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Recent development of economic sociology in Korea

Kyungmin Baek

Economic sociology in Korea has been growing in earnest since the early 1990s. Scholars influenced by Anglo-American sociology began to criticize the logic of neoclassical economics, which presupposed an atomized independent actor who pursues utility maximization. They claim that social actors are embedded in various social relationships. As a result, social institutions and limited human rationality play an important role in shaping a decision for economic behavior. The scope of their research in Korea has extended to the study of the state, organization, and individual behaviors, and the research outputs have greatly contributed to the analysis of Korean society. The studies of economic sociology in Korea can be divided into three categories: state, organization, and individual. In this article, I examine how economic sociology has been developing recently in each area. To this end, I focus on the discussion in academic journals published since the late 1990s in Korean.

State: Korea as a post-developmental state

First, the studies of economic sociology on the state in Korea mainly focus on the topic of national development. Korea has experienced rapid economic growth in a short period of time, and many scholars have been interested in what Korea's economic developmental

path is like and how it has changed through historical experiences from the developmental dictatorship to the International Monetary Fund (IMF) financial crisis.

As Korea experienced rapid economic development in 1970 and began to be fully integrated into the globalization process in the 1990s, various attempts to understand its development path began to appear in Korea. In particular, as the neoliberal economy becomes the standard of the world in the globalization process, Western scholars are eager to see if the world economy will converge with the liberal market economic model represented by the United Kingdom and the USA. As an extension of this debate, economic sociologists in Korea and abroad began to analyze what the path of Korea's development was and if Korean economic and social structure will converge with the liberal market economy. Western scholars argue that major Asian countries, including Korea, have been on the path of a developmental state in which the state intervenes in the market with a strong initiative and long-term development strategy (Chu 2016), and many Korean scholars agree with this argument. However, the scholars also began to claim that the nature of Korea's national development has significantly changed since the 1997 IMF crisis. Some scholars claim that Korea still follows a state-led development model (called developmental state) in which the state strongly intervenes in the market but gradually starts

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to operate a free market economy centered on *chaebol*¹ conglomerates (Kim 2007; Kim 2007; Jeong 2006). Other scholars argue that Korea has rapidly shifted since the 1997 IMF crisis to an economic structure close to a liberal market economy, and it is no longer difficult to consider Korea to be a developmental state (Moon and Chung 2014).

In synthesizing these discussions, Yoon (2001) argues that state intervention in the market plays an important role in economic growth in the early period of development stages, and Korea is no exception. However, he argues that, since the 1997 IMF crisis, the nature of the state has changed from a traditional developmental state to a post-developmental state (or a developmental neoliberal state). He argues that the nature of the state has changed into a liberal market economy, but the state does not withdraw behind the market. Rather, he claims that the state starts to wield

neoliberal policy as national developmental strategy to achieve national competitiveness and developmental goals (e.g., a high economic growth rate and market-friendly employment structure).

Cross-national comparative study

Since the mid-2000s, various academic attempts have been made to understand Korea's position and its developmental path in comparison with other countries in the global order, beyond interpreting its development within its own institutional context. In particular, Youngsoo, Kim (Sogang University), Yong-suk, Jang (Yonsei University), and Jeong-woo, Koo (Sungkyunkwan University), who were students of John W. Meyer,² the founder of the new institutional theory, play an important role in developing cross-national comparative study in Korea. Among them, two studies by Yong-suk Jang and Jeong-woo Koo are noteworthy. First, Yong-suk Jang and his colleague Eunyong Song (2008) found that the increase in transparency in Korean society is not driven by internal needs but rather by external pressures (e.g., intensified demand for transparency in world society). This study shows that the strengthening of transparency in Korea should be understood in a global context, rather than being explained by a variable unique to Korea. Second, Jeong-woo Koo analyzed the conditions and factors under which Korea's Official Development Assistance (ODA) after 1989 has been carried out. He found that institutional changes taking place in the world society have a significant impact on Korea's ODA resource allocation (Koo 2011). As such, various attempts have been made to understand Korea's development through cross-national analysis. Recently, the field has expanded to include various themes, such as human rights, diversity, and social integration.

Organization: Networks and institutions

Until the early 1990s, there were only a few sociological studies on organizations in the Korean sociology community, and such studies only began to appear in earnest in the 1990s. In particular, scholars who studied social network and organization theory at the University of Chicago and Stanford University in the United States moved to Korean universities and played an important role in stimulating academic communities in Korea to conduct sociological research on organizations in active ways. Since then, the field of organizational sociology has become one of the most active fields of sociology in Korea and most of the orga-

nization studies have mainly focused on analyzing organizational behavior using social networks or new institutional theories. Below, some studies in each theoretical framework are reviewed.

Social networks between organizations

Organizations are defined as an organized body of people who seek to maintain boundaries while pursuing a particular purpose. To achieve their goals, organizations need resources and have to interact with the external environment to acquire them. Networks become a channel between resources that organizations need to acquire from the environment and the organization. As a result, an organization's network structures can influence organizational performance and even the organization's survival. In Korea, network study started to attract academic attention from the early 1990s. Yong-Hak Kim,³ who received his PhD from the Department of Sociology at the University of Chicago, moved to the Department of Sociology at Yonsei University in 1987 and played a pioneering role in introducing social network theory to academic communities in Korea. In particular, he wrote a textbook on social network theory and methodology in Korean to disseminate the theory and method of social networks (Kim 2003). In addition to this, Yong-Hak Kim and his departmental colleagues performed multidimensional analyses of various organizational phenomena by combining social network theory with various organizational theories. For example, they analyzed the network characteristics of many venture firms that appeared in Korea in the 1990s (Kim et al. 2002), and Chan-Woong and Joon Han (both Yonsei University), his department colleagues, conducted a study of the network characteristics of subcontractors in the Korean automobile industry (Park and Han 2001).

Macro-organization study

As organizations' relationship with the external environment has become important, researchers have begun to actively conduct work on how the external environment influences organizations. In the 1990s, sociological studies on organizations were actively conducted in Stanford University's sociology department. Korean students who received their PhD from there moved to Korea and played a pioneering role in introducing macro-organizational theories to academic communities in Korea. Looking at their studies, Youngsoo Kim (Sogang University) analyzes changes in the organizational structure of the Korean government from the perspective of new institutionalism and finds that the government structures in Korea have be-

come similar to those in other states. He argues that the institutional environment encourages the Korean government to change government structure to obtain legitimacy from the world society (Kim 2001). Yong-suk Jang and colleagues, Hang-Young Lee (Macquarie University) and Kyungmin Baek (Soongsil University), showed that the institutional environment surrounding Korean business firms is an important factor in determining the size of outside directors (Lee et al. 2007). They showed that the Korean business firms increase the size of outside directors in response to the intensified demands for business transparency in Korean society. Joon Han investigated the changes in the market entry rate of new business firms in mining and manufacturing industries from 1981 to 1999 in Korea from the perspective of organization ecology. In this study, he seeks to integrate social network theory and organization ecology theory. In addition, Jeong-woo, Koo and Dae-wook, Kim (2017) investigate what factors lead the Korean big business firms to introduce and implement social responsibility projects from the perspective of institutional theory.

In addition, some scholars found that the adoption of a particular policy (or business practices) does not lead to organizational performance. In particular, Soohan Kim (Korea University) and colleague show that the diversity management system plays only a limited role in alleviating gender discrimination in workplaces in Korea (Kim and Shin 2014). Kyungmin Baek and Ki-Tae, Park (2013) investigate what conditions encourage organizations to comply with or violate the paternity leave law in Korean workplaces. Recently, the field of sociological research using macro-organizational theory has been expanding into a variety of business topics, such as corporate social responsibility, social enterprise, corporate safety management, and ethical management.

Individuals: Various patterns of inequality

Social inequality is the most important topic to have recently attracted the attention of Korean sociology circles. A number of economic sociology studies have focused on various patterns of inequality that individuals experience in the labor market and within organizations. In the late 1990s, economic sociologists attempted to explain these inequalities through internal labor market theory and social capital theory. Before then, Korean sociology circles tried to understand the pattern of inequality between individuals, mainly from Marx's class theory perspective. Since the late 1990s, economic sociologists have sought to use other

theoretical perspectives than Marx's class theory to understand social inequality in Korea. To do so, various attempts have been made to understand how individual social and cultural capital and the institutional environment surrounding individuals play a role in increasing inequality in Korean society. Recently, these attempts have extended to the realm of gender sociology and political sociology.

Gender inequality in Korea

Although social inequality appears in various forms, the one that has received the most public attention is gender inequality in the labor market. Looking at the research on this, it is noteworthy to see two studies conducted by Young-mi, Kim (Yonsei University) and Chang-Hwan Kim (University of Kansas), respectively. First, Young-mi, Kim investigates the gender wage gap across regular and non-regular workers using advanced statistical techniques and finds that the types of disadvantages experienced by regular and non-regular female workers are not identical (Kim 2015). Second, Chang-Hwan, Kim criticized the existing notion that the gender wage gap in Korea is very small among the early twenties age group and the interruption to women's careers is a more significant factor for the gap than other institutional factors in workplaces. Using a sophisticated statistical method, he finds that there is a significant gender gap in labor market income of college graduates. In particular, he finds that within two years of college, female graduates' wages were 19.8 percent lower than that of their male counterparts in the labor market, and he argues that the cause of this disadvantage is the unequal labor market allocation mechanism based on discrimination against women (Kim and Oh 2019). Recently, many Korean economic sociologists have been conducting studies on gender inequality in the labor market, and the studies in this field link to other realms such as class, family, and politics.

Inequality across generations in Korea

The discussion of inequality across generations is the most recent inequality debate in Korean sociology circles. A paper published by Cheol-seung Lee (Sogang University) in *Korean Journal of Sociology* in 2019 sparked the debate on inequality in Korean society from the perspective of generation. In the paper he claims that since 1987 the "386 generation"⁴ has accumulated unequal political power and wealth in Korean society. To analyze how they accumulate that power and wealth, he first focuses on how the 386 generation takes over the state from civil society. He claims that the generation gained moral legitimacy for resisting

dictatorship in the 1980s and that justifies their accumulation of power and wealth in Korea. Next, he turns his attention to the “hierarchical system” established in the labor market in Korea. He claims that, after IMF, the new generation after the 386 generation was blocked from entering the labor market and the old generation expelled from it. He argues, therefore, that it is the 386 generation that benefits the most from the labor market reconstructed since the IMF crisis in Korea. In this study, he argues that through these two processes the 386 generation accumulates more resources and power across civil society, the market, and the state than the others, which can be an important factor that exacerbates inequality in Korea (Lee 2019). In a follow-up paper in *Korean Journal of Sociology* in 2020, he argues that youth unemployment is also another manifestation of inequality across generations in Korea. In particular, Cheol-seung Lee argues that the combination of changes of population structure-seniority in the labor market-cohesive network in the 386 generation is exacerbating intragenerational inequality in Korea (Lee 2020).

In response to Lee’s argument, Chang-Hwan Kim raised the problem of analysis while criticizing Cheol-seung Lee’s claim that generational inequality is the main driving force of inequality in Korean society. And using a different statistical approach and data sets, he argues that the increase in generational inequality after 2009 is not due to the increase in the wage gap between the ages but to an increase in the

aging population, especially the low-educated elders (Kim and Kim 2020). Currently, various discussions on labor market inequality are ongoing in the Korean sociology circles. And these discussions have also extended to the realms of education and immigration studies in Korea.

Concluding remarks

The field of economic sociology in Korea has grown rapidly since the 1990s. As mentioned above, research from an economic sociology perspective has been conducted in the realm of state, organization, and individual. Also, rigorous and advanced methods are employed to analyze various economic phenomena in Korea. I anticipate that Korea’s economic sociology field will grow even more for two reasons. First, the Korean government is actively promoting the collection and disclosure of social science data through a public data openness policy, which expands data collection in terms of quality and quantity. The expansion of data collection is expected to drive the growth of economic sociology studies. Second, many countries are paying attention not only to Korea’s economic growth but also to Korean culture. Such interest in Korea has the potential to promote mutual cooperation between Korean and international scholars. That cooperation will make it possible to look at various world economies from a new perspective.

Endnotes

- 1 *Chaebol* refers to large family-owned business conglomerates.
- 2 Working in sociology at Stanford University, he has studied how states and the institutional environment interact from an institutional perspective.
- 3 In 2016, he became the eighteenth president of Yonsei University.

- 4 The term refers to the generation of Koreans born in the 1960s who attended college in the 1980s. They have been politically very active in their thirties. At present, they hold a lot of political power and wealth. The term has some kind of connotation of “new generation” in reference to what was then (1980s) the latest CPU model, Intel 386, a 32-bit microprocessor.

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All items are published in Korean.

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