

Chey, Hyoung-kyu

Article

International political economy thought in pre-modern and colonial Korea

International Trade, Politics and Development (ITPD)

Provided in Cooperation with:

Department of International Commerce, Finance, and Investment, Kyung Hee University

Suggested Citation: Chey, Hyoung-kyu (2019) : International political economy thought in pre-modern and colonial Korea, International Trade, Politics and Development (ITPD), ISSN 2632-122X, Emerald, Leeds, Vol. 3, Iss. 1, pp. 11-29,
<https://doi.org/10.1108/ITPD-02-2019-002>

This Version is available at:

<https://hdl.handle.net/10419/319542>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

International political economy thought in pre-modern and colonial Korea

International
political
economy

Hyoung-kyu Chey

National Graduate Institute for Policy Studies, Tokyo, Japan

11

Abstract

Purpose – The purpose of this paper is to analyse international political economy (IPE) thought in Korea during its pre-modern and colonial eras.

Design/methodology/approach – It divides these eras into three periods. The first period is the eighteenth century, in which Silhak arose. The second is the mid- and late nineteenth century, a time characterised by conflicts between Wijong-cheoksa and Gaehwa thoughts. The final period is that of colonial Korea under imperial Japan, and during this time economic nationalist movements were pursued while Marxist theories were also introduced to the country.

Findings – This research shows that IPE thoughts analogous to Western economic liberalism and economic nationalism did emerge endogenously in Korea when its environment was similar to those in which these Western thoughts arose, although in ways that reflected Korea's peculiar situations of the times. This study also demonstrates that the “economic” thoughts of the Koreans in these periods were shaped largely by their political thoughts.

Originality/value – This research contributes to the building of a more “globalised” intellectual history of classical IPE thought.

Keywords Korea, Classical international political economy thought, Gaehwa thought, Political economy thought, Silhak, Wijong-cheoksa thought

Paper type Research paper

1. Introduction

Since its emergence in the early 1970s as a new academic discipline that bridges the gap between economics and international relations, international political economy (IPE) has been led largely by the US and UK scholarship. Cohen (2008) in fact categorises IPE broadly into the “American school” and the “British school” in geographical terms, stressing their ontological and epistemological differences. In recent years, the interests of IPE scholarship have gradually begun to expand to include IPE thoughts in other regions of the world, including continental Europe, Latin America and China[1]. However, the study of classical IPE thoughts remains heavily Western-centric. The discussion of the origin of mercantilism concentrates on the seventeenth and eighteenth century European debates over trade. There is a consensus that economic liberalism was given birth by Adam Smith. The figures who usually appear first when economic nationalism is described are Friedrich List and Alexander Hamilton. Meanwhile, classical IPE thoughts in the non-Western world have

© Hyoung-kyu Chey. Published in *International Trade, Politics and Development*. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>

The author extends his gratitude to Eric Helleiner, who has induced the author's interest in this study. For the English alphabet spellings of Korean words, the author adopted the current official Romanisation system of the Korean alphabet (Hangeul) set by Notification No. 2014–42 of the Ministry of Culture, Sports and Tourism of the Republic of Korea on 5 December 2014. There are some exceptional cases, however, in which the author follows the conventional English spellings in order to minimise any confusion for readers.



regrettably remained seriously underexplored so far[2]. Yet, did such IPE thoughts originate distinctively in the Western world? Or did similar thoughts emerge in other parts of the world as well? These are important questions that should be answered if a more globalised intellectual history of the world economy is to be built.

Against this backdrop, this paper analyses IPE thought in Korea during its pre-modern and colonial eras, which it divides into three periods during which distinct IPE thoughts emerged. The first period is the eighteenth century, when Silhak, a new intellectual movement calling for the reform of traditional Korean society, arose. The second period is the middle to late nineteenth century, when Korea faced foreign threats and as a result eventually opened its doors to the world. During this time two major ideologies, the Wijeong-cheoksa and the Gaehwa thoughts on how to cope with the changed international environment, emerged and conflicted with each other. The final period considered is that of colonial Korea (1910–1945) under imperial Japan, a time in which economic nationalist movements were pursued whilst Marxist theories were also introduced to the country. After first briefly explaining Confucianism and Sino-centralism, which were the major mindset that framed Korean views of economic activity and foreign relations in pre-modern Korea, this paper addresses IPE thought during the three above-mentioned periods, in order.

The analysis in this paper shows that IPE thoughts analogous to Western economic liberalism and economic nationalism did emerge endogenously in Korea when it faced environments similar to those in which these Western thoughts arose, albeit in ways that reflected Korea's particular situations during the times concerned. This research also confirms that “economic” ideas are in essence “political economic” ones, showing thereby that the “economic” thoughts of the Koreans in these periods were largely shaped by their political thoughts.

2. Confucianism and Sino-centralism in pre-modern Korea

The dominant ideology in Korea during the Joseon Dynasty era (1392–1897) was Confucianism, in particular the Neo-Confucianism established by Zhu Xi (1130–1200), a Confucian scholar in Song Dynasty, China. The mainstream perspective in Confucianism placed the highest priority on ethics and morality, which develop self-discipline, contending that a ruler should first establish ethics and morals in society before promoting economic welfare. Such a negative view of economic activity was especially strong in Neo-Confucianism. Zhu Xi for instance argued that worldly desires such as economic motives corrupted the human nature bestowed on us from the natural principle, and that in order to preserve their human nature people had to eliminate selfish desires by disciplining themselves. In Joseon Dynasty Korea, profit-seeking activity was accordingly regarded as unrespectable and sometimes even immoral, and as a result commerce and the development of markets was constrained (Lee, 2013, p. 152).

The Joseon Dynasty also rigidly implemented the Confucian four-class social system, with the Confucian scholar-gentry class located at the top, followed by the farmers, the artisans and at last the merchants. In this situation, any development of commerce and industry risked shaking the social order. From the standpoint of stabilisation of the social order, therefore, it was a structural requirement that commerce and industry be suppressed (Chung, 2008, pp. 26-27).

Meanwhile, Sino-centralism, which divided the world up into China, the centre of the world, and peripheral barbarian countries, dominated Koreans' view of the world at that time. The principle applied in Korea's foreign policy was therefore Sadae-gyorin, “to serve the powerful and to maintain peaceful relationships with neighbouring countries”. China was the sole country to “serve”, while Japan and the Jurchen clan in Manchuria were the main ones with which to maintain peaceful relationships[3]. Based upon this principle, Korea had remained a “hermit kingdom” until the late nineteenth century, with its doors

closed to all foreign countries but China; its interaction with Japan was also extremely limited, particularly after Japan's invasion of it in the late sixteenth century. And from the perspective of Sino-centralism, any inflow of foreign goods and cultures through trade with "barbarian" countries was perceived as harmful to Korean society.

3. Silhak and a sprouting of economic liberalism in the eighteenth century

3.1 *The emergence of Silhak*

The development of the Korean economy during the Joseon Dynasty period reached a peak in the mid-eighteenth century. The economy failed to move to a higher stage from there, however, losing vitality and beginning to decline. As a result, various serious socio-economic problems emerged. In particular, there was a worsening of poverty, since, while the population had grown during the economic development period, land productivity then began to fall (Lee, 2011, p. 104)[4]. Neo-Confucianism was unable to deal effectively with these socio-economic challenges, but rather fell into doctrinarism.

Against this background, a new intellectual trend, Silhak, which literally meant "practical learning", began to emerge from the mid-seventeenth century, centring especially around intellectuals not belonging to the ruling political factions. The emergence of Silhak was on the one hand a reflection of economic development at that time, and on the other an attempt to address practical problems that had arisen.

Silhak thinkers were divided into two broad schools of thought, in accordance with the primary issues that they addressed. One was the Gyeongse-chiyong school. The term *gyeongse* means statecraft or national governance, while *chiyong* refers to the utilisation of institutions and policies to tackle problems in society. The Gyeongse-chiyong school argued that learning should make direct and practical contributions to statecraft or national governance, and its policy recommendations focused mainly on the reform of political and social institutions. The other Silhak school was called the Yiyong-husaeng school. The term *iyong* refers in a narrow sense to the efficient use of instruments, and in a broader sense to the promotion of economic activity by developing commerce and industry, while *husaeng* means promotion of the people's welfare. The Yiyong-husaeng school advocated the promotion of public welfare through the development of commerce and industry (Lee, 2011, 2013, pp. 115-119).

Within the Yiyong-husaeng school there also existed two distinct sub-groups. One dealt mainly with issues related to agriculture, which lay at the core of the then economic system, and called for land reform. The second group, meanwhile, which included the Bukhak-pa (Bukhak school)[5], paid its primary attention to promoting commerce and industry. And it was this second group within the Yiyong-husaeng school that presented most IPE (or IPE-like) thoughts at that time. Amongst various thinkers in this group, the analysis in this paper focusses particularly on Bak Je-ga (1750–1805), who was one of the most notable, as well as the most progressive, members of the Bukhak-pa.

At this point it is worth noting that the majority of Silhak thinkers were to some extent familiar with Western science and Christianity, which were introduced to Korea in the name of Seohak (The Study in the West) during the seventeenth and eighteenth centuries through Korean envoys to China. Seohak books were popular amongst elites and intellectuals at that time. That said, those interested in Seohak paid their primary attention to Western science, whilst Western economic and political thoughts remained unknown to most Silhak thinkers.

3.2 *Bak Je-ga's economic liberalism*

Bak Je-ga presented strong liberal economic thoughts in his writings, including his book *Bukhakui* (A Study of the North) – written in 1778, two years after the publication of Adam Smith's *The Wealth of Nations* – although he did not develop systematic economic theories. His ultimate goal was to build a wealthy nation, but, similar to Smith and other liberal

economists, Bak placed his priority on the consumption level of the people as a standard for assessing the nation's wealth (Lee, 2013, p. 144). He pointed out poverty as the primary problem in Korea, and his foremost concern was to overcome it. He expected that the promotion of the people's livelihood would lead to fiscal strengthening and accordingly a rise in the national military power. Notably, his emphasis upon the public welfare was influenced by the traditional Confucian idea that the stabilisation of the people's livelihood was a more important goal than the fiscal strengthening of the state (Lee, 2013, p. 141)[6].

As a primary policy measure for overcoming poverty, Bak strongly advocated free trade, especially by sea. During the Joseon Dynasty, Korea prohibited private vessels from visiting foreign countries. The only trade permitted at that time was with China during Korean tribute visits via land, and with Japan at an extremely limited number of Korean ports; and any exchanges with Western countries were prohibited (Lee, 2012, pp. 45-46). Yet in Bak's diagnosis Korea was so small and poor that it would be difficult for it to become a wealthy nation even if it promoted domestic industry. He argued that to become a wealthy nation Korea should engage in trade by sea, given that it was a peninsula surrounded by water on three sides[7]. In his policy recommendations submitted to the King (King Jeongjo) in January 1786, he wrote:

The biggest ill in this country at the moment is, in one word, poverty. How can we overcome poverty? The only way to do so is to trade with China. Please dispatch an envoy to the Chinese court with a message like the following: "It is common practice in the world to trade in order to sell what one has and buy what one does not have. The Japanese, the Vietnamese, the Ryukyu and Westerners are trading in Zhejiang, Jiaozhou, Guangzhou, and so on. Like them, please allow our merchants as well to trade with China by sea". (Bak, 1778/2013, p. 275)

Bak suggested beginning to trade with China first, noting that Vietnam, Ryukyu and Taiwan were too distant and the sea routes to them quite rough, while Japan was not a reliable country. He, however, proposed in principle eventually expanding trade to other countries as well, as Korea's national power increased and the people's living became stable (Bak, 1778/2013, p. 260).

Bak did not in fact provide a clear explanation of the mechanism through which trade made a nation wealthy. However, he did perceive that trade would increase the supply of goods to consume, and, quite similarly to modern economic thinking, that promotion of consumption would facilitate economic growth through the development of technology and industry (Bak, 1778/2013, p. 252). He explained how consumption would lead to economic development, by making an analogy between a well and consumption:

[...] When people [Koreans] see splendid and colourful houses, wagons, horses, colours and silk in China, they say: "They [Chinese] are extravagant". If China would go under because of extravagance, our country will decay because of frugality.

Why is it so? Frugality means that you do not consume goods, although you possess them, not that you cannot consume them because you do not have them. Today in this country no people dive for pearls, there is no price for coral in the market. Nor can people buy rice cake or taffy even if they enter a shop with gold or silver. Is this situation really because of people's preference for frugality? It rather means simply that people do not know how to use goods. As they do not know how to use goods, they do not know how to produce them. As they do not know how to produce goods, they become poorer and poorer.

To make an analogy, goods are like a well. If you scoop water from a well it will be refilled with water. But if you do not scoop water from a well, it will get dry. Likewise, because no one wears silk clothes, there is no one weaving silk, and, as a result, women's skills [of weaving and sewing] have fallen. As people do not complain of shoddy bowls and do not respect quality craftsmanship, work for craftsmen, potters and blacksmiths has disappeared, and, accordingly, techniques have vanished. Going further, agriculture has been ruined so that agricultural techniques have become

nasty, and, as commerce has been disdained, commerce itself is missing. All four classes of the scholar-gentry, farmers, artisans and tradesmen are poor so that they cannot help each other [...]. (Bak, 1778/2013, pp. 135-136)

Bak (1778/2013, p. 252) understood trade as the key factor that enabled a well – that is, consumption – to not go dry, although he did not illustrate this causal relationship. In fact, in his time Confucian scholars blamed luxury craftworks as undesirable things. But for Bak, in contrast to this view, consumption of quality goods and luxuries would lead to their productions, contributing to technological progress. Bak in addition expected that trade would promote inflows of advanced foreign technology and culture, leading to an enlightenment of the people's mindset. In this context, he also suggested inviting Chinese technicians to work in Korea in order that Koreans might learn their advanced technology (Bak, 1778/2013, p. 278).

In a similar vein, Bak also proposed encouraging commerce, arguing that one of the main reasons for poverty in Korea was the social tendency to disdain commerce and business. He even called for reform of the four-class social system, the institutional foundation of the society, in a way as to permit engagement by the scholar-gentry class in commerce and business (Bak, 1778/2013, p. 278).

Bak likewise stressed as well the importance for economic development of market integration through the development of transportation, suggesting in particular the wide use of wagons[8]. He wrote:

Why has poverty reached this terrible level? I am assured that it is because there is no wagon [...]
In the Yeongdong region, honey is much produced but there is no salt. In the Gwanseo region, iron is produced but no tangerines. In Hamgyong province, hemp is grown well but cotton is rare [...]
Although many people want to live in plenty, by exchanging the abundant goods in their regions for goods in other regions, they are lacking in the means to do so. (Bak, 1778/2013, p. 53)

Bak recognised that underdeveloped transportation hindered the movement of goods, thereby generating differences in prices amongst identical goods and as a result weakening consumption and constraining industrial development. He perceived that the development of transportation would lead to a decline in transaction costs, an increase in the movement of goods, convergence of prices to common levels, a rise in consumers' welfare, and the facilitation of production and increases in producers' profits in turn. In other words, he expected market integration through transportation development to lead to an efficient distribution of resources (Lee, 2013, p. 124).

To be sure, Bak's thoughts also included mercantilist ideas to some extent. For instance, there were concerns at that time that trade with China would generate outflows of silver, and Bak shared this view as well, suggesting that Korea should export products to China such as cotton, ramie fabric, silk and hemp fabric, etc., instead of merely paying for its imports from China in silver. However, his opposition to outflows of silver appeared to be mainly due to the need to maintain its existence in Korea for coinage of high value currencies. Bak also supported to some degree the role of the state in developing domestic industry. For example, in proposing the use of bricks in construction, he suggested that government offices purchase bricks at a high price, expecting that then all people would be using bricks within ten years, and this would in turn eventually lead to their prices falling without any artificial efforts (Bak, 1778/2013, p. 79). In this regard, he noted, "This is the same for all other goods. This is the power of the ruler" (Bak, 1778/2013, p. 79).

However, Bak was in principle and overall much closer to Western economic liberalism than to mercantilism or economic nationalism. He did not propose any protectionist policies on behalf of domestic merchants or producers, but instead encouraged imports from China. In fact, Korea at that time promoted and maintained peace by subordinating itself to China, and as a result contemporaries did not feel any serious security threats from its neighbours (Lee, 2013, p. 149). The then international environment surrounding Korea was accordingly unfavourable

to any growth in mercantilism, which is a policy for a time of war or international conflicts, actual or potential. This situation in Korea was quite different from that of Japan, where mercantilist ideas developed due to internal competition amongst different provinces[9].

Bak's thoughts were widely known amongst the contemporary intellectuals and bureaucrats (Ahn, 2013, p. 95), and his support for free trade was shared by many Silhak scholars, especially those in the Yiyong-husaeng school. More generally, Silhak as a whole prospered during the eighteenth century under the reigns of two consecutive reformist kings – King Yeongjo (reigned 1724–1776) and King Jeongjo (reigned 1776–1800). That said, the application to actual policies of measures proposed by Silhak thinkers was significantly limited even during that period, and Korea maintained its traditional closed-door policy. And, with the death of King Jeongjo, the government became more conservative from the early nineteenth century, largely blocking the inflow of Western culture and goods while imposing a ban on Christianity as well. In this changed environment Silhak also dwindled. As will be discussed in the following section, however, its ideas were passed on to the Gaehwa thought in the second half of the nineteenth century.

4. Wijeong-cheoksa thought vs Gaehwa thought in the opening era

The international environments surrounding Korea changed rapidly from the mid-nineteenth century, and it began to face considerable threats from foreign countries. Western powers and Japan approached the country, launching armed provocations of Korea and demanding that it open its doors to trade. It was also at around this time that China was invaded and defeated by Western powers in the Opium Wars (the first from 1839 to 1842, the second between 1856 and 1860), and the Korean government and intellectuals were well aware of this news. Due to foreign pressures from Japan in particular, Korea eventually opened its door by signing the Korea–Japan Treaty of 1876, and thereafter established treaties with Western powers as well. During this turbulent time there arose two distinct schools of thought on how to cope with these considerable emerging threats: Wijeong-cheoksa thought and Gaehwa thought, which were supported by the conservatives and the progressives, respectively. This section analyses the IPE ideas of these two distinct schools.

4.1 Wijeong-cheoksa thought

The term wijeon-cheoksa literally means to preserve the right thought (wijeong) and to dispel heresy (cheoksa). For those holding this thought, who were called the Wijeong-cheoksa-pa (Wijeon-cheoksa group, hereafter WCP), the “right thought” was Neo-Confucianism and all other ideas, including any Western ones, were heresy. This conservative thought was the dominant ideology in Korea at that time, and it advocated maintenance of the closed-door policy and the traditional socio-political system. The analysis of its IPE thought in this section focuses mainly on its rationale for opposing trade.

Given the WCP's rejection of Korea's integration with the world economy, Wijeong-cheoksa thought had some overlaps with modern Marxist economic theories such as dependency theory. However, the WCP's opposition to trade – and also more broadly, its overall economic view – was substantially formed by the traditional socio-political ideas of Sino-centrism and Neo-Confucianism. At that time, the WCP held strongly to the Sochunghwa (little China) doctrine that after the collapse of the Ming Dynasty in China Korea remained the only civilised nation preserving a high culture and moral values. This doctrine was a revised form of Sino-centrism[10]. Accordingly, members of the WCP considered all other nations, even including the Qing Dynasty in China (established by the Jurchen clan from Manchuria), as barbarians, even though accepting Korean's subordination to China because of the Chinese military power. In particular, the WCP regarded Western people as “beasts” largely because of Christianity, whose prohibition of commemorative rites for a person's ancestors could never be accepted in the

then traditional Confucian culture. The WCP viewed westernised Japan in a similar fashion. Thus, the WCP was strongly opposed to the opening of Korea and its trade with foreign nations, arguing that inflows of foreign goods and culture would destroy the traditional values and culture that had to be preserved (Chang, 2003; Chung, 2008).

Some of the WCP did actually acknowledge the superiority of Western technology and goods (Kim, 1989, p. 17). For the WCP, however, civilisation meant the realisation of ethics and morals based upon benevolence and righteousness, and the ideal example was “ancient China”. Therefore, the ideal state that the WCP wished to build was a moralist state based on Confucianism. For the WCP, the struggle for power found in the international politics of Western nations was not a civilised behaviour. Competition, war, power politics, mercantilist policies to strengthen national power were all regarded as the activities of “beasts”, not civilised humans (Chang, 2003). From the WCP’s perspective Korea was thus a more civilised nation than Western powers in terms of morality and humanity (Kim, 1989, p. 17), and it had to reject inflows of their goods and culture[11].

On the other hand, the WCP had its own firm economic cases against trade as well. Analogous, albeit not identical, to modern economic structuralism as presented by Raúl Prebisch and dependency theory, the WCP expected that trade between Korea, a less developed economy, and a foreign country, an advanced economy, would damage Korea and benefit the foreign country, rather than benefiting both sides as liberal economists would expect (Chung, 2008, p. 37). In explaining this asymmetric outcome of trade, the WCP stressed the different characteristics of the goods the two countries produced. At that time the main products of Korea, and its exports after opening, were primary commodities such as rice, while its major imports from foreign countries were luxury, extravagant goods, which were manufactured industrially[12]. The WCP regarded such foreign goods as unnecessary for daily life, suggesting the absence of any benefit from imports. Meanwhile, the WCP anticipated that exports of primary commodities would deplete their domestic supply in the exporting nation, and that their domestic prices would as a result rise, aggravating the people’s livelihood. For the WCP perceived that the production of primary commodities depended upon natural conditions and was thus limited, unlike the case with manufactured goods.

Lee Hang-Ro, an early leader of the WCP, who was specially recruited by the government to devise policies for dealing with the challenges from Western powers, argued for example that:

There are a variety of foreign goods, but the most harmful of them are Western goods. All Western goods are freakish and eccentric ones that are useless for the people’s daily life and even greatly harmful [...] Moreover, Western goods are produced by hand [i.e. manufactured goods] and therefore can be produced abundantly even within one day. In contrast, our goods are produced from the land [i.e. agricultural products] and thus cannot be produced sufficiently even within one year. How can exchange between our scarce goods and their abundant goods not harm ourselves? (recited from Kim, 1989, p. 33)

The negative view of trade was widely shared by the WCP, many of whose members were Lee’s own pupils, including Kim Pyung-mook and Choi Ik-hyun (Chung, 2008, p. 38; Kim, 1969, p. 101; Park, 2004, p. 22). The then King, Gojong (reigned 1863 to 1907), shared this view as well, as shown in his following remarks in 1871:

As the world is well aware, our country comprises only a tiny territory at a secluded corner of the sea. Our people are poor. Our resources are meagre. We do not produce gold or silver, pearls or jade. Nor have we an abundant supply of rice, grain, cloth and silk. The products of our country hardly meet our own needs. If they be allowed to be exported overseas, it would lead to the eventual depletion of our domain and make the preservation of our feeble country even more difficult. (recited from Lin, 1935, p. 204)[13]

This economic understanding of the WCP in fact conflicts with the economic theory that the prices of scarce goods tend to rise, while those of abundant goods tend to decline. In reality, however, once Korea opened its doors and began to engage in trade, the volume of its trade

grew considerably and the domestic prices of Korean exports such as rice and soybeans did increase, while those of Korean imports such as woven cotton textiles declined[14]. And in fact, as the rice price rose, the production of rice increased; however, the domestic supply of rice did fall short owing to the growth in exports (Chung, 2008, pp. 37-38). There were also concerns at that time that China's economic situation had worsened due to its trade with Western powers, as it was running huge balance of payments deficits against them in particular due to imports of opium, which as a result generated outflows of Chinese silver (Park, 2004, p. 22). Thus, the economic understanding of the WCP was not totally wrong or groundless.

In addition, similar to the theory of imperialism or dependency theory, the WCP understood that foreign powers' ultimate goal behind their demand for trade was to colonise Korea. For instance, Lee Hang-Ro noted that:

The ultimate goal of foreigners demanding trade is to plunder Korea and make it their colony [...] The order of plundering will be the penetration of Western knowledge and culture, trade of goods, and lastly the usurping of the nation. (recited from Kim, 1989, p. 40)

In fact, as alluded to earlier, Korea had experienced armed conflicts, with France in 1866 and with the USA in 1871, and the WSP was aware of the Opium Wars in China and the invasion of Vietnam by France, and thus felt considerably threatened by foreign powers (Kim, 1989, p. 21)[15].

Hence, for the WSP, the opening of Korea was not a strategy for preserving its independence, and those who supported it were traitors (Chung, 2008, p. 40). Accordingly, the WSP's prescription for maintaining the nation's independence was close to autarky, as it argued for delinkage from foreign powers while restoring the social order based upon Confucian principles (Chung, 2008, pp. 40-41; Kim, 1969, p. 100). In this context, WCP thought may be regarded as Confucian nationalism.

It should be stressed, however, that the moralist approach of the WCP in dealing with the challenges from foreign powers prevented members from developing policies to promote commerce and industry (Lee, 1998, p. 296). And in fact, at a more fundamental level the development of commerce and industry was never a primary goal for the WCP, whose members were traditional Neo-Confucianism scholars.

This Wijeong-cheoksa thought was the dominant ideology at that time, and remained influential even after the 1876 opening. It became extinct with the colonisation of Korea by Japan in 1910, but its nationalist spirit was inherited by the nationalism during the colonial era, and thus affected Korean independence movements (Kang and Jang, 2014, p. 248).

4.2 *Gaehwa thought*

During the time around Korea's Opening, the term *Gaehwa* generally referred to civilisation and modernisation through the acceptance of Western civilisation (Lee, 1996, p. 136). Those who held *Gaehwa* thought were called the *Gaehwa-pa* (*Gaehwa* group, hereafter GHP), and were progressives who called for the opening of Korea and overwhelming radical reforms to achieve its modernisation. The GHP rejected Sino-centralism, which disdained the West as "barbarians" or "beasts"[16]. While rotating a globe, Bak Gyu-su, an early leader of the GHP, told Kim Ok-gyun (the leader of the 1884 Gapsin-Jeongbyeon – a coup led by radical GHP members hoping to transform Korea into a modern state[17]):

Where is China [the centre of the world] today? If we rotate the globe that way, America will become the China, and if we rotate it this way, Joseon [Korea] will become the China. Any country will become the China, if we rotate the globe for it to be located in the centre. There is no fixed China today. (recited from Kim, 1989, p. 119)

In this new view of the world, China and foreign countries were equal and so it was wrong to close the door to foreign powers (Chung, 2008, p. 28). The GHP also discarded

Neo-Confucianism, which looked down on commerce and industry, and called for their development, recognising commerce and industry as the key factors that had led to the growth in wealth and power of Western nations.

The ultimate goal of the GHP was to build an independent and modern state that was wealthy and strong so that it could overcome foreign powers. In other words, the establishment of a “wealthy nation and strong military” was its fundamental tenet. Notably, the GHP stressed the positive relationship between wealth and power, for instance republishing Chinese essays noting that “There is no powerful nation that is not wealthy, and there is no wealthy nation that is not powerful. For a nation to be powerful, it should become wealthy first” (*Hanseong sunbo*, 1884a), and also that “Wealth comes from power, and Power makes wealth. Wealth and Power are the causes for each other” (*Hanseong sunbo*, 1884b). Gaehwa thought was thus a form of economic nationalism that aimed to preserve national independence by “catching up” with the advanced West through adoption of an open-door policy and the promotion of commerce and industry.

In greater detail, with regard first to its view of trade the GHP strongly supported promotion of trade, even with countries with which Korea had hostile political relationships such as Japan[18]. Although the GHP did not clearly explain how trade contributed to economic development, it did perceive trade as leading to enrichment of the people[19]. Yu (1895/2004, p. 379), for example, stated that “Commerce is also a fundamental basis of a nation. Its value is not less than agriculture, and the wealth of a government and the prosperity of the people cannot be achieved without commerce”. The GHP also stressed the inflow of advanced Western technology as one of the major benefits from trade (Chung, 2008). In contrast to the WCP, the GHP believed that learning from the West was inevitable and desirable in order to enlighten the people and to overcome foreign threats[20].

Notably, the GHP also perceived of trade as an effective political means to preserve Korea’s independence, and thus called for expanded trade with foreign powers. GHP members understood that the modern international society was based upon the principle of equality amongst nations, and that Korea would therefore have to establish modern diplomatic relationships with foreign powers as a means of defending its sovereignty (Kim, 1998, p. 113). Trade between Korean and foreign powers required the establishment of diplomatic ties between them, and it was thus expected to help the nation maintain its sovereignty as a modern state (Chung, 2008, pp. 34-35; Kim, 1998, p. 227). The GHP argued that trade should be governed by international rules based upon agreements between the two parties involved, not dominated by the more powerful one (Yu, 1895/2004, pp. 110, 383-384)[21]. And therefore, for the GHP, trade was a strategy both for dealing with Western powers, as well as a means of transforming Korea into a modern nation through its association with them (Kim, 1998, p. 228)[22]. In fact, recognising that the 1876 Korea–Japan Treaty was an unequal one, and that trading with Japan alone was disadvantageous to Korea, the GHP called for trade with Western powers as a “balance of power” strategy. And partly due to these efforts, Korea eventually established treaties with the USA, the UK, Germany, Italy and Russia in the years between 1882 and 1884 (Shin, 2000b, p. 81).

However, although the GHP did call for the promotion of trade, it was not in support of fully-blown free trade. Similar to mercantilists, members held a negative view of a trade deficit and the associated outflow of gold and silver, perceiving this to be a shift of national wealth to foreign countries (Chung, 2008, p. 42; Kim, 1998, p. 234; Shin, 2000b, pp. 47-48). Also, and akin to the WCP, the GHP regarded trade of primary commodities for manufactured goods to generate a deficit to the nation exporting the former (Yu, 1895/2004, p. 386). The GHP therefore supported control by the government of the items and volumes of exports and imports (Kim, 1998, p. 234). After the opening, Korea did in fact run balance of payment deficits due to increased imports of capital goods, and its economic situation deteriorated as a result (Kim, 1998, pp. 234-235).

The GHP stressed in addition the need for strengthening the international competitiveness of the nation's export goods, drawing an analogy between war and trade:

Commerce is carried out by goods, while war is by arms. But they are the same in that one struggles to win in both of them. Low quality goods in commerce are similar to blunt weapons in war. The military with blunt weapons will lose in war and pay reparations. Likewise, merchants with low quality goods will lose in commerce, and the nation's wealth will decline. (Yu, 1895/2004, p. 385)

Moreover, the GHP suggested that, as a means of protecting domestic merchants, the government should provide information on their foreign trading partners and commercial technologies, emphasising that, when a country first began to participate in trade, it tended to suffer losses due to its ignorance of foreign situations and its poor production technology (Yu, 1895/2004, p. 384).

The GHP placed great emphasis on the development of domestic industry as well (Shin, 2000b), sometimes perceiving this to be a foundation for the development of commerce (Kim, 1998, p. 236). The main targets were the manufacturing industries, such as the iron, machinery and also armament industries (Shin, 2000b, p. 90). The GHP emphasised promotion of the mining industry as well, given that it would support the manufacturing industry through production of necessary raw materials such as iron and coal. The GHP stressed modernisation of the agricultural and fishing industries, too (Shin, 2000b, p. 93). To promote industry, the GHP suggested in addition the introduction of advanced Western technology through imports of foreign machines, invitations of foreign technocrats to Korea, sending students to study abroad, the creation of research institutions, the building of modern schools and the publication of books on science and technology (Shin, 2000b, pp. 101-102). The GHP also proposed establishing modern firms, such as incorporated companies and joint-stock companies (Shin, 2000b, p. 95).

In line with its view of trade, the GHP argued that the state should play important roles in the development of industry (Shin, 2000b, pp. 103-106). Kim Ok-gyun, who held a radical view, remarked for example that:

There are two strategies that develop a nation: one is to gradually develop it in a long run, as has the West done; the other is to achieve it in a short run by using the power of the state, as Japan has done. We have to choose the Japanese way in order to preserve our sovereignty. (recited from Shin, 2000b, p. 105)

He also argued that "Japan is becoming a UK in Asia. We should hurry up to become a France in the East" (recited from Shin, 2000b, p. 105).

In greater detail, the GHP presented ideas akin to the infant industry argument. It proposed for instance that, for the growth of modern corporations, the government provide subsidies to them when they suffered losses (Shin, 2000b, pp. 96-97)[23]. Going further, the GHP put forward reform of the government fiscal system in such a way as to centralise the power of fiscal policy in the Treasury, in order to strengthen the fiscal capacity of the government to support the growth of modern corporations and industrialisation (Shin, 2000b, pp. 247-248)[24]. In addition, the GHP supported the creation of a central bank and commercial banks, as means of providing necessary capital for industrialisation (Shin, 2000b, p. 98). The GHP also considered foreign loans as one way to finance the import of foreign machines and technology, although it was aware of the associated sovereign risks (Shin, 2000b, p. 101)[25]. Moreover, members suggested limits on the business activities of foreigners for the protection of domestic industry, and the introduction of tariffs (Shin, 2000b, p. 98)[26].

It should be emphasised as well, however, that many GHP members, especially soft liners, appeared to hold in principle ideas close to economic liberalism, although they supported mercantilist policies in practice. The primary focus of the GHP was in fact on the opening of Korea. One good example was Yu Kil-chun, the first Korean to study in Japan

and the USA by government support, who presented the Gaehwa thought most systematically through writings such as his book *Seoyu-gyeonmun* (Observations on Travels in the West) published in 1895. Yu placed great emphasis on the principle of private ownership of property as an inviolable right, and also on competition as the main driving force for human progress (Yu, 1895/2004, pp. 144, 154-160)[27]. He also in practice supported mercantilist and/or economic nationalist policies, holding the perception that Korea was lacking in modern knowledge and technology and fell short of capital accumulation, so that without government protection and promotion of domestic industry it could not compete with Western countries (Kim, 1998, p. 398). Yet he in principle rejected active state intervention in economic activity, arguing that, given the state's power and authority, it tended to apply tyrannical rules when increasing its intervention. He suggested that the role of the state should be limited to establishing fundamental rules and enforcing compliance with them, and to providing necessary infrastructure (Yu, 1895/2004, pp. 181-206)[28]. He also proposed allowing the participation of foreign capital in the creation of joint-stock companies (Yu, 1895/2004)[29].

Notably, the economic liberalism in the GHP was due mainly to the influence on them of the social evolution theory (social Darwinism) and Western political liberalism, such as the theory of natural rights, which penetrated rapidly into the Korean intellectual world throughout the 1890s and 1900s (Kim, 1998, p. 50; Shin, 2000b, p. 103), rather than to that of Western economic liberalism *per se*. In fact, the direct influence on the GHP of Western economic thought appears to have been significantly limited until the 1900s. The term Gyeongjaehak (Economics) did not become widely known until 1884, when it appeared for the first time in the newspaper *Hanseong sunbo*. That newspaper and its successor, *Hanseong jubo*, issued about 30 articles related to economics. And as a result, while between 1884 and 1900 liberal economic thought – mostly British, for example of Adam Smith, David Ricardo, John Stuart Mill and Thomas Robert Malthus – was in fact introduced to Korea, it was done only in rudimentary fashion, for instance through essays or comments on contemporary events for the purpose of enlightening the people. Only after 1900 was Western economics introduced in earnest to Korea, and it was at this time that Western economic nationalism such as Friedrich List's work was introduced (Lee, 1985, 1987, 2015)[30].

Yet, although the GHP, in particular its late generation in the late nineteenth century, was influenced by social evolution theory and Western political liberalism to some extent, it should be stressed that the emergence of Gaehwa thought was more or less endogenous, affected largely by Silhak together with the then turbulent international circumstances themselves. In detail, it was in around the 1850s and 1860s – that is, before the 1876 Opening – when Gaehwa thought first began to arise, and its early leaders, Oh Gyung-seok, Yu Hong-gi and Bak Gyu-su, were heavily influenced by the Yiyong-husaeng school of Silhak. Oh Gyung-seok was substantially affected in particular by Bak Je-ga's thoughts, discussed earlier, and Bak Gyu-su by Bak Ji-won, a leader of the Bukhak-pa who was also his grandfather. The main members of the second generation of the GHP – including Kim Ok-gyun and Yu Kil-chun – were directly educated by these early GHP leaders, and especially by Bak Gyu-su (Kim, 1989, p. 91; Shin, 2000b), although they also developed their Gaehwa thoughts through their own experiences such as studying in and/or visiting Japan and Western nations after the opening[31].

That said, it should also be noted that there were distinct differences between Silhak and Gaehwa thought. As shown in the above analysis of Bak Je-ga, Silhak was not characterised by any strong economic nationalism, but called merely for the development of commerce and industry. In other words, its primary focus was largely on wealth, that is, how to make the people richer. In contrast, reflecting the then turbulent international environment, Gaehwa thought contained strong economic nationalism, paying attention to both the wealth and the power of the nation[32].

Meanwhile, Marxism had scarcely been introduced to Korea during this period, and most of those few who were aware of it tended to have negative views of it. Yoo Chi-hyun, for instance, argued that socialism would lead to population growth, which would result in a reduction in the total wealth in society, reducing average welfare. Joo Jeong-gyun contended that socialism was an unrealistic thought due to its suppression of human self-interest and freedom (Lee, 1987, p. 444).

5. Economic nationalism and Marxism during the colonial period

The Korean efforts to establish a modern nation failed, however, and Korea was annexed by Japan in 1910 and thereafter remained a Japanese colony until 1945. The recovery of national independence was the foremost concern for Koreans during colonial times, and nationalism hence became the dominant ideology. This section examines economic nationalism in Korea during its colonial era, focusing on the Mulсанjangryeo movement of the 1920s and 1930s. It also briefly discussed Korean Marxism during that period, which was in practice one branch of nationalism in the country.

5.1 *Economic nationalism*

Along with the political independence of Korea, an immediate concern of Koreans during the colonial period was to achieve stabilisation of their livelihood and to develop the “national” economy – which meant the Koreans’ economy in colonised Korea (Bang, 2010). During the colonial period the Korean economy, which had been underdeveloped, became a colonial economy that supplied agricultural products and other raw materials to Japan and served as a market for Japanese goods and a venue for investment of Japanese financial and industrial capital (Bang, 2010, p. 33). The economy in the Korean territory grew and developed steadily during that time. However, this economic development was largely the development of the Japanese capital and economy in Korea. The Koreans’ economy was in fact devastated, with Korean capital and rural economies facing crises. For instance, the size of Koreans’ capital reached only about 10 per cent that of the Japanese capital in the country during the colonial period (Bang, 2010, pp. 173-174). And Koreans accordingly sought to develop their own economy, resisting economy dominance by the Japanese. The key goal of the Korean economic nationalism at that time was the building of a modern capitalist industrialised economy, similar to that visualised in Gaehwa thought (Bang, 2010, pp. 35-36).

One of the most notable examples of such economic nationalism was the Mulсанjangryeo-undong (hereafter MJU), whose terms mulsanjangryeo and undong meant “promotion of domestic (Korean) products” and “movement”, respectively. The MJU was led by the Joseon-mulsanjangryeo-hoe (Association for Promotion of Korean Products, hereafter JMH), established in 1923. The leaders of the JMH in its early years came mainly out of the intellectual class, but from the late 1920s it was run cooperatively by them and by merchants and industrialists as well, which shows the MJU to have been a capitalist economic movement. The MJU was more essentially a nationalist movement, however, and in fact the JMH members included left-wing socialists as well as right-wing nationalists – although there were certainly socialists and Marxists who were sceptical of the MJU, criticising it as a petit bourgeois movement reflecting the interests of the capitalist class (Bang, 2010)[33].

The JMH perceived the colonial economic situation of Korea as the root cause of its economic problems. The ultimate goal of the MJU was therefore to establish the Korean economy’s “independence” from the Japanese one through the promotion of Koreans’ industry (Bang, 2010). The JMH regarded the major capitalist powers such as the UK, the USA and Germany to have adopted protectionist industrial policies, and thus perceived

such policies favourably (Bang, 2010, p. 196). Accordingly, the MJU tried to achieve its goal by the strengthening of the Koreans' productive capacity, and also by encouraging Koreans' consumption of their own products.

Amongst these two objectives, the growth of Koreans' productive capacity was the more fundamental one. Kim Daehwui, a JMH member, noted for instance that:

Today under the capitalist economic system survival competition means economic competition. That is, it is the competition of production [...] the nations that have increased their productive power are those that have won survival competition. Those nations have become wealthy and powerful ones. In contrast [...] nations that import foreign goods due to its low productive power will become weak nations. (recited from Bang, 2010, p. 180)

For the development of Koreans' productive capacity, the JMH stressed the accumulation of Korean capital and establishment of Korean firms, as well as support for the revival of manual industry in the rural areas, which had collapsed during the colonial period (Bang, 2010, pp. 182-184). As a means of facilitating investment and increasing productivity, the MJU provided the information about experts, introduced business plans and circulated statistics on the demand for and consumption of manufactured goods. The JMH also tried to strengthen organisational cooperation amongst businessmen (Bang, 2010, pp. 106-107).

In practice, however, the immediate emphasis of the MJU was more largely on encouraging the consumption of Koreans' own products (Bang, 2010). And for this purpose the MJU conducted a variety of activities to promote Korean goods, such as regular promotion events, product fairs, lectures and the organisation of promotion groups. Moreover, the JMH defined the concept of Korean (i.e. Koreans') products by categorising them into three groups: "pure Korean products", "semi-Korean products" and "processed Korean products". "Pure Korean products" were defined as those produced by Korean capital and labour from raw materials that were also produced by Korean capital and labour. Regional products such as local textiles, figured matting (Hwamunseok) and traditional paper belonged to this category. "Semi-Korean products" were those produced by Korean capital and labour from imported raw materials, with examples including rubber shoes and glassware. "Processed Korean products" consisted of those produced by Korean capital and labour from select imported intermediate goods. Most of the manufactured goods produced by Korean capitalists – such as textile, medicines and cosmetics – belonged in this category. Meanwhile, imported products having Korean brands, such as automobiles, sewing machines, fountain pens and timepieces, were categorised as "non-Korean products" and were exempted from the list of products whose uses were to be encouraged (Bang, 2010, pp. 108-110).

Although the MJU attracted strong nationwide support at the beginning, it eventually failed and the JMH was disbanded in February 1937. In fact, the MJU's goal of establishing an independent "national" (i.e. Koreans') economy was one that could never be achieved in a colonised nation. The Japanese colonial government suppressed the MJU, considering that it would promote Korean nationalism and reduce the consumption of Japanese goods (Bang, 2010, p. 149). Moreover, from the time of its invasion of Manchuria in the 1930s Japan strengthened the control of the Korean economy by Japanese monopolistic capital (in order to promote industrialisation in Korea to support Manchurian development). And as a result the growth of most Korean merchants and industrialists was considerably constrained, except in a few cases of Koreans who strengthened their cooperation with imperial Japan. The Korean public hence began to realise that achieving an independent national economy without political independence under colonial rule was an unrealistic goal (Bang, 2010, p. 149). Many Korean intellectuals involved in the MJU were themselves actually aware of this limitation of the movement, but felt that it might still have been the best option available to them in reality (Bang, 2010, p. 192)[34].

5.2 *Marxism*

Marxism had begun to be introduced into Korea in earnest from the 1920s, and mainly through three channels: Koreans in Russia who had witnessed the 1917 Russia Revolution, Koreans in China who had experienced the Chinese communist movement and Korean students in Japan (Shin, 2000a, pp. 61-62). As a result, various Marxist works including those of Karl Marx himself, Friedrich Engels and Vladimir Ilyich Lenin were translated into Korean (Lee, 1987; Park, 2009, pp. 301-302), and communism and socialism grew substantially. Nevertheless Marxist IPE thoughts presented by contemporary Koreans (i.e. those going beyond mere translations of Marxist works) were rare. This may have been partly because of the strong suppression of communism by Imperial Japan. In fact, due to the effective arrests of communists by the Japanese colonial government the period of activity of the Korean Communist Party was quite short, lasting only three years[35].

A more important reason for the underdevelopment of Marxist IPE thought may, however, have been that Marxism was introduced to the country essentially as a means or weapon for national liberalisation (Park, 2009, p. 301). The Korean communist movement at that time was in fact closely related to the independence movement, being thus a part of Korean nationalism (Lee, 1987, p. 458). In fact, most early Korean Marxists, including their leaders, who were independence activists, had little knowledge of Marxism. Their primary objective was to achieve Korea's independence, and they hoped for Russian support (Scalapino and Lee, 1972; Shin, 2000a, p. 64). In short, most Korean communists were in essence nationalists[36]. And indeed, most of their manifestos and theses included few Marxists theories, although they did pay homage to communism (Scalapino and Lee, 1972). As noted above, even some communists and socialists joined the JMH.

6. Conclusion

The history of IPE thought in Korea during the pre-modern and the colonial periods confirms that the emergence of a certain idea and ideology reflects the need of the time and the spirit of the age, although it is another matter whether that new idea can be promptly reflected in actual policies. Political economic thoughts quite similar to Western economic liberalism and economic nationalism did arise largely endogenously in Korea, without direct influence from the West, when Korea entered into circumstances analogous to those in which such thoughts emerged in the West. Of course, Korean IPE thoughts also contained elements distinct from the Western ones and reflecting Korea's own peculiar conditions.

This study also confirms the view that "economic" thoughts are closely linked to political ones, with the result that "economic" thoughts are in fact political economic thoughts. The perspective of the WCP on economic activity and trade was heavily influenced by Neo-Confucianism and Sino-centrism. Also, although the direct influence of Western IPE thought was very limited in the development of Korean IPE thought, the Gaehwa movement was largely affected by Western socio-political thought such as the theories of social evolution and political liberalism.

Notes

1. See, for example, Cohen (2014) and the 2013 special issue of *Review of International Political Economy*, on "*International Political Economy in China: The Global Conversation*".
2. There are a few notable recent studies, such as Chey and Helleiner (2018), Helleiner (2015), Helleiner and Rosales (2017a, b), Helleiner and Wang (2018) and Hobson (2013a, b), which attempt to "globalise" the history of classical IPE thought.

3. Although Korea did maintain full independence in its internal administration and external relations, it was a vassal state of China during the Joseon Dynasty (Lin, 1935, pp. 203-204). Fairbank and Teng (1941) and Fairbank (1968, 1978) characterise the traditional international system in Asia until the mid-nineteenth century as the “Chinese world order”, based upon Sino-centrism and a “tribute system”.
4. At that time there was still a large gap between the Korean and the Chinese economies, and the Korean economy had also been overtaken by Japan.
5. The term bukhak means “learning the North (China)”, and the term pa refers to a school of thought.
6. Although Silhak thinkers called for the reform of traditional society, they themselves were fundamentally Confucian scholars. Amongst the classical Chinese political economy thinkers, meanwhile, the one who presented a thought closest to that of Western mercantilism may have been Guan Zhong, who served as the Prime Minister to Duke Huan of Qi in the seventh century BCE during the Chungiu (spring and autumn) period. He argued that the pursuit of self-interest could conflict with the national interest. His thoughts were contained in the book Guanzi.
7. Bak attributed Japan’s economic development largely to its trade with China (Bak, 1778/2013, p. 257). However, his understanding on this was in fact mistaken; the share of trade in total GDP in Japan actually declined down to 1 per cent during the early seventeenth century, as the Tokugawa Shogunate adopted a closed-door policy (Lee, 2011, p. 58).
8. In his time, wagons were not widely used in Korea, since a large share of the land consisted of mountains and partly also because, due to this, people preferred transporting goods by sea and river.
9. For instance, Kaiho Seiryō (1755–1817) argued that a key policy for making a province wealthy was to absorb gold through trade, while Sato Nobuhiro (1769–1850) even proposed acquiring overseas colonies, as well as engaging in international trade (Lee, 2013, p. 150).
10. Similar ideologies placing a person’s own country at the centre of the world emerged in Japan and Vietnam as well at that time (Chung, 2006, p. 60).
11. It is worth noting that Sino-centrism was weaker in Japan, which was located on the periphery of the traditional Chinese world order and had no formal diplomatic relationship with China based upon a tribute system (Park, 2002). This may partly explain Japan’s relatively less resistance to the West and its rapid Westernisation (Kim, 1989, pp. 49-50).
12. Even before Korea’s opening in 1876, Western goods were flowing increasingly into the country, with most of them being luxury goods for the ruling class (Kim, 1969, pp. 31, 99).
13. King Gojong also stated: “The crude handicraft industry of our country does not provide any worthy commodities to meet the needs of the foreigners [...] Commodities brought to our shores by the foreign ships, though ingenious and clever in the extreme, are not necessities from the viewpoint of utility for daily existence [...] Trade exists where there is a mutual supply of wants. When we have nothing to offer to them and they cannot supply us with anything we want, there is no *raison d’etat* for trade” (recited from Lin, 1935, p. 205).
14. At that time Korea’s major trade partners were Japan and China (Chung, 2008, p. 30).
15. Choi Ik-hyun said: “Our products are limited, but foreign demand for them is endless so that if we cannot meet foreign demand even once, foreigners would become discontented and invade us” (recited from Chung, 2008, pp. 37-38).
16. The GHP called for the abolition of Korea’s status as a vassal state of China.
17. The coup ended in failure in three days.
18. For instance, an editorial on 18 April 1896 in the *Dokrib-Shinmoon* (*The Independent*), a progressive newspaper, argued that, despite the unfriendly political relationship between Korea and Japan, the two countries shared common economic interests in trading with each other, as Japan could export manufactured goods to Korea and Korea agricultural goods and natural resources to Japan (Lee, 2001, p. 34).

19. Bak Gyu-su noted tariffs as a primary fiscal foundation for the economic growth of Western nations, saying: "All Western countries lay stress on trade and commerce. They record all sailing ships in books and collect taxes based on the goods they load and use the taxes as fiscal sources. This is their way of making their nations wealthy (recited from Han, 2007, p. 320)". Meanwhile, Yu (1895/2004, pp. 379-383) emphasised that commerce increased the people's welfare due to the intermediary role it played between producers and consumers, highlighting the benefits of the division of labour. He argued that, without merchants, producers would have to engage in sales as well as production, which was a waste of time and a social loss (Yu, 1895/2004, p. 382).
20. Bak Gyu-su remarked: "In the past Westerners made large profits by producing cannons. But recently the Chinese produce cannons by imitating Western cannons, and, as a result, Westerners have lost profits. In the past, as Chinese merchants rented steamships from Westerners, the latter could make profits. Today, however, the Chinese produce steamships for themselves so that Westerners have lost profits" (recited from Chung, 2008, p. 32).
21. The GHP contended that international law should prevent powerful nations from violating small nations' legitimate rights (Yu, 1895/2004, p. 110, 383-384).
22. In fact, although the GHP did recognise the law of the jungle in international relations, it tended to hold an overly positive view of foreign powers, in contrast to the WCP, and rarely expressed serious concerns about possible aggression by them while regarding trade itself as the ultimate motive of foreign powers' demand for trade with Korea (Kim, 1989, p. 124; Yu, 1895/2004, p. 384). This view might have stemmed in part from members' overconfidence in international law protecting small states (Kim, 1989, p. 270).
23. Also, with regard to agricultural reform, it was suggested that when private capital was not sufficient for building necessary infrastructure such as dams, the government should subsidise such projects (Kim, 1998, p. 183).
24. At that time various government ministries had discretionary power in collecting and using taxes (Shin, 2000b, pp. 247-248).
25. The GHP noted the intervention by the UK in Egypt's domestic affairs due to its loans from the country (Shin, 2000b, p. 101).
26. Owing mainly to its ignorance, the Korean government failed to include its right to impose tariffs in the 1876 Korea-Japan Treaty, losing an importance source of revenues (Chung, 2008, p. 43). However, it later endeavoured to revise that treaty, and did eventually acquire its right to impose tariffs in the 1882 Korea-US Treaty (Shin, 2000b, pp. 133-139).
27. Yu (1895/2004, p. 144) stressed: "The state has to protect the people's property rights by all means and never violate them. Even if a policy would bring considerable benefits to the general public, if it violated one's private property it should not be implemented".
28. For example, Yu (1895/2004) was opposed to any active state intervention to control wages and prices, arguing that these had to be determined by the markets.
29. A 15 April 1896 editorial in the *Dokrib-Shinmoon* also supported foreign investment in Korea (Lee, 2001, p. 34).
30. Before the Gabo-gyeonggiang (Gabo Reform) of 1894 there were only three Koreans who had studied economics in foreign countries (Lee, 1987, pp. 5-12).
31. The term Gaehwa-pa usually refers to the members of this second generation (Shin, 2000b).
32. In addition, Silhak was progressive thought within feudal boundaries, while Gaehwa thought was a reformist thought concerned with establishing a modern state (Kim, 1977, p. 74). For more on the influence of Silhak on Gaehwa thought, and their differences, see Yoon (1996).
33. There are some studies that characterise the MJU as a movement aimed at reconciliation with Imperial Japan. They indicate that major Korean firms maintained cooperation with the Japanese colonial government, and received subsidies from it (see Bang, 2010, pp. 41-42).

34. The MJU also had a problem in not paying attention to the issue of how to increase the purchasing power of Korean consumers (Bang, 2010, p. 149).
35. The First Korean Communist Party was established in April 1925, but collapsed in November of that year. Thereafter, a Korean Communist Party was rebuilt on three more occasions, but after the dissolution of the fourth and last Korean Communist Party in 1928, the party was never rebuilt during the colonial period (Scalapino and Lee, 1972, p. 138).
36. For example, Kim Tan-ya, a member of the second Korean Communist Party, argued that most Korean socialists were also nationalists, and that it was entirely proper for communists to serve as a vanguard for the nationalist movement (Scalapino and Lee, 1972, p. 81).

References

- Ahn, D. (2013), "Chojeong Sasangui Seongrib Baegyeongwa Geu Yeonghyang (The background of Bak Je-ga's thought and its legacy)", in Ahn, D., Lee, H., Han, Y.G., Kim, H.Y. and Miyazima, H. (Eds), *Chojeong Bakjega Yeongu (A Study of Chojeong Bak Jega)*, Saramui Munui, Seoul, pp. 19-108 (in Korean).
- Bak, J. (1778/2013), *Bukagui (Learning the North)*, Dolbegae, Seoul (in Korean).
- Bang, G.-J. (2010), *Geundae Hangukui Minjoggu Gyeonggaesasang (Economic Nationalism in the Early Modern Korea)*, Yonsei University Press, Seoul (in Korean).
- Chang, H.G. (2003), "Junghwajilseo Jaeguchukwa Munmyeonggugga Geonsel: Choiikhyun, Yuiinseokui Wojeongcheoksasasang (A reconstruction of the Sino-centric order and confucian state building: the thought of Wijeong-cheoksa in Choi Ik-Hyon and Yu In-Seok)", *Jeonchisasang Yeongu*, Vol. 9, pp. 35-60 (in Korean).
- Chey, H.-K. and Helleiner, E. (2018), "Civilisational values and political economy beyond the West: the significance of Korean debates at the time of its economic opening", *Contemporary Politics*, Vol. 24 No. 2, pp. 191-209.
- Chung, J.-Y. (2008), "Tongsangyinyeoneuroseoui Gaehwasasanggwa Wijeongcheoksasasa: Cheolsagnonjaengueul Neomeoseo (Gaehwa versus Wijeongchuksa as trade ideas: beyond the philosophical debate)", *21Segi Jeongchihakhoebu*, Vol. 18 No. 1, pp. 23-46 (in Korean).
- Chung, Y.-H. (2006), "Geundaehangugui Dongasia Jiyeog Yinsikwa Jiyeogilseo Gusang (The ideas of regionalism toward East Asia in the early modern Korea)", *Gugjejeongchinonchong*, Vol. 46 No. 1, pp. 55-77 (in Korean).
- Cohen, B.J. (2008), *International Political Economy: An Intellectual History*, Princeton University Press, Princeton and Oxford.
- Cohen, B.J. (2014), *Advanced Introduction to International Political Economy*, Edward Elgar, Cheltenham and Northampton.
- Fairbank, J.K. (1968), "A preliminary framework", in Fairbank, J.K. (Ed.), *The Chinese World Order: Traditional China's Foreign Relations*, Harvard University Press, Cambridge, MA, pp. 1-19.
- Fairbank, J.K. (1978), "The creation of the treaty system", in Fairbank, J.K. (Ed.), *The Cambridge History of China, Late Ch'ing, 1800-1911, Part 1*, Vol. 10, Cambridge University Press, Cambridge, MA, pp. 213-263.
- Fairbank, J.K. and Teng, S.Y. (1941), "On the Ch'ing tributary system", *Harvard Journal of Asiatic Studies*, Vol. 6 No. 2, pp. 135-246.
- Han, J.J. (2007), "Joseoneul Gohan 13Yineu Gyeongjehagjadeul: 18Segi Joseongyeongjehagjadeuleu Bugogron (Thirteen economists who saved Joseon: theories for building a wealthy nation in Korea during the 18th century)", Seoul, Dasachodang (in Korean).
- Hanseong sunbo* (1884a), "Bugukron Sang (The wealthy nation (I))", *Hanseong sunbo*, 25 May (in Korean).
- Hanseong sunbo* (1884b), "Jungseosiseron (The current states of China and the West)", *Hanseong sunbo*, 8 January (in Korean).

- Helleiner, E. (2015), "Globalizing the classical foundations of IPE", *Contexto Internacional*, Vol. 37 No. 3, pp. 975-1010.
- Helleiner, E. and Rosales, A. (2017a), "Peripheral thoughts for international political economy: Latin American ideational innovation and the diffusion of the nineteenth century free trade doctrine", *International Studies Quarterly*, Vol. 61 No. 4, pp. 924-934.
- Helleiner, E. and Rosales, A. (2017b), "Toward global IPE: the overlooked significance of the Haya-Mariátegui debate", *International Studies Review*, Vol. 19 No. 4, pp. 667-691.
- Helleiner, E. and Wang, H. (2018), "Beyond the tributary tradition of Chinese IPE: the indigenous roots of early Chinese economic nationalism", *The Chinese Journal of International Politics*, Vol. 11 No. 4, pp. 451-483.
- Hobson, J.M. (2013a), "Part 1 – Revealing the eurocentric foundations of IPE: a critical historiography of the discipline from the classical to the modern era", *Review of International Political Economy*, Vol. 20 No. 5, pp. 1024-1054.
- Hobson, J.M. (2013b), "Part 2 – Reconstructing the non-eurocentric foundations of IPE: from eurocentric 'open economy politics' to inter-civilizational political economy", *Review of International Political Economy*, Vol. 20 No. 5, pp. 1055-1081.
- Kang, J.I. and Jang, W.Y. (2014), "19Segi Yureobui Bosujuiwa Joseon Wijeongcheoksapau Geundae Seogumunmyeong Bipan: Prance Dogilui Boggojeog Kwonwijeog Bosujuiwa Hwaseohagpau Wijeongcheoksasasangul Jungsimeuro (A critique of modern Western civilisation by European conservatism and the Joseon Wijeongcheoksapa in the nineteenth century: focusing on counter-revolutionary authoritarian conservatism in France and Germany and the Wijeongcheoksapa thought of the Hwaseo school)", *Hangugyeongchihaghoebo*, Vol. 48 No. 2, pp. 223-250 (in Korean).
- Kim, B.-H. (1977), "Joseonjomalgi Gyeongjaesasang (The economic thought at the end of the Joseon Dynasty)", *Gyeongjaehag Yeongu*, Vol. 25 No. 1, pp. 69-78 (in Korean).
- Kim, B.-R. (1998), *Yu Gil-Jun Gaehwasasangui Yeongu (A Study of Yu Gil Chun's Gaehwa Thought)*, KUPress, Seoul (in Korean).
- Kim, Y.-J. (1989), *Hanmal Naeseolmalizeum Yeongu (The Korean Nationalism at the End of the 19th Century: Thoughts and Reality)*, Chonggye Institute, Seoul (in Korean).
- Kim, Y.-K. (1969), "Hanaml Minjogundongui Gyebojeog Yeongu (A study of the history of nationalist movements at the end of the Joseon dyansty)", *Hangugyeongchihaghoebo*, Vol. 3, pp. 87-106 (in Korean).
- Lee, G. (1985), *Hanmal Seogu Gyeongjehak Doyip Yeongusa (A Study of the Introduction of Western Economics during the Korean Empire Period)*, Iljogak, Seoul (in Korean).
- Lee, G. (1987), "Hanmalui Seogu Gyeongjehak Doyipgwa Iljehauui Gyeongjehak (Introduction of western economics at the end of the Joseon Dynasty and economics during the period of Japanese colonialism)", *Gyeongjenonjib*, Vol. 26 No. 4, pp. 433-465 (in Korean).
- Lee, H. (2011), *Joseonsidae Choigoui Gyeongjebaljeonaneul Jesihan Bakjega (Bak Je-ga, the Proposer of the Best Economic Development Plan in the History of the Joseon Dynasty)*, Minsokwon, Seoul (in Korean).
- Lee, H. (2012), "Bakgejaui Gyeongjejeongchaeron: Joseonsidae Choigoui Gyeongjebaljeonan (Bak Je-ga's economic policy thought: the best plan for economic development during the Joseon Dynasty)", *Hangugyeongjeboreum*, Vol. 5 No. 1, pp. 41-56 (in Korean).
- Lee, H. (2013), "Chojeongui Yiyonghusaengsasangwa Bugugron (Bak Je-ga's Yiyonghusaeng thought and his theory of the Wealth of Nations)", in Ahn, D., Lee, H., Han, Y.G., Kim, H.Y. and Miyazima, H. (Eds), *Chojeong Bakjega Yeongu (A Study of Chojeong Bak Je-ga)*, Saramui Munui, Seoul, pp. 109-192 (in Korean).
- Lee, H. (2015), *Gyeongje Gyeongjehak (Economy and Economics)*, Sohwa, Seoul (in Korean).
- Lee, N. (2001), "19Segi Mal Jaehwapau Jayujui Sasang: 'Doribsinmun'eul Jungsimeuro (Korean liberalism in the 19th Century: the newspaper 'The Independent')", *Hangugyeongchihaghoebo*, Vol. 35 No. 3, pp. 29-47 (in Korean).

-
- Lee, W.-Y. (1996), "Munmeongsagwangwa Munmyeongsaheoron: Yugiljunui 'Seoyugyeonmun'eul Jungsimeuro (The theories of civilisation and the civilised society: a study of Yu Kil-chun's observations on travels in the West)", *Hangugjeongchihaghoebo*, Vol. 30 No. 4, pp. 135-152 (in Korean).
- Lee, W.-Y. (1998), "Yihangroui Jonhwayangiron: Yironjeog Gujo (Lee Hang-ro's theory of Sino-centrism: its theoretical structure)", *Hangugjeongchioegyosanonchong*, Vol. 20, pp. 277-300 (in Korean).
- Lin, T.C. (1935), "Li Hung-Chang: his Korea policies, 1870-1885", *Chinese Social and Political Science Review*, Vol. 19 No. 2, pp. 202-233.
- Park, H. (2004), "*Sedojeongchigi (1800-1863) Joseonui Daeoejeongchae Yeongu* (A study on the change in foreign policy under the in-law government Joseon, 1800-1863)", *Gugjeongchinonchong*, Vol. 44 No. 4, pp. 8-26 (in Korean).
- Park, H.-K. (2002), "*17Segi Deogcheonilbone Yisseoseoui Hwaimonje: Jungug, Joseongwauui Bigyogwanjeomeseo* (The center-periphery issue in 17th century Tokugawa Japan: in comparison with China and Chosun)", *Hangugjeongchihaghoebo*, Vol. 35 No. 4, pp. 277-294 (in Korean).
- Park, J.R. (2009), "*1920Nyeondae Jeonban Saheojuuuisasangui Suyongwa Marxseujuui Wonjeon Beonyeog*: 'Yingeum Nodongwa Jabon'eul Chungsimeuro (The introduction of socialism and the translation of Marxist texts in the early 1920s: a study of Karl Marx's wage labor and capital)", *Hanguggenhyeondaesayeongu*, Vol. 51, pp. 301-320 (in Korean).
- Scalapino, R.A. and Lee, C.-S. (1972), *Communism in Korea, Part I: The Movement*, University of California Press, Los Angeles, CA and London.
- Shin, B.-R. (2000a), "*Hangug Gongsanjuuijauui Balsaeng Yegi* (The causes of the emergence of Korean communists)", *Hangugjeongchihaghoebo*, Vol. 34 No. 4, pp. 57-75 (in Korean).
- Shin, Y.-H. (2000b), *Chogi Gaehwasasangwa Gabsinjeongbyeon Yeongu (The Enlightenment Thought and the Kapsin Coup d'Etat of the Progressive Party in Korea)*, Jisigsaneobsa, Seoul (in Korean).
- Yoon, S.-G. (1996), "Gaehwasasangui Jeongchiinyeomjeog Gujo (The structure of the political theory of the Gaehwa thought)", *Hangugjeongchihaghoebo*, Vol. 30 No. 3, pp. 7-26 (in Korean).
- Yu, K.-C. (1895/2004), *Seoyugyeonmon (Observations on Travels in the West)*, Seohaemunjip, Seoul (in Korean).

Corresponding author

Hyoungh-kyu Chey can be contacted at: hyoungh-kyu@grips.ac.jp