Financialization of Post-Crisis Political Economy in South Korea

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[A] The Age of Finance versus the Age of Financialization


[C] Intersectoral/Transnational Articulation versus Incorporation between industrial Korea and financial West

[D] Korean reactions to the 1997 financial crisis

[E] Whither the post-developmental regime of Korean finance?

[F] Social Consequences

[G] From industrial mode of class relations to financial mode of class relations
The Age of Finance versus the Age of Financialization

Financial crisis as method of financialization: The 1997 Asian/Korean Financial Crisis

Intersectoral/Transnational Articulation versus Incorporation between industrial Korea and financial West

From Articulation to Incorporation: (The crisis-driven) capital market liberalization under national/corporate bankruptcy led to financial portfolio takeover of major Korean industries by transnationalized Western/Japanese capital (Samsung, Hyundai, POSCO as well as major Korean banks)

Korean reactions to the 1997 financial crisis

1. Industrial restructuring: labor market / technological / geo-economic
   - The crisis-driven labor reshuffling allowed industries to graduate from national developmental alliance with labor

2. (Forced) incorporation of global financial capital by chaebol

3. Developmental statist industrial policy for creating globally competitive investment banks (like the Wall Street), only leading to consumer banking explosion

Whither the post-developmental regime of Korean finance?
[ F ] Social Consequences

Labor (market) busting

=> Wagelessness (+ Welfarelessness) * Consumer banking liberalization

=> Financialized livelihood

=> Structured consumer financial crisis (Credit card crisis, Housing loan crisis, etc.): 1 zillion Korean won household debt (about 20,000 US dollars per capita)

=> Financial rescue measures for households as general social security (vs financial industry security): Park Geun-Hye’s “National Happiness Fund”

[ G ] From industrial mode of class relations to financial mode of class relations

[1] Post-industrial/post-developmental political economy: both ruling class and ruled class financialized


[3] From industrial (social) citizenship to financial (social) citizenship?