

CIVICS MODULE



DAY 2:
WHAT FORMS OF CIVIC ACTION
DID SOUTH KOREANS USE TO
RESPOND TO A CRISIS?

CIVICS MODULE OVERVIEW

SKILL FOCUS

Apply Political Concepts/Processes; Source Analysis; Evaluation

CONTENT

Political and Civic Participation

How Can Individual Citizens Impact Government in Times of Crisis?

DAY 1

CLASS ACTIVITY

Source Analysis

Students will explore the responsibilities of citizenship in a democracy and different forms of civic participation by exploring sources that show citizen responses to the 2008 Financial Crisis in the United States. Students will be asked to classify these responses in three categories—political participation, civic engagement, and civil disobedience. Students will learn about different aspects of each category before being asked to transfer that understanding to a South Korean context. At the conclusion of the first day, students will view a video about the political and economic history of South Korea prior to the 1997-98 Asian Financial Crisis. This will help to build students' understanding and establish the context for studying forms of civic participation in South Korea, which will be the focus of the second day.

CHECK FOR UNDERSTANDING

Exit Ticket: Students will use their understanding of the three forms of civic action to predict in writing how South Koreans will respond to economic crises.

What Forms of Civic Action Did South Koreans Use to Respond to a Crisis?

DAY 2

CLASS ACTIVITY

Source Analysis

Students will learn about the political and economic problems that culminated in the 1997-98 Asian Financial Crisis through the analysis of two sources. Students will then learn about and categorize citizen responses to the crisis, including student protests, the Gold Collecting Campaign, the election of Kim Dae-Jung, statements from the Citizens' Coalition for Economic Justice, and the Defeat Movement. Students will be asked to evaluate the effectiveness of each citizen action in successfully addressing the financial crisis and creating a better democracy.

CHECK FOR UNDERSTANDING

Processing Question: Students will evaluate the effectiveness of South Korean examples of civic action at solving political and economic problems.

Assessment

DAY 3

CLASS ACTIVITY

Civic Action in Response to Economic Crises

Small Group Pre-Writing Discussion

Assessment

Students will evaluate which form of civic action is more effective in times of crisis.

CIVICS MODULE SOURCES

DAY 1	Stimulus Type	Description	Page
	Chart	Forms of Civic Action	233
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DAY 2

BASED ON A 60-MINUTE CLASS

What Forms of Civic Action did South Koreans Use to Respond to a Crisis?

REASONING SKILLS

Apply Political Concepts/Processes; Source Analysis

OVERVIEW

Students will analyze two sources to learn about the political and economic problems that culminated in the 1997-98 Asian Financial Crisis. Students will then learn about and categorize citizen responses to the crisis, including student protests, the Gold Collecting Campaign, the election of Kim Dae-Jung, statements from the Citizens' Coalition for Economic Justice, and the Defeat Movement. Students will be asked to evaluate the effectiveness of each citizen action in successfully addressing the financial crisis and creating a better democracy.

MATERIALS NEEDED:

HOMEWORK

- ▶ Video: How did South Korea Become So Rich? (11:25 in length, Day 1, link on p. 230)
- ▶ South Korea Video Guide Handout (Day 1, p. 239)
- ▶ Reading: What is a Chaebol? (p. 255)
- ▶ Activity 4 Student Protests Video #2 (link on p. 252)
- ▶ Activity 4 Gold Collecting Campaign Video (link on p. 252)
- ▶ Activity 4 Reading: Kim Dae Jung Presidential Inaugural Address (p. 263)

IN-CLASS ACTIVITIES

- ▶ Activity 2 Reading: The Five Bandits (p. 257)
- ▶ Activity 2 Handout on Political and Economic Problems in South Korea, Part 1 (p. 259)
- ▶ Activity 3 Reading: The Asian Financial Crisis, 1997-98 (p. 260)
- ▶ Activity 3 Handout on Political and Economic Problems in South Korea, Part 2 (p. 261)
- ▶ Day 1 Handout: Forms of Civic Action Chart (Day 1, p. 233)
- ▶ Activity 4 Source Analysis Handout (p. 262)
- ▶ Activity 4 Student Protests Video #1 (link on p. 252)
- ▶ Activity 4 Reading: CCEJ Statement on Chaebol Reform (p. 264)
- ▶ Activity 4 Reading: The Defeat Movement in South Korea (p. 265)

TEACHER ANSWER KEYS

- ▶ Day 1 Homework Handout: South Korea Video Guide (p. 266)
- ▶ Activity 2 Handout on Political and Economic Problems in South Korea, Part 1 (p. 267)
- ▶ Activity 3 Handout on Political and Economic Problems in South Korea, Part 2 (p. 268)
- ▶ Day 1 Source Analysis Handout (p. 269)

SEQUENCE OF INSTRUCTION

HOMework OVERVIEW: BACKGROUND ON SOUTH KOREA

HOMEWORK (30-45 MINUTES)

VIDEO AND SOURCE ANALYSIS

Depending on how Day 1 concluded, different options exist.

- ▶ Option 1. If there was not enough time in the previous class to watch the video “How did South Korea so Become Rich?” students will need to view the video and answer the questions on the Homework Handout on the South Korea Video Guide. The handout has four questions and an exit ticket for students to complete. Full instructions and teacher notes are in the Class Activity 3 section of Day 1 (p. 230). Students also need to read “What is a Chaebol?” (see Option 2 below).
- ▶ Option 2. Students should read “What is a Chaebol?” The reading is followed by two questions:
 - ▷ Based on your reading, record one thing that you learned that added to your understanding of South Korea.
 - ▷ Record one thing that still confuses you about South Korea.

TEACHER NOTES

The purpose of the end of the Day 1 activity and homework is to familiarize students with the political and economic situation in South Korea leading up to the 1997-98 financial crisis. Some key takeaways that students may come away with and some additional questions they may have could include:

- ▶ Students may respond to the reading questions with basic facts such as: South Korea is a democracy; South Korea has a capitalist economy; Samsung is a South Korean company; or a more advanced statement such as: the chaebol was critical in South Korea’s economic rise.
- ▶ The second question may elicit questions about North Korea since many students will have heard about North Korea in the news.
- ▶ Some may have been curious about the corruption scandal discussed in the reading. The issue of corruption in relations between the government and South Korean big business will be an important new element that emerges in today’s lesson.
- ▶ The video and the reading combined should give students sufficient context to understand that South Korea today is a fully democratic society with free elections and a capitalist country with many well-known companies, products, and cultural exports like music and film.
- ▶ Students should also have a basic understanding that in its history, South Korea had also engaged in undemocratic practices like military authoritarian rule, and had adopted some socialist command economic principles such as the central government’s tight control of the planning and coordination of economic systems, and collusive business practices between the state and Chaebols. While South Korea has changed since those times, these changes are rather recent, and occurred largely in the 1990s.

CLASS ACTIVITY 1 OF 5: WARM UP/INTRODUCTION

WARM UP/INTRODUCTION (10 MINUTES)

HOMework DEBRIEF

Have students discuss their answers to the questions on the video and the questions on the “What is a Chaebol?” reading (p. 255) in order to establish the background that the students will need to better understand the economic and political problems that will develop by 1997-98 in South Korea.

Teachers can use the Teacher Key to the South Korea Video Guide (p. 266) when discussing the homework.

TEACHER NOTES

Responses will vary on the “What is a Chaebol?” reading as the questions are both open ended and designed to elicit a response that requires students to process new learning and self-analyze where they still need some clarity.



TEACHING TIP

Teachers can choose to have students first confer with a partner to fill in any gaps or misunderstandings that they may have had, or teachers can move right into whole group discussion.

CLASS ACTIVITY 2 OF 5: THE FIVE BANDITS PRIMARY SOURCE

CLASS ACTIVITY (20 MINUTES)

SOURCE ANALYSIS OF THE FIVE BANDITS STORY

Students will explore two sources to develop an understanding of the causes of the political and economic crisis in 1997-98.

ACTIVITY PROCEDURE

- ▶ Students will use the Reading on the Five Bandits (p. 257) and the Handout on Political and Economic Problems in South Korea, Part One (p. 259) to answer the questions below:
- ▶ Students will need to be grouped in pairs to jigsaw this reading by focusing on **one** of the five bandits and the introductory paragraphs. Assign each pair of students the same bandit so that they can analyze the challenging reading together. (10 minutes)
 1. What aspect of South Korean Society does your “bandit” represent? Think of institutions and organizations that are both public and private.
 2. What political and/or economic problems does your “bandit” most likely represent?
 3. Take notes on the other four bandits as your classmates explain. What does each represent?
- ▶ Before moving to question 3, have student pairs share their answers to questions 1 and 2 above for their specific bandits. Begin with pairs assigned “Bandit 1” and then move through each. As group members share, students should record information about each bandit under question 3.

To guide the discussion, you can use the Teacher Key to the Handout on Political and Economic Problems in South Korea, Part 1.

TEACHER NOTES

The story of the Five Bandits was written in 1970 and harshly critiques aspects of South Korean society during the era known as “the economic miracle on the Han River.” Though the economic situation had dramatically improved in the decade since the military took over in 1961 under Park Chung-hee (who ruled until his assassination in 1979), many in South Korea were left behind.

Remind students of the close ties between industry (the chaebol) and the government. Also, be sure to remind students that from 1961 to 1987, South Korea was under some form of military or authoritarian rule while holding elections that were not truly democratic.



TEACHING TIP

It may be difficult for students to fully understand exactly what aspects of society each bandit represents. One suggestion is to gather pairs together in larger groups that share the same assigned bandit after each pair has attempted to answer questions 1 and 2. These smaller groups could then share thoughts and even select one of the group to present their findings to the whole class.

CLASS ACTIVITY 3 OF 5: THE SOUTH KOREAN FINANCIAL CRISIS

CLASS ACTIVITY (15 MINUTES)

SOURCE ANALYSIS OF THE FINANCIAL CRISIS

Students will explore a reading to develop an understanding of the causes of the political and economic crisis in 1997-98.

ACTIVITY PROCEDURE

In the same pairs as Class Activity 2, students should review the reading on the Asian Financial Crisis of 1997-98 and answer the two questions below using the handout on Political and Economic Problems in South Korea, Part 2 (p. 261).

1. What two economic factors were the first signs of the crisis in 1997-98?
2. What was the primary cause of the economic crisis?



TEACHING TIP

To guide discussion of these questions, you can use the Teacher Key to the Handout on Political and Economic Problems in Korea, Part 2 (p. 268).

TEACHER NOTES

Diving deep into the causes and effects of the Asian Financial Crisis will be problematic for most students. It initially began as a currency devaluation crisis and involved problems with international exchange mechanisms, investment capital flight, and a litany of other high finance concepts that would require days of instructional time to fully explore. As the focus here will be on how citizens react to crises, the emphasis in the reading is on the problems caused by the political and economic structure of South Korea and the role that debt played in the crisis.

CLASS ACTIVITY 4 OF 5: CIVIC ACTION AND THE FINANCIAL CRISIS

CLASS ACTIVITY (20 MINUTES)

CIVIC ACTION SOURCE ANALYSIS

Students will be analyzing five sources to determine what form of civic action is used to combat the political and financial crisis. The two videos will require some initial set-up and discussion before students watch the video and analyze the content. Students will use the Source Analysis Handout and will need to refer back to the Forms of Civic Action Handout from Day One (p. 233) for this analysis.

ACTIVITY PROCEDURE

- ▶ This activity requires students to both understand the historical context of each source and apply a form of civic action learned in Day 1.
- ▶ Students will move from large group analysis and discussion of videos to paired or small group analysis and discussion of two print sources.

To guide the analysis and discussion of each of the five sources, you can use the Teacher Key to the Source Analysis Handout (p. 269).

- ▶ Students will watch either Student Protest Video 1 or Student Protest Video 2 as a whole class. The selected video will be Source 1. The first video is accessible at <https://www.youtube.com/watch?v=KNjL3v13eSU>. The second video is accessible at <https://www.youtube.com/watch?v=bSVWtKjA9E>.
 - ▷ Note: Some school filters may block one or both of these videos because the word “violence” is in the titles of each. While the videos do show physical altercations, they do not show excessive violence. If students are unable to view either of these videos, an alternative is to read a *Los Angeles Times* article of October 22, 2019 about the history of student protests in South Korea and Asia in general., “We Don’t Just Study’: Inside Asia’s Bloody History of Student-led Protests.” The article is accessible at <https://www.latimes.com/world-nation/story/2019-10-22/asia-hong-kong-student-protests>.
- ▶ The teacher should explain the context of the videos to students.
 - ▷ *Context:* University students in Korea have a history of public protest that began under the Confucian Joseon Dynasty (1392-1910), was evident during the Japanese occupation in the early 20th century, and has continued to the present day. Students have traditionally been some of the first groups in Korean society to openly contest authority. Some scholars see this as evidence of the strong role of Confucian thought still prevalent in a society that calls for the educated to take a leadership role. At the time of this video, the labor movement in South Korea had successfully called for a general strike to oppose decades of labor laws that were pro-business and anti-worker. South Korean university students lent their support by first protesting and then battling police forces sent in to break up the demonstrations.
- ▶ As the students view the video or videos, they can utilize the Forms of Civic Action Handout (Day 1, p. 233) to answer the question below located in the Source Analysis Handout:
 - ▷ What form of civic action do the student protests represent? Explain your thinking.
- ▶ Continuing in a large group, students will watch the Gold Collecting Campaign Video, which is Source 2. It is accessible at <https://www.youtube.com/watch?v=INED3nal8hM>. The teacher should explain the context of the video to students.

- ▷ *Context:* In 1997, several Korean financial institutions, in cooperation with the media, began a campaign asking citizens to donate their family gold to help infuse the financial market with cash needed to secure international loans. The year-long effort collected around \$2 billion in gold from about 3.5 million citizens in a nation of almost 46 million people at the time. It was seen as a movement of saving the nation from bankruptcy in the face of the crisis. South Korea was able to pay back the almost \$20 billion in international loans early using the Gold-Collecting campaign funds as a down-payment.
- ▶ As students view the video, they can utilize the Forms of Civic Action Handout to answer the question below located in the Source Analysis Handout:
 - ▷ What form of civic action does the Gold Collecting Campaign represent? Explain your thinking.

**TEACHING TIP**

Since this is the first analysis that requires both historical context and student processing of forms of civic action, movement from large to small groups is recommended. Each analysis should be followed by a large group debrief before moving onto the next sources.

- ▶ For the three print sources (Sources 3, 4, and 5), students should be in small groups or pairs. Gradually releasing students from the large group to small groups will help students see models of expected performance which will also aid in the development of independent analytical skills. If students were successful with the first reading in small groups, consider reducing the number of group members to release more responsibility to individual students.
 - ▷ Students will analyze three print sources, the Kim Dae Jung Presidential Inaugural Address, the CCEJ Reading on Chaebol Reform, and the Reading on the Defeat Movement, using the same Forms of Civic Action Handout and Source Analysis Handout as those completed for the videos. Students will answer these questions:
 - What form of civic action does the Kim Dae Jung Inaugural Speech represent? Explain your thinking.
 - What form of civic action does the CCEJ Reading on Chaebol Reform represent? Explain your thinking.
 - What form of civic action does the Reading on the Defeat Movement represent? Explain your thinking.

TEACHER NOTES

All four sources focus on economic reforms and democratic political values as the means for solving the problems South Korea experienced due to the crisis. Kim Dae Jung was a long time opposition figure who was tried and given the death penalty in the 1980s by the military dictatorship. His death sentence was commuted due to pressure from the international community. His election to the presidency in 1998 was viewed by many as the final move toward a fully democratic society. The CCEJ (Citizens Coalition for Economic Justice) is one of the oldest non-governmental organizations in South Korea that has long argued for a change in the Chaebol economic model. Its record of success advocating for these changes is mixed, as Chaebols still continue to be a dominant force in the South Korean economy, and the corruptive influence they sometimes have in politics is still visible, as evidenced by the removal of President Park Geun-hye in 2016.

Lastly, the Defeat Movement in 2000 was one of the first grassroots movements—if not the first—that successfully used new networked information technologies, specifically websites and social networking, to influence the outcome of a political contest during the 2000 South Korean National Assembly election.

A different suggestion for grouping and discussing these sources is to use a strategy of asking students to move to a part of the room assigned to each of the five sources: Student Strikes, the Gold Collection Campaign, the election of Kim Dae Jung, Chaebol Reform, and the Defeat Movement. While students gather in their chosen area, they can together discuss why they think their source was most effective and collectively record and share an answer, one for each part of the room, with the class.

The same strategy could then be used for the second summative question, though only three parts of the room will be needed: one for Political Participation, one for Civic Engagement, and one for Civil Disobedience. Similar to the scenario in the first strategy, students gather and then discuss why they chose the form of civic action they did. Each group can collectively come up with a response to share with the whole class.



TEACHING TIP

Some of the sources can be interpreted as exhibiting different forms of civic action. Encourage students to justify their thinking. If they have coherent reasoning and evidence to support their thinking, students may classify these actions differently than their classmates. It may be important to emphasize that the categories overlap in some ways and that some actions could be described using multiple categories. Another way to interpret civic action is as a hybrid of categories or by noting that an action may begin in one category and move to another over time.

CLASS ACTIVITY 5 OF 5: CHECK FOR UNDERSTANDING

As students wrap up for the day and after completing the analyses of all five sources, students will individually evaluate the effectiveness of the three forms of civic action by completing the last question on the Source Analysis Handout. Please note that answers will inevitably vary for students. The emphasis here is not on a “correct” answer, but rather for students to discuss their thinking, evaluate the forms of civic action they have learned about, and ultimately transfer their understanding of two historic events to current day civic actions. This can also be done as homework if time does not permit in class.

- ▶ Processing Question: Which of the five South Korean examples of civic action was most effective at solving political and economic problems?



TEACHING TIP

The emphasis with this question is for students to reflect on their learning and attempt a higher-level evaluation. This will be valuable practice for the summative assessment on Day 3.

HOMEWORK READING: WHAT IS A CHAEBOL?

ARTICLE

What is a Chaebol?

Source: Adapted from Eleanor Albert, *South Korea's Chaebol Challenge*. Council on Foreign Relations, May 4, 2018. <https://www.cfr.org/backgrounder/south-koreas-chaebol-challenge>

A group of massive, mostly family-run business conglomerates, called *chaebols*, dominates South Korea's economy and wields extraordinary influence over its politics. These powerful entities played a central role in transforming what was once a humble agrarian market into one of the world's largest economies.

The South Korean government has generously supported the chaebols since the early 1960s, nurturing internationally recognized brands such as Samsung and Hyundai. However, in recent years chaebols have come under fire amid a slowing South Korean economy and following a series of high-profile corruption scandals, including one that prompted mass protests and the ouster of President Park Geun-hye in 2016.

THE IMPORTANCE OF CHAEBOLS

The word "chaebol" is a combination of the Korean words *chae* (wealth) and *bol* (clan or clique). Traditionally, the chaebol corporate structure places members of the founding family in ownership or management positions, allowing them to maintain control over affiliates. Chaebols have relied on close cooperation with the government for their success: decades of support in the form of subsidies, loans, and tax incentives helped them become pillars of the South Korean economy.

Although more than forty conglomerates fit the definition of a chaebol, just a handful wield tremendous economic might. The top five represent approximately half of the South Korean stock market's value. Chaebols drive the majority of South Korea's investment in research and development and employ people around the world. Samsung Electronics, the largest Samsung affiliate, employed more than 300,000 people globally in 2018 (more than the number of worldwide employees of Apple and Google combined in 2018, according to a study by Eleanor Albert).

THE TOP FIVE CHAEBOLS

Samsung. Founded in 1938, Samsung Group is South Korea's most profitable chaebol, but it began as a small company that exported goods, such as fruit, dried fish, and noodles, primarily to China. Today the conglomerate is run by second- and third-generation members of the Lee family, the second-wealthiest family in Asia. Over the past eighty years, the company has diversified to include electronics, insurance, ships, luxury hotels, hospitals, an amusement park, and an affiliated university. Its largest and most recognized subsidiary is Samsung Electronics, which for the past decade has accounted for more than 14 percent of South Korea's gross domestic product (GDP).

Hyundai. Hyundai Group was a small construction business when it opened in 1947, but grew immensely to have dozens of subsidiaries across the automotive, shipbuilding, financial, and electronics industries. In 2003, following the Asian financial crisis and the death of its founder, Chung Ju-yung, the chaebol broke up into five distinct firms. Among the standout offshoots are Hyundai Motor Group, the third-largest carmaker in the world, and Hyundai Heavy Industries, the world's largest shipbuilding company.

SK Group. Also known as SK Holdings, it dates back to the early 1950s, when the Chey family acquired Sunkyong Textiles. Today, the chaebol oversees around eighty subsidiaries, which operate primarily in the energy, chemical, financial, shipping, insurance, and construction industries. It is best known for SK Telecom, the largest wireless carrier in South Korea, and its semiconductor company, SK Hynix, the world's second-largest maker of memory chips.

LG. LG Corporation, which derives its name from the merger of Lucky with GoldStar, got its start in 1947 in the chemical and plastics industries. Since the 1960s, the company, under the direction of the Koo family, has heavily invested in the development of consumer electronics, telecommunications networks, and power generation, as well as its chemical business, which includes cosmetics and household goods.

Lotte. Shin Kyuk-ho founded Lotte Group in Tokyo in 1948 and brought the chewing gum company to South Korea in 1967. The conglomerate’s main businesses are concentrated in food products, discount and department stores, hotels, and theme parks and entertainment, as well as finance, construction, energy, and electronics. Lotte Confectionery is the third-largest gum manufacturer in the world.

HOW DID CHAEBOLS EMERGE?

During the Joseon Dynasty (from the 14th through late 19th century), the state began the practice of licensing private businesses, called Yukeuijeon (six stores designated by the central government directly dealing with the dynasty’s essential items like paper, silks, cotton, ramie, and fish), granting monopolies, and supporting enterprises with direct payments. Thus, partnerships between business and the government had early historical precedents in Korea. The chaebols of contemporary times all begin in the mid-twentieth century. Samsung, for instance, was founded during the period of Japanese occupation before the end of World War II, in part modeling itself after Japan’s powerful industrial and financial conglomerates, known as Zaibatsu. Most, however, were founded after liberation from the Japanese in 1945. As U.S. and international aid flowed into Seoul following the Korean War (1950–1953), the government provided hundreds of millions of dollars in special loans and other financial support to chaebols as part of a concerted effort to rebuild the economy, especially critical industries, such as construction, chemicals, oil, and steel.

These enterprises flourished under the leadership of General Park Chung-hee, who led a military coup in 1961 and then served as president from 1963 to 1979. As part of Park’s export-driven development strategy, his authoritarian government prioritized long-term and low-interest loans to export businesses and protected domestic industries from external competition.

Over time, the chaebols expanded into new industrial sectors and tapped into lucrative foreign markets, providing more fuel for South Korea’s engine. Exports grew from just 4 percent of GDP in 1961 to more than 40 percent by 2016, one of the highest rates globally. Over roughly the same period, the average income of South Koreans rose from \$120 per year to more than \$27,000 in today’s dollars. As South Korea lifted millions out of poverty, the parallel rise of chaebols embedded the conglomerates into the narrative of South Korea’s postwar rejuvenation.

What is a Chaebol?	
<p>Based on your reading, record one thing that you learned that added to your understanding of South Korea.</p>	
<p>Record one thing that still confuses you about South Korea.</p>	

READING: THE FIVE BANDITS

STORY

The Five Bandits by Kim Chi-Ha (1970)

Source: Adapted from Yong-Ho Ch'oe, Peter Lee, and William Theodore de Bary, editors, *Sources of the Korean Tradition, Volume Two: From the Sixteenth to the Twentieth Centuries* (New York: Columbia University Press, 2000), 403-405.

STEP 1: ALL STUDENTS NEED TO READ THESE FIRST TWO PARAGRAPHS

The following is a fictional story set in South Korea during the era of authoritarian military rule under General Park Chung-hee who ruled South Korea as its President from 1963 to 1979 after a military takeover. Its purpose is to expose elements of South Korean society that the author believes are harmful to South Korea's return to full democracy. The story opens on a golf course as these symbolic characters meet...

The spring sun was warm, the day pleasant, the wind gentle, the clouds floating by. The five bandits, each brandishing a golf club, each determined to win, set out to display their miraculous skills.

STEP 2: READ YOUR ASSIGNED BANDIT

THE FIRST BANDIT

The first bandit stepped forth, the one called the business tycoon, wearing a custom-made suit tailored of banknotes,* a hat made of banknotes, shoes made of banknotes and gloves knitted of banknotes, with a gold watch, gold rings, gold buttons, a gold necktie pin, gold cufflinks, a gold buckle, golden teeth, golden nails, golden toenails, and golden zippers, with a golden watch chain dangling from his wiggling behind.

*Cash currency, like a twenty dollar bill.

THE SECOND BANDIT

Now the second bandit steps forth with his entourage and cronies from the National Assembly. Here come hunchbacks, alley foxes, angry dogs, and monkeys. Hunched at the waist, their eyes are as narrow and slanted as an ancient ruthless emperor. Lumbering, rasping, covering their hairy bodies with the empty oaths of revolution, coughing up mucus, raising their golf clubs high into the sky like flags, thunderously yelling slogans, rolling on viper-colored jagged floors:

Revolution, from old evil to new evil!

Renovation, from illegal profiteering to profiteering illegally!

Modernization, from unfair elections to elections unfair!

THE THIRD BANDIT

Now the third bandit emerges, looking like a rubber balloon with viperous pointed eyes, his lips firmly closed. Portraying a clean government official, when sweets are offered, he shows that he doesn't like them by shaking his head. Indeed, it must be true. But look at this fellow's other face. He snoops here and smiles there, stout, impudent, sly; his teeth are crooked and black from an over-indulgence in sweets, worn out until they could decay no more. He sits in a wide chair as deep as the sea, before a desk as high as the sky, saying "no thank you" with one hand and "thank you" with the other. He cannot do possible things, but he can do impossible things; he has piles of documents on top of his desk and bundles of money under it. He acts like an obedient shaggy dog when flattering superiors, but like a snarling hunting dog to subordinates. He puts public funds into his left pocket and bribes for favors done into his right pocket. His face, a perpetual mask of innocence, conveys purity—the purity of a white cloud. His all-consuming passion is asking after the well-being of madams of deluxe restaurants.

THE FOURTH BANDIT

The fourth bandit steps forth, a big gorilla. He is tall, reaching almost to the heavens. The marching column of soldiers under his command is as long as China's Great Wall. He has white tinted eyes, a tiger's mouth, a wide nose, and a shaggy beard; he must be an animal. His breast is adorned with colorful medals made of gold, silver, white copper, bronze, and brass. Black pistols cling to his body. He sold the sacks of rice meant to feed the soldiers and filled the sacks with sand. He stole the cows and pigs to be fed to the soldiers and gave a rabbit to each man. No barracks for the poor enlisted men in a bitterly cold winter; instead, hard labor all day to keep them sweating. Lumber for the construction of barracks was used for building the general's mansion. Spare parts for vehicles, uniforms, anthracite briquettes, monthly allowances, all were stolen. In accordance with military law, soldiers who deserted their units because of hunger and desperation were arrested, beaten and thrown into the brig, and harassed under orders. University students summoned for military service were assigned to the general's quarters as living toys for his wanton wife. Meanwhile the general enjoyed his cleverly camouflaged life with an unending stream of mistresses.

THE FIFTH BANDIT

Now the last bandit and his entourage and cronies step out: ministers and vice ministers, who waddle from obesity, sediment seeping from every pore. With shifty mucus-lined eyes, they command the national defense with golf clubs in their left hands, while holding their mistresses with their right. And, when they softly write "Increased Production, Increased Export and Construction" on a mistress, the woman murmurs "Hee-hee-hee, don't tickle me!" And they jokingly reproach: "You ignorant woman, do national affairs make you laugh?" Let's export even though we starve, let's increase production even though products go unsold. Let's construct a bridge across the Strait of Korea with the bones of those who have starved to death, so we can worship the god of Japan! Like slave-masters of olden times, they drive the people to work harder and longer, with the beating of burst drums and the sounds of broken trumpets, with one aim in mind: to increase their own wealth.

HANDOUT: POLITICAL AND ECONOMIC PROBLEMS IN SOUTH KOREA, PART 1

Answer the two questions below after reading and discussing the Five Bandits.

What aspect of South Korean society does your bandit represent? Think of institutions and organizations both public and private.	
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What political and/or economic problems does your bandit most likely represent?	
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Take notes on the other 4 bandits as your classmates explain. What does each represent?

BANDIT # _____	
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BANDIT # _____	
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BANDIT # _____	
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BANDIT # _____	
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READING: THE ASIAN FINANCIAL CRISIS

ARTICLE

The Asian Financial Crisis of 1997-98

Source: World History Digital Education, July 2020. Adapted from "1997 Asian Financial Crisis", Wikipedia, 2020; Jongwoo Han, *Power, Place, and State-Society Relations in Korea*. Lexington Book: Lanham, Maryland, 2014; "South Korea's GDP (PPP) growth from 1911 to 2008", Wikimedia Commons, 2010; and "Asian Financial Crisis in 1997-98 in South Korea and Indonesia", *Facts and Details*, 2008. <http://factsanddetails.com/asian/cat62/sub408/item2558.html>.

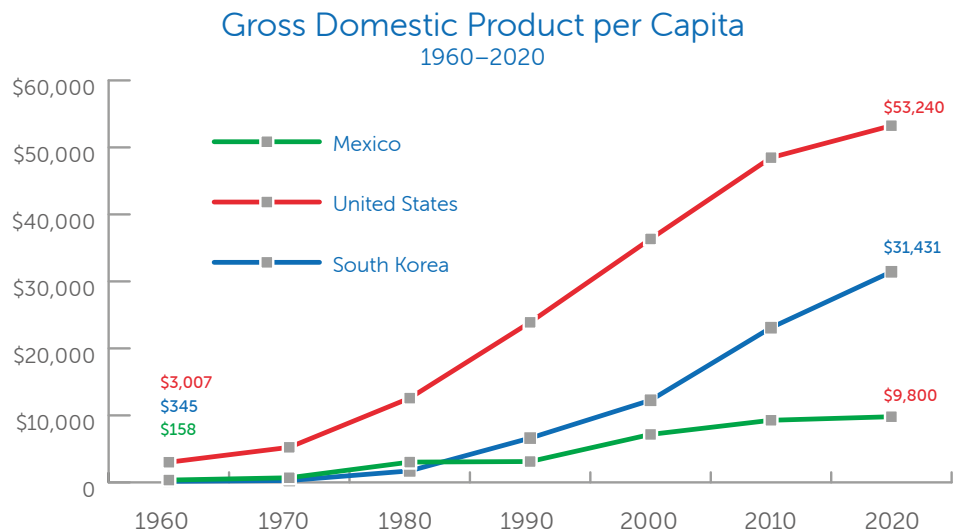
In July of 1997, the currency of Thailand, the baht, collapsed, losing so much value and purchasing power, that investors throughout Asia began to move their investments out of Thailand. This cycle of an Asian currency losing so much value and quickly creating a panic among investors spread throughout Southeast Asia and into South Korea. An additional effect of a declining currency is the need to take out loans to continue fulfilling financial obligations. This pattern too spread throughout Asia in 1997.

Asian Currency Collapse June 1997–July 1998				
Thai baht	Indonesian rupiah	Phillipine peso	Malaysian ringgit	South Korean won
▼ 40%	▼ 83%	▼ 37%	▼ 45%	▼ 34%

In this financial panic, the currency devaluation and the high debt of many South Korean companies further spooked investors, who began to pull their investments. Many chaebols, due to their power and close relationship with the government, had gone into significant debt over the years with little fear of facing any consequences as the economy continued to grow. The state had for years treated the banks as tools of state policy, ordering banks to loan so much money to chaebols that bad loans accounted for between 94% and 376% of the nine largest banks' capital in 1997. These close relationships also led the government to pass laws to benefit the chaebols at the expense of workers, which enraged workers and students on college campuses who protested this corrupt relationship. The chaebols believed this was necessary so that they could cut costs, increase their profits, and pay off their mounting debt, which seemed likely as the South Korean economy grew from the status of a developing economy to one of the largest economies in the world in three decades (shown in the graph below).

When investors discovered that some of the leading chaebols had debt that was 20 to 30 times the chaebol's net worth, the South Korean stock market collapsed as investors pulled their money out of the stock market. Many leading chaebols went bankrupt by 2000, such as the Hallo Group (the 12th largest), Hanbo Steel (the 14th largest), Jinro Distillery (the 19th largest), and eventually Daewoo (the 3rd largest). As surviving chaebols tried to recover from the loss of investment capital, they began asking for government assistance while also shedding employees to limit their costs. Unemployment increased from around 3% to 9% and government debt, due to loans to chaebols and increasing social

services, exploded from \$160 to \$450 billion in a month, which was 1.5 times the Gross National Product of the entire country. South Korea was facing its first financial crisis since its economic miracle had begun in the 1960s.



HANDOUT: POLITICAL AND ECONOMIC PROBLEMS IN SOUTH KOREA, PART 2

Answer the two questions below after reading and discussing the *Asian Financial Crisis of 1997-98*.

What two economic factors were the first signs of the crisis in 1997-98?

What was the primary cause of the economic crisis?

HANDOUT: SOURCE ANALYSIS

What Form of Civic Action Does Each Source Represent? Explain Your Thinking.	
Source 1: Student Protests (Video 1 or Video 2)	Source 2: Gold Collecting Campaign
Source 3: Kim Dae Jung's Inaugural Speech	Source 4: CCEJ Chaebol Reform Reading
Source 5: The Defeat Movement in South Korea	Processing Question: Which of the five South Korean Civic Action examples was most effective at solving political and economic problems?

SOURCE 3: KIM DAE JUNG'S PRESIDENTIAL INAUGURAL ADDRESS

PRESIDENTIAL ADDRESS

Kim Dae Jung's Presidential Inaugural Address, February 1998

Source: Adapted and excerpted from Ch'oe, Yong-ho, Peter Lee, and Wm. Theodore de Bary, editors. *Sources of the Korean Tradition Vol. Two: From the Sixteenth to the Twentieth Centuries*. New York: Columbia UP, 2000, 445-451.

Today, I am being inaugurated as the 15th-term President of the Republic of Korea. While sharing with you the joy of the first transition of power from the ruling to an opposition party in 50 years since the establishment of the Government, I commend and thank all of you who have given birth to a genuine "Government of the People," by overcoming all kinds of trials and obstacles....

It can be said that the historic significance of today's inaugural ceremony is great, indeed; today is a proud day when a democratic transition of power is taking place on this soil for the first time. Moreover, it is a historic day when an Administration is, at last, being born that will develop democracy and the economy at the same time....

Unfortunately, however, at this very important juncture, we have run into a foreign exchange crisis which is the most serious national crisis since the Korean War. We are faced with a crisis that could bankrupt our country, if we are not careful....

It, indeed, is a stupefying development. The reason we are barely escaping from catastrophe is because of cooperation from you, who are united with patriotism, and the assistance of our friends, including the United States, Japan...as well as the International Monetary Fund, the World Bank....

Consumer prices and unemployment will rise this year. Incomes will drop and an increasing number of companies will go bankrupt. All of us are being asked to shed sweat and tears.

We must calmly look back to find out how we have arrived at this state of affairs. This unfortunate development would not have taken place if the political, economic and financial leaders of this country were not tainted by a collusive link between politics and business....

I cannot help but feel limitless pain and anger when I think of you, the innocent citizens, who are bearing the brunt of the suffering over the consequences of the wrongdoing committed by those in leadership positions....

To overcome the national crisis, you have undertaken a campaign to collect gold and have managed to collect US\$2 billion worth already. I am boundlessly proud of your patriotism, which is more precious than the gold itself. Thank you very much.

Meanwhile, our workers are participating in pain sharing by voluntarily freezing wages and the like, despite mounting difficulties in their daily lives...This demonstration of the patriotism and potential of the Korean people is earning us respect around the world.

Political reform must precede everything else. Participatory democracy must be put into practice; the people must be treated as masters and must act like masters. Only then can national administration become transparent and irregularities and corruption disappear....

When democracy and a market economy develop together in harmony, there cannot be collusion between politics and business, government-directed financing and irregularities and corruption. I firmly believe that we can overcome today's crisis by practicing democracy and a market economy in parallel....

SOURCE 4: CCEJ STATEMENT ON CHAEBOL REFORM

STATEMENT

CCEJ Statement on Chaebol Reform: Time to End Corporatocracy

Source: Sangin Park, "Chaebol Reform: Time to end Corporatocracy," Oral statement to High-Level Segment of the Economic and Social Council under the United Nations (CCEJ, 19 July 2019). http://ccej.or.kr/eng/wp-content/uploads/2019/07/190719_Remarks-by-CCEJ-special-1999_Oral-Statement-for-HLS-of-the-2019-HLPF_Chaebol-Reform-Time-to-end-Corporatocracy.docx

My name is Sangin Park, an Economics Professor at Seoul National University. I am very honored to represent the Citizens' Coalition for Economic Justice (CCEJ)* at the 2019 High-level Political Forum of the United Nations. CCEJ is the oldest NGO [non-governmental organization] in South Korea, and is devoted to a fair, inclusive and sustainable economy.

Currently, the Chaebol Reform is our priority. A Chaebol refers to a big conglomerate controlled by a single family. The Chaebol-centric strategy of economic development was successful in the 1970s and 1980s. However, as a consequence, Chaebols dominated the Korean economy, becoming the gatekeeper of Korean society. As predicted by the Progress Movement of the early 20th century, democracy is now replaced by corporatocracy, and fair competition is no longer viable.

Economic concentration and hereditary succession by Chaebols is creating barriers to market entry and exit. Furthermore, over-diversification and internal trading by Chaebols built an exclusive economic bloc. Within this bloc, the Chaebol companies wield monopsony** power, engaging in technology extortion and price squeezing, which cause SMEs [small and mid-sized enterprises] to lose incentive and capacity to innovate. The distortion of the subcontracting market also serves to exacerbate the wage gap between SMEs and Chaebols companies.

Without the Chaebol Reform, Korea may encounter another economic crisis similar to that of 1997. However, with the reform, the economy will be fair and sustainable, and the society will be inclusive. Together with punitive damages and discovery processes, SMEs will be more competitive and acquire greater bargaining power. As a result, the wage gap will be narrowed.

The candlelit protests led by Korean people in 2016 asked for fundamental changes in this corporatocracy. However, to our disappointment, the Moon Jae-in Administration, which came to power after the historic triumph of candlelit protests, has not done anything substantial to resolve the economic concentration by Chaebols.

Ladies and gentlemen, Korea is now at a crossroad. It becomes clear that it is the citizens of Korea who must make a difference once again. Therefore, CCEJ will continue working together with the citizens of Korea to achieve the Chaebol Reform.

* A citizens' movement in South Korea founded in 1989 with 35,000 members focused on economic justice, protection of the environment, the reunification of Korea, and democratic and social development.

** A situation in which a market has only one buyer of a good, akin to a monopoly where a market only has one seller.

SOURCE 5: THE DEFEAT MOVEMENT IN SOUTH KOREA

ARTICLE

The Defeat Movement in South Korea

Source: World History Digital Education, November 2020. Adapted from Jongwoo Han's *Networked Information Technologies, Elections, and Politics: Korea and the United States* (Lexington Books: Lanham, Maryland, 2012), pp. 9-13.

The 2008 Presidential Election of Barack Obama in the United States is incorrectly discussed as the first election of consequence to have been impacted by new networked information technologies (NNITs) such as websites, video-sharing sites like YouTube, social networking sites like Facebook, and podcasts. In fact, both the 2000 and 2002 national elections in South Korea were groundbreaking in showing the potential of the combination of young people and NNITs in influencing political outcomes.

In 2000, South Korea had a General Election for its National Assembly, its legislative body analogous to the U.S. Congress. A coalition of former college students and reformers effectively used the Internet to defeat incumbent Assemblymen who were corrupt. This movement came to be known as the Defeat Movement.

South Korea is one of the most "wired" societies on Earth. In 2000, Korean Yahoo was second in the world among Internet companies in access time, meaning the amount of time users visited and used its websites. Additionally, 25% of South Korean's had internet access and 50% used cell phones. At the turn of the millennium, South Korean society was primed like few others globally to witness the intersection of technology and politics, which is exactly what would happen in the General Election.

Here's how it happened. The nation's largest civic organization, the Citizens' Council for Economic Justice (CCEJ) released a list of 164 politicians that they labeled as "unfit politicians" due to findings of corruption or embezzlement in past elections, involvement in past authoritarian regimes, votes against reform, and what were labeled as personal defects due to unethical behavior. The homepage that hosted this list recorded 50,000 visitors quickly. Other websites were created by what came to be known as the Defeat Movement to take advantage of these NNITs. At the time, this kind of political activism by organized groups, other than labor unions and private individuals, was not legal. The South Korean Constitutional Court and the election commission began proceedings to ban the Defeat Movement's activities, but a mere twenty days after the first appearance of these websites, the main political parties bowed to overwhelming public pressure to petition these two bodies to allow the practice.

As a result, in the General Election of 2000, 68% of the members of the National Assembly who were up for reelection and were identified as unfit for office on the Defeat Movement's list were defeated. The actions of the Defeat Movement were undeniably a factor, as the use of the Internet to publicize the wrong-doings of candidates for all to see led to a momentous shift in South Korean politics that would be felt in 2002 in the South Korean Presidential elections and in the 2008 US Presidential Elections.

TEACHER KEY: DAY 1 HOMEWORK HANDOUT, SOUTH KOREA VIDEO GUIDE

1. What type of government did South Korea have from 1960-1979?	South Korea nominally had a democratic system, but was in fact ruled by a succession of military dictators, who prioritized the nation's economic development over democracy.
2. Describe at least one action by the government to help develop Korea's economic power.	The government would protect and provide assistance to the leading families and their companies, called Chaebols, to promote large-scale manufacturing and trade. This included emphasizing a highly skilled workforce trained in state-supported schools, low corporate taxes, direct grants of money, etc.
3. How did average citizens participate in making South Korea "so Rich" as the video title implies?	In a society that considers education a key virtue and the only guaranteed way to upgrade a person's socio-economic status, Korean citizens worked hard to get a good education and then work for a successful economic enterprise like a large Chaebol.
4. What problems does the video foreshadow with the South Korean political/economic model?	Troubled chaebols will suffer because of decision making that is limited to government bureaucrats and company officials, which often stifles innovation and entrepreneurship. The failure of a company that is so large and intertwined with the government is also problematic. Corruption in such close relationships between business and government is foreshadowed as probable and problematic as well. Chaebols that are able to overcome problems do so by focusing on efficiency and innovation.

TEACHER KEY: HANDOUT ON POLITICAL AND ECONOMIC PROBLEMS IN SOUTH KOREA, PART 1

Answer the two questions below after reading and discussing the Five Bandits.

<p>What aspect of South Korean society does your bandit represent? Think of institutions and organizations both public and private.</p>	<p>First Bandit: "Business Tycoon," who most likely represents the owners of the Chaebols.</p> <p>Second Bandit: "cronies from the National Assembly," who are legislators elected to the South Korean version of Parliament/Congress.</p> <p>Third Bandit: "Government official," a corrupt government bureaucrat.</p> <p>Fourth Bandit: "Big Gorilla," an army general.</p> <p>Fifth Bandit: "ministers and vice ministers," who are high officials in the government.</p>
<p>What political and/or economic problems does your bandit most likely represent?</p>	<p>First Bandit: inequality or extreme wealth of the upper class, as everything they have is made of gold or banknotes.</p> <p>Second Bandit: though elected to the South Korean legislative body, the Assembly was seen as a rubber stamp for the policies of the authoritarian leader, Park Chung-hee, and the problems arising from the lack of true democracy.</p> <p>Third Bandit: the corruption of lower officials/bureaucrats. There are "piles of documents on top of his desk and bundles of money under it." Due to the wealth of the chaebols and their close relationship with the government, the flow of money to officials for preferential treatment was all too common.</p> <p>Fourth Bandit: corruption in the military. All Korean males were required to serve a stint in the military and many complained of the living conditions, while the generals at the top lived like rich chaebol owners.</p> <p>Fifth Bandit: the corruption of top officials and leaders of the government, who focused on the development of an export economy rather than the standard of living of average South Koreans while enriching themselves.</p>

TEACHER KEY: HANDOUT ON POLITICAL AND ECONOMIC PROBLEMS IN SOUTH KOREA, PART 2

Answer the two questions below after reading and discussing the *Asian Financial Crisis of 1997-98*.

What two economic factors were the first signs of the crisis in 1997-98?	<ol style="list-style-type: none">1. Devalued or collapsing currency2. Corporate and public debt
What was the primary cause of the economic crisis?	<p>The lack of economic competition and the close relationship between the government and the chaebols led to bloated, largely unprofitable, and slow-to-innovate businesses that were unable to keep up with their debt, thus becoming increasingly reliant on government bailouts. These bailouts were drowning the nation in debt, and failing chaebols were increasing unemployment and worker demands.</p>

TEACHER KEY: SOURCE ANALYSIS HANDOUT

What Form of Civic Action Does Each Source Represent? Explain Your Thinking.

Source 1: Student Protests (Video 1 or Video 2)

Civic Engagement: The students have decided to protest in support of the workers who are demanding political changes.

Civil Disobedience: As the protest turns violent, students engage in conflict with law enforcement, which shifts the peaceful idea of protest toward the willful breach of law even if the conflict is in response to aggressive police action.

Source 2: Gold Collecting Campaign

Political Participation: Donating actual wealth, in the form of gold jewelry, at the behest of the government could be comparable to donating to a party, lobbying for an issue, or signing a petition.

Civic Engagement: Since the action is focused on benefiting society and not one political party or single issue organization, this civic action could be viewed as outside or above direct political participation.

Source 3: Kim Dae Jung's Inaugural Speech

Political Participation: The election of the opposition figure to the Presidency is the most clearcut example of citizens voting to support a candidate who supports their perspective.

Source 4: CCEJ Chaebol Reform Reading

Political Participation: As this organization is directly advocating or lobbying for specific changes to the law, then joining or supporting this group is political participation, though not as direct as voting for a candidate who espouses these views.

Civic Engagement: Some may argue that supporting the CCEJ is like joining or supporting a special interest group. While this is true, the specific political proposals of the organization move it toward political participation. It could be argued that the author of the article making the proposal is politically participating, while those who simply join or support the group through membership or donations are practicing civic engagement in a broader manner.

Source 5: The Defeat Movement in South Korea

Political Participation: The unfit lists directly identify candidates and encourage voters to choose against those listed as corrupt.

Civic Engagement: The students and the CCEJ civic organization created websites to inform the public in order to encourage informed political participation by others. The Defeat Movement was not advocating for one specific political party so it can therefore be argued that it was closer to a special interest group advocating for fair and corruption-free political representation than direct political participation for one party's views.

Processing Question: Which of the five South Korean Civic Action examples was most effective at solving political and economic problems?

Answers will of course vary. As long as students can make an argument based on evidence from the sources, the evaluation of effectiveness is up to the student.

