

# THE UNIFICATION ISSUE IN THE CONTEXT OF GLOBALIZATION: THEORETICAL NOTES ON THE BERLIN DECLARATION\*\*

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**Abstract:** It is commonly known that the neo-liberalism version of ongoing globalization is very likely to harmonize and standardize norms, values and finally cultural diversities. This process is said to be *conditio sine qua non* for enhancing global competitiveness. Seen from this viewpoint the thesis of “one world economy”, “one world society” and “one world culture” is logical and plausible. The question countries, especially a national economy lacking foundations for global competitiveness are actually facing is how and to which extent the national interest and identity can be conserved by means of pursuing its own globalization strategy. The Berlin Declaration by Kim Dae-Jung (2000) which created a momentum for reflecting on and seeking the national identity and interest of Korea may be understood as a realistic alternative for the globalization of Korea.

## THE UNIFICATION AS LOCAL, REGIONAL AND GLOBAL CONCERN

This paper is an attempt to expose the Berlin Declaration by Kim Dae Jung to a scientific interpretation in the context of globalization analysis and globalization strategies of Korea.

The Berlin Declaration by Kim Dae Jung on March 9, 2000 at Free University Berlin affords an interpretation in twofold sense.

First, logistically and secondly, connotatively.

The location of Berlin as the most important western frontier region enclaved deeply into the communistic region having for a long time been a symbol of protecting and developing the Western democracy in the time of the Cold War, currently stands for implementing the project unification of West and East Germany, further, for amalgamating former socialistic regimes and economies into the Western democracy and market economy regimes.

Moreover, the site the Berlin Declaration was proclaimed was not less than the Henry Ford Bau where many prominent statesmen such as John F. Kennedy already emphasized freedom and human rights as the most affordable legacy of democracy. Kim Dae Jung lined himself with those forerunners.

Much more attention should be drawn to the second aspect. The Sunshine Policy by Kim Dae Jung in the context of the so-called Nordpolitik which had been embarked on once under the president of Roh Tae Woo is keeping continuity in the sense that South Korea has not renounced the policy of gradual approach toward North Korea, even though there were many a setback and turbulence between both sides in the last about two decades. Kim Dae Jung's Sunshine Policy is in this tradition of policy implementation a consequent continuance of the Nordpolitik modelled after the German Ostpolitik. Patience, small steps, long-sighted policy and tolerance which once formed cornerstones of the Ostpolitik have been extremely instrumental for Kim Dae Jung's Sunshine Policy.

Korea's Nordpolitik has for a long time been perceived solely as a matter of the Korean peninsula,

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Koreans domestic and local concern. The years of German reunification (1989~1990) was a momentum for bringing some movement into the notion of Korea's unification issue. Especially the "2+4 Conference" which was a *conditio sine qua non* for the German unification prompted (South) Korean politicians and experts to perceive the unification issue of Korea rather in the regional context. Debates emerged as regards candidates for the Korea "2+4 Conference."

Lastly the Berlin Declaration embedded consequently within the continuity of systematic implementation of unification policy may be the first attempt to place Korea's unification into the global context.

Kim Dae Jung is an extremely skillful diplomat or global player in the sense of drawing public attention europewide and worldwide to Korea's unification issue at the end of his Europe tour (so important countries such as France, Germany, Italy), in particular, in close connection with hosting the 3<sup>rd</sup> ASEM conference autumn this year and the football world cup 2002.

## GLOBAL ECONOMY VERSUS NATIONAL IDENTITY

### Let me Summarize Four Points of the Berlin Declaration

- South Korea is ready to provide assistance for North Korea in order to overcome economic difficulties. The assistance is to contain infrastructures investment, agricultural development projects aimed at self-sufficient food supply;
- South Korea does not intend a prompt unification, but aims first of all at ending the cold war tension on the Korean peninsula;
- Both Koreas should try to bring separate families together merely for the purpose of fulfilling humanism;
- Both Koreas should enter into a dialogue at

governmental level with a view to seeking solutions of concern to both sides.

This Berlin Declaration unexpectedly triggered a positive reaction by North Korea showing willingness and readiness to enter into a mutual summit level dialogue on June 12 in Pyongyang.

However, great expectations aroused especially in mass media of South Korea seem to be inappropriate for the time-being if extremely long experiences of West Germans in negotiations with East Germany are taken into consideration.

What about the connotation of the Berlin Declaration beside the possible North and South Korea summit in sooner future? How about the scientific interpretation of this Declaration?

First, it can be pointed out that the gradual approach of South Korea toward "harmony and reconciliation with North Korea" does not imply any form of economic integration, even though experts in South Korea are largely inclined to refer to favorable conditions for creating international division of labor between both Koreas. Kim Dae Jung's gradualism is not based on any kind of notions recurring to economic integration theories. Rather he is stressing the principle of "give and take" not in economic terms in order to alleviate or eliminate the political and militaristic tension between both Koreas. By this his motivation is becoming primarily non-economic, political and somewhat nationalistic which necessitates both Koreas to be prepared to global competition. No doubt the recreation of national identity is ultimate ratio for his unification policy.

Second, touching upon the unification issue in the above-mentioned way Kim Dae Jung showed two sides of his own perception of globalization. One can read the following passage in the book "Dynamics. A New Foundation for the Korean Economy." "The world economy is rapidly becoming a single marketplace. The new popularity of multinational corporations has created world-

wide networks and strategic alliances. Businesses now invest in any country that provides quality labor and a user-friendly regulatory and economic environment. Just as market opening and greater accessibility to information has enabled consumers to select goods from any country, the consolidation of financial markets allows capital to flow freely across borders... To adjust to these changes in the global environment, the Korean government is pursuing a rapid liberalization of the domestic economy.”(137).

This neo-liberal notion can be seen in a great affinity with the globalization definition by IMF standing for “growing economic interdependence of countries worldwide through the increasing volume and variety of cross-border transactions in goods and services, and of international capital flows, and also through the rapid and widespread diffusion of technology.” (IMF, 1997: 45).

This compatibility between the Korean government's perception of globalization and IMF's definition of it is unequivocally showing the orientation the Korean economy is doomed to pursue globalization. To put it in simple terms “there is nothing but the market-oriented American way of active globalization” (O. Henkel), however, in a synchronization with enhancing national and cultural identity. How can we substantiate this seemingly dualistic perception? Is there a contradiction between the global economy and the national identity?

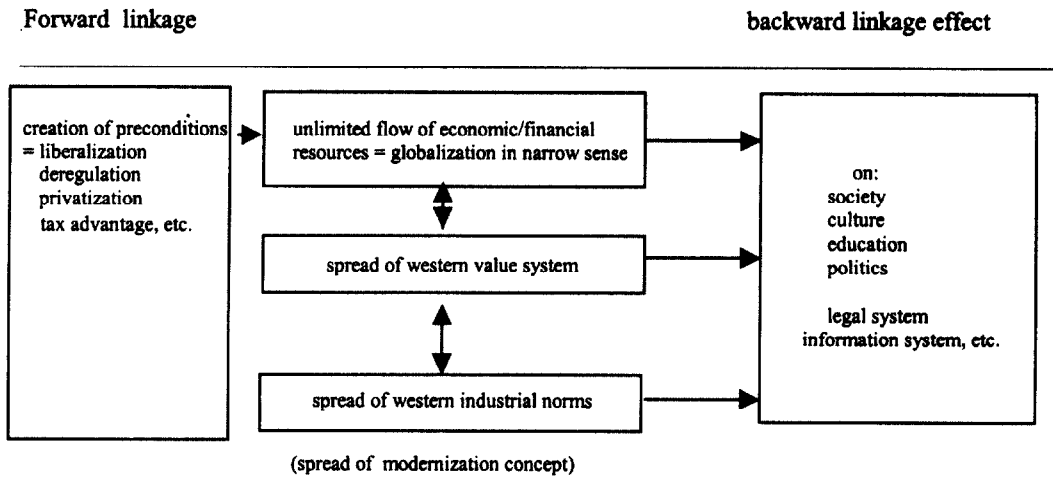
## **KOREA IN THE “ONE WORLD VISION”: FROM CONVERTIBILITY TO SUBSTITUTION**

Most governments, business worlds as well as economic experts lean on paying primacy to the unlimited flow of economic and financial resources which fall back on the theories of Ricardo and Friedman. The effect of practices under this notion

can be seen in the fact that not all economies in the world have been blessed with welfare to the same degree (Chesnais, 1994). The reality seems to get increasingly aggravated. The development and income gap between the rich and the poor is growing speedily and seriously so that the latter will not be able to catch up the level of wealthy countries in foreseeable future (Cf. World Bank, 1998; Altvater/Mahnkopf, 1996).

On the other hand the globalization focusing on economic and monetary transactions which play the triggering role in accelerating globalization and global competition have been automatically and simultaneously accompanied by spin-offs and spill-overs toward society, education, ecology, political and legal system, consumer behaviors, culture, etc. To exemplify this phenomenon one can refer to foreign investments in consumer goods industry which in a short or long run has considerable repercussions on modification of consumer behaviors and consciousness, and further consumption culture in the invested area concerned.

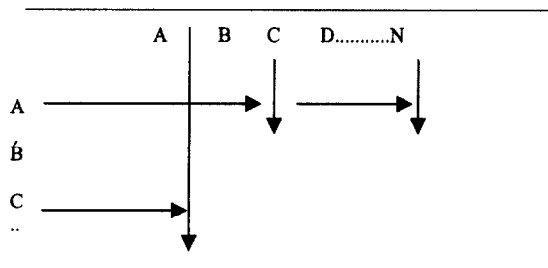
This means that we have much to do with backward linkage effects à la Hirschman brought forth by foreign investment on horizontally interrelated sectors. Further one region or country concerned aimed at inducing foreign investment has to create investment-favorable preconditions such as infrastructures, legal and tax system, social, cultural and recreational facilities, etc, of which we can speak forward linkage effects. The globalization characterized by forward and backward linkage effect on neighboring sectors can be termed horizontal globalization (Park, 1999). It must be additionally noted that the ongoing financial resources flow-based globalization has been strongly reinforced along with worldwide option for the ‘western’ industrialization and modernization concept rather automatically accompanied by the use of ‘western’ industrial norms and standards (cf. the following picture) .



How to more precisely grasp connotations of the horizontal globalization can be described by means of convertibility matrix as follows.

Convertibility Matrix of Horizontal Globalizations

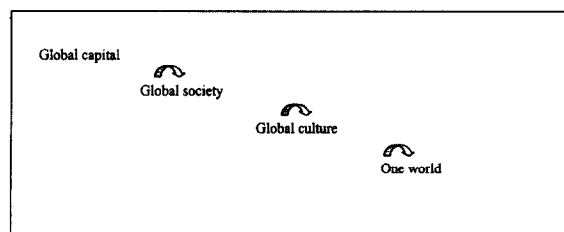
- A : flow of financial and economic resources
- B : administrative and legal system
- C : culture and society
- D : ecology
- Etc.



One of the most significant tendencies stemming from the convertibility is a rapid spread of linkage effects (“forward and backward”) which culminate in gradually weakening and finally threatening to hollow out indigenous ideas, value system and cultures (“de-indigenization effect”). To be more concrete the dominance by economic and financial global player is likely to cement cultural and ethnic

varieties into a standardized cultural unity (“mono-culture world”). Robert Robertson (1992) defines in the same direction: “the globalization does not simply refer to the objectiveness of increasing interconnectedness. It also refers to cultural and subjective matters, namely, the scope and depth of consciousness of the world as a single place.” U. Beck goes beyond this and argues that it is absolutely necessary for citizens to bring up “participative spirit of global citizen” (Beck, 1999), which means that to gain a global citizenship requires a radical change of individual behaviors and attitudes toward a global mono-culture and society.

The concept of “one world” seems to be gaining a considerable adherence among European intellectuals. Supporters of the “one world”- thesis are referring to the “one global economy”, “one global market”, “one global society” and “one global culture”. The logical chain of “one world visionists” is as follows:





founded scrutinies.

Second, restructuring and downsizing aimed at overcoming the IMF crisis in Korea led last year to mass lay-offs, in particular, of highly qualified engineers and technicians. Even top university graduates with high qualification could scarcely find new jobs. However, it was fortunate that some part out of those highly qualified manpower were able to establish venture business with remarkable results so far. In the meantime a great number of high level manpower equipped with technological competence, long experiences. Managerial skills became redundant. One spoke increasingly of the decline of the so-called *Mittelschicht* by which Koreans showed by now no indication for any kind of social unrest (Friedman, 1999: 333).

Paul Samuelson, when asked by the *Chosun Daily* to point to the reasons for the rapid economic recovery of Korea from the IMF crisis, stressed the role of highly qualified human resources. What an irony! Michael Porter in an interview with the *German Economic Weekly* (*Wirtschaftswoche*, no. 26, 1999, June 24: 54) described Korea as an innovator, no longer more an imitator. Porter based his opinion on the fact that universities and colleges in Korea invest a huge amount of financial resources in basic research. An indication for this is, in his view, that "30 buildings are actually being constructed at Korea campuses". I wonder whether Michael Porter would confuse Korea with other country. Korea is for the time-being greatly suffering from shortage of financial and human resources for furthering basic research, even though the Korean government has been stressing it since long. Further the private economy sees at present very little room for any kind of basic research as well.

Along with the notion a la Wallerstein experts argue supporting the so-called new dependencia thesis. Martin Khor represents in this sense a radical view saying "the globalization is what we in the Third World have for several centuries called

colonialism" (Khor, 1995). The global economy is being confronted with a strong tendency toward hierarchization and segmentation of individual national economies which necessarily affects political and administrative sphere of a country when it is exposed to liberalization of trade and financial resources coupled with deregulation. The view that the nation-state is increasingly likely to gain the status of serving multinational corporations is wide-spread. In practice this means that the political legitimacy of a government, local or central, is to a large extent depending on how to create investment-promoting conditions such as tax benefits, absence of labor conflicts, etc., and in most cases of especially advanced countries on how much investments have been undertaken which implies a close correlation between increase of political legitimacy (of a government) and dependence on foreign investment ("global capital"). Fred Halliday brings this to the point saying "Nationalism can..., in the first instance, be seen as a reaction against globalization. But in another sense nationalism is also product of globalization" (p: 360). The core of "Djnomics. A New Foundation for the Korean Economy" consists as a matter of fact in the intention of a synchronic development of "democracy and market economy," in strategic terms, of "national identity and globalization." The notion that "the development of either democracy or the market economy at the expense of the other is not sustainable; continuous development is only possible when both develop in a tandem" (p: 35). Kim Dae Jung's Berlin-Declaration is a further step toward globalization synchronized with efforts to develop national identity.

Much work remains to be done for reaching this double goal in an optimum mix.

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