scholarly traditions in mathematics, engineering and administration served as the foundations for such manufacturing know-how. And the large populations of these two nations, far beyond anything Europe was able to support before the second half of the 19th century, also offered distinct advantages. Since the 1990s, these two countries have managed to reclaim some of the economic dominance they had three hundred years ago. The scale that India and China work on is quite different than that which we find in the West and has its advantages.

**EP:** You have mentioned technology and its role in the development of Asia. It is clear that the ability of, Koreans, Asians, to effectively apply technology has been a major factor in their rise. Increasingly we see Korea playing a leading role in the commercialization of new technologies. As Korea develops into a major center for technology, Korea's influence may well expand in unexpected ways. Technology is linked to international relations, to culture and even to ideology. What do you think is Korea's potential?

**NC:** I think we find ourselves today on the threshold of a major technological revolution. The changes going on around us today are the equivalent of electrification in the 20th century. Of course electricity was discovered long before it had any practical impact on our lives. The potential for using electricity was there, but people had not figured out a way to design small electric generators, or to distribute electricity through a grid efficiently.

We are reaching the point at which microprocessors will be an essential part of every device. The next generation of network technology requires not only that every machine have an IP address, but also that they can be controlled and function based on the digital signal that it received from the Internet. This development means that we are moving towards a stage at which every device will be controlled by a small handset. The expansion of the internet into everyday products will open up a new horizon for innovation. Korea has taken the right steps to position itself for a major role in this new technological revolution. I think the development of personal technology that can mesh seamlessly with the Internet is the way of the future. Korea is poised to be a major player.

**EP:** I can certainly see that sort of potential in Korea these days. One of the most striking aspects of Seoul these days is the arrival of a significant swath of the global creative class in Seoul. They are coming in search of potential in this environment. Previously, internationals in Korea consisted of military personnel, missionaries, English teachers and a few representatives of major multi-national corporations. The range was limited and the interest was not so much in unlocking the potential of Korea, but rather in fulfilling a role for some institution in a foreign country, or simply making a little cash before going home. Now we find highly educated, sophisticated players coming over who want to build their own institutions and benefit from what Korea is doing, not represent foreign entities. This influx has revolutionized Korea and made it more international in some respects than the United States.

**NC:** In India, I have been struck by similar scenes. I see many foreigners with advanced expertise coming to India in search of opportunities. They may be bringing expertise, but often they are seeking out Indian expertise.; And you can see a similar flow of the global creative class into Southeast Asia. The potential is now visible to the informed around the world and those seeking their fortunes can see that all roads lead to Asia. In terms of the circulation between East and West, it is clear that the tables have turned.

**EP:** In education as well, Korea is emerging quite quickly as a player. Students who would obviously have gone to programs in the United States are now choosing programs in Korea. It is not merely about the rise in the overall rankings of Korean universities, but also about the reach that Korean universities now have globally as centers of excellence. I published two books with Seoul National University Press last year in English with a very positive result. No one took Seoul National University Press seriously as a publishing house ten years ago, but it is now connotes prestige.

But there remain causes for concern. Some people comment that Northeast Asia today resembles Europe one hundred years ago. That was a period of tremendous integration in Europe, but because essential rivalries could not be managed, and nationalism remained at the center of political discourse, it would take two world wars before effective integration was achieved. Do you have any ideas about how Asia can successfully move forward while avoiding what Europe went through?

**NC:** Despite deep historical divisions, Europe managed create an effective system for economic and political integration over the last fifty years. Europe effectively moved beyond the conflicts of the twentieth century to realize its full potential. But the current crisis suggests that an economic union that is not under-girded by substantial political unity is fraught with peril. For example, we see today in Europe that there is a common monetary policy, but there is no common fiscal policy. The problems born of that discrepancy are now threatening the economic union of Europe itself. The need to coordinate the economic and the political aspects of integration that Europe demonstrates offers a substantial lesson for Asians going forward. There remain deep economic divisions in the region that need to be addressed; nationalistic agendas can get in the way of the regions development.

**EP:** When I came to Korea in 2007, I saw many articles that suggested that Northeast Asia could achieve an economic integration along the lines of the European Union. But recent problems in the European Union have made such analogies rather unpopular. Asia will have to follow its own path.

**NC:** I think history remains a major factor in efforts to promote greater integration. How history is interpreted and how it is used in the political discourse of each nation can impact progress. What I find encouraging in the case of East Asia is that young people across Asia are speaking the same language, using similar terms and assumptions and wrestling with the same issues in the discourse of pop culture. For the next generation there is the potential to create a new dialogue less confined by historical issues of the past. A new Asia can emerge from that new discursive space.

**EP:** The Internet can be a double-edged sword. One sees discussions about Japanese colonial policy of the 1930s in Korea, disputes about territory between China and Korea dating back to the Tang Dynasty in Korea and China and sensitivity about national prestige magnified by the Internet and the media. So also arguments about whether the cultural innovations and technologies of the past are “Chinese” or “Korean” or “Japanese” in nature can have a lot of impact on contemporary relations. The Internet can bring together some young people, but it can also fan the flames concerning issues that people were not even thinking about before.

**NC:** The Internet allows positive intercourse between individuals that builds consensus. But it also allows some people to speak without constraint as a way to vent their anger. Those who

harbor bitter memories about past events can use the Internet as a megaphone that allows them to take issues from the past and make them central problems today. Both aspects of the Internet are true, but I am encouraged overall to see quite constructive discussions going on among youth overall.

**EP:** The new presence of India and Southeast Asia in the global economy is slowly restructuring East Asia as well. Let us take the example of Sichuan Province in China. Sichuan was something of a backwaters in China, far away from Beijing and not an economic powerhouse. But now Sichuan is benefiting immensely from its ties to India and Southeast Asia. Its geographical position has turned out to be a major asset, not a liability. In the case of Korea, I know some Koreans who studied languages like Thai and Malay in the previous generation. At the time their work was perceived as obscure subject for academic inquiry. Now they find that they have immense opportunities.

**NC:** I find that this massive geopolitical shift is best summed up by the growth of the airline industry. When I first came to Southeast Asia in the 1970s, traveling from Bangkok to any place in China was a matter of around one or two days of travel. There were no direct flights and those flights that were available were more often than not much delayed. You had to travel through Hong Kong and there were hassles at every turn. Now, if you go to the airport in Singapore, or Hong Kong, or Bangkok, there are direct flights to just about every major city.

**EP:** We see listed on the big board for departures at airports around Asia the names of cities in Southeast Asia and Central Asia, regional China and Russia that most people have not heard of ten years ago. It is a new landscape indeed.

**NC:** For someone like me who has watched Southeast Asia develop over the last forty years, the current state is quite astonishing.

In the case of China, issues like pollution are becoming quite serious concerns. At the moment of China's rise to global power, the number of wealthy Chinese who migrate to the United States and Canada is remarkable. They give as their reason quality of life. They cite pollution as an important factor. They simply do not want their children to grow up in a polluted environment. Of course the poor do not have such opportunities. Globalization is changing the nature of the

process of development in unexpected ways. And that process is different from that of previous waves of globalization.

**EP:** Let us come back to Korea and its role in the process of globalization. How does Korea look when seen from an Indian perspective?

**NC:** From Indian perspective, Korea is omnipresent in every city and region. When I am in India, I am struck by the visibility of Samsung and other Korean companies on every corner, in every building or public space. The visibility of Korean products, advertisements for Korean firms and images of Korea have increased dramatically.

There is no equal to Samsung. You have Coca Cola and Pepsi, but they are not nearly as visible as Samsung. Korean products are now a part of Indian daily life.

**EP:** If we look for the origins of Korea's rise to global power, we come back to an odd feature of Korea: Korea has an institutional flexibility that we associate with developing nations. If Koreans want to start a big project tomorrow, they can do it. That sort of rapid mobilization we see happen in developing nations. On the other hand, developing nations lack individuals with advanced training in technology or finance to administer such projects. As a result the results are lackluster. Developing nations lack a class of administrators who are resistant to corruption and to pressure from personal friends and family. Germans and Japanese are highly competent, but they cannot make policy decisions quickly; they lack flexibility. Korea, however, has both the flexibility of a developing nation and the expertise, and high standards for government officials and corporate administration we associate with a developed nation. That is Korea's secret.

**NC:** The Korean War has had unexpected benefits for Korea. That terrible experience has not only created a more flexible system in government and industry, it has established a unique relationship with the United States. The Koreans had no hesitation about sending their best and their brightest to make the best of American education. There was none of the nationalist resistance one sees elsewhere. In the Japanese case, for example, there has been more suspicion of American approaches. Some Japanese have promoted American innovation strategies in Japan, but overall Japan has been far slower than Korea in accepting the full implementation of new approaches. That lag has been decisive.

**EP:** The changes of the last ten years have been remarkably rapid, but, as you suggest, we need to look back over the last four centuries to keep these changes in perspective. There have been previous ages of rapid change as well. Korea is strong in technology. It has quite a strong foundation in education and in cultural production. You imply in your writings that it is trade, and openness to trade, that has been the determining factor historically.

**NC:** The countries that have prospered economically over the last six hundred years have been those that were open to the world. That means intellectual and technical discourse, but above all trade has been a key element to success. Trade can open a country to ideas. It forces the country to compete globally and to produce products that will be appreciated by, and paid for, others. The Chinese were designing, manufacturing and exporting porcelain for the European market in the 17th century. Indian textile exporters too had the insight to employ European designs that would have appeal in Europe, and they did not limit themselves to Indian traditional designs.

Selling products abroad not only allowed them to develop the idea of the customer as the king, it forced them to think from the perspective of a European, without even having visited. That is the perspective that trade encourages. That openness to other perspectives born of trade is perhaps even more important than direct economic impact.

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