

Geopolitics and Trajectories of Development

The Cases of Korea, Japan, Taiwan,
Germany, and Puerto Rico



Edited by
Sungho Kang and Ramón Grosfoguel

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Sungho Kang and Ramón Grosfoguel, editors

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Front cover: Deoksu Palace in Seoul, Republic of Korea. The image shows three types of buildings—a traditional Korean palace, a European-style stone building from the nineteenth century, and skyscrapers built since the 1960s—exhibiting the development of Korea from premodern to colonial to modern times.

Photograph used by permission of the Korean Cultural Heritage Administration.

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Foreword

This volume has a very humble origin. In the fall of 2006, Sungho Kang, Professor of History at Sunchon National University, Korea, and a visiting scholar at the Center for Korean Studies at the University of California, Berkeley, for the 2006–2007 academic year, hesitantly asked if the center would support a small seminar inviting Professor Ramón Grosfoguel, also of UC Berkeley, who had done much research on coloniality, international comparative development, and World-Systems, among many other areas. That small seminar led to the next step, the 2007 Korean Regional Seminar, titled “Modernity and Coloniality in the Post-WWII World-System: Germany, Japan, Korea, Puerto Rico, and Taiwan,” with invited scholars of different regional expertise in the same field of studies: Dr. Bernd Schaefer from the German Historical Institute, Professors Satoshi Ikeda from Concordia University of Montreal, Thomas E. Reifer from the University of San Diego, Ramón Grosfoguel, and Sungho Kang.

The essays collected here are revised versions of the papers originally presented at the regional seminar, which was held at the Institute of East Asian Studies at the University of California, Berkeley, on April 26, 2007, supported by the Center for Korean Studies, the Institute of East Asian Studies, and the Shorenstein Foundation at UC Berkeley.

This volume of articles is meaningful in two respects. First, it focuses on quite different parts of the world to compare the common threads woven through the issues of modernity and coloniality in the post-World War II era. Second, the project was initiated and organized by a visiting scholar at the Institute of East Asian Studies and eventually culminated in a publication by the institute.

A half century has passed since the end of World War II, sufficient time to permit us to reexamine U.S. policies toward such former and present client states as Germany, Japan, Korea, Puerto Rico, and Taiwan. We may therefore focus anew on the changing relationships between each of these nations and the United States, as well as among the group, in the context of the present dichotomy between East Asian and U.S. spheres of influence. These issues can move beyond the theoretical debates and

assumptions to the virtual realities of our times as new and historic U.S. government policies are taking place at this very moment.

A corollary to the seminar is the current state of Afghanistan and the Iraq War. This, if I dare interject, presents the nagging question of the possibility of forming yet more U.S. client states. I hope the day will come, sooner rather than later, when we can examine in a similar vein the Afghanistan-U.S. and Iraq-U.S. relationships in the post-Middle Eastern War era.

I thank Dr. Yangwon Ha, who gave Professor Kang encouragement and advice for planning the seminar, and Dr. Jonathan Petty for editing the present volume. Most of all, I thank Professors Kang and Grosfoguel, who brought these fine scholars together at our Berkeley conference and who afterward worked incessantly as coeditors to make this volume possible.

Clare You
Chair, Center for Korean Studies
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January 2009

Introduction

SUNGHO KANG and RAMÓN GROSFUGUEL

The essays in this volume are revisions of papers that were first presented at the 2007 Korean Regional Seminar titled “Modernity and Coloniality in the Post-WWII World-System: Germany, Japan, Korea, Puerto Rico, and Taiwan” and held at the Institute of East Asian Studies, University of California, Berkeley. Through collecting and editing the papers, we have formed a book that compares and contrasts the geopolitics and trajectories of South Korea, Japan, Taiwan, Germany, and Puerto Rico in response to post-WWII U.S. foreign policy to understand how these countries have developed within the modern capitalist World-System. Throughout the Cold War, the United States protected these states by extending preferential economic, military, and diplomatic treatment to contain perceived socialist threats from North Korea, North Vietnam, China, the Soviet Union, East Germany, and Cuba. Under this protective umbrella, the development of these states responded strongly to U.S. preferences, but the directions and patterns of their development differed greatly according to their disparate geopolitical locations, social structures, subjective efforts, and historical backgrounds.

In the post-Cold War period, the states studied here have suffered economic decline as a result of changes in the rules of accumulation and governance imposed by the United States. Following their more or less successful recoveries, they have begun to chart their own individual courses within the changed international environment. Unified Germany has managed to become the regional hegemonic state of continental Europe, while Japan, South Korea, and Taiwan are now steering their own courses between U.S. hegemony and the reemerging Sinocentric East Asian regional system.

We focus on the changing relations between the United States and these societies from the Cold War to the post-Cold War periods. Through these papers, we may not only better understand the past and present of these states but also essay to forecast the future of the rapidly changing modern capitalist World-System.

Thomas E. Reifer's paper underscores some of the critical features of the global Cold War division system, analyzing the ways in which U.S. divide-and-rule strategy allowed for the resurgence of parts of Europe and East Asia, albeit to varying extents as semisovereign states and regions. Although this power configuration underscores what Peruvian sociologist Anibal Quijano calls the "coloniality of power" that has constituted the modern World-System, Reifer argues that the transition from U.S. hegemony to U.S. domination reconfigured on increasingly narrow and militarized social foundations may pave the way for remaking the modern World-System on new and enlarged social foundations. These foundations may provide for a true universality, based on the reconciliation of differences within a cosmopolitan world-order. Of particular importance here will likely be the resurgence of a China-centered civilization in Asia, as an alternative to "colonial modernity."

Satoshi Ikeda's paper examines the trajectories of Japan, Korea, and Taiwan in the Cold War and post-Cold War periods and offers a World-Systemic explanation for the miracle and debacle of these economies. The U.S. policy to contain communism provided conditions favorable for these East Asian countries to achieve rapid economic expansion. However, their success, together with the growth of European core states, rising Third World resource nationalism, and U.S. engagement in the Vietnam War, led to changes in U.S. policy throughout the 1970s and 1980s, which in the end brought about neoliberal globalization. In the 1990s, U.S. policy prepared the economic demises of Japan, Korea, and Taiwan, and increasingly the economies of these states have become integrated into the Sino-centered East Asian regional economy. Though these states have followed the United States in attempting to counter rising Chinese domination in the region, they have an alternative choice—a path of post-U.S. hegemony, postcapitalist World-System, and anti-Chinese regional hegemony that they may establish by working toward the end of the monopoly or oligopoly of global rule-setting capacity, the end of ecologically unsustainable capitalist exploitation, and the end of polarizing and society-degrading capitalism.

Sunggho Kang's paper examines certain characteristics, such as the process of change, in the Korea-U.S. relationship in the post-WWII World-System. Korea has successfully negotiated a simultaneous industrialization and democratization over the last sixty years. Based on a strategy to contain communism and secure U.S. interests in the East, the United States engaged in the Korean peninsula and defended Korea against socialist countries. In general, the Korea-U.S. relationship has been moving from dependency to interdependency because of the rapid growth of Korea since 1945. Korea's fast-paced development is the result not of

ONE

Beyond Divide and Rule? From the Washington to the Beijing Consensus

THOMAS EHRLICH REIFER

Introduction

Accounts of Asia-Pacific regionalism have historically focused on the developmental states of East Asia, U.S. foreign policy, or both. Scholars have examined product cycles, “flying geese,” and hegemonically led growth in the making of Asia-Pacific regionalism or have tried to go beyond these conceptualizations for a more complex understanding of East Asia’s resurgence (Cumings 1987; Bernard and Ravenhill 1995; Hatch and Yamamura 1996; Ozawa 2007; see Reifer forthcoming a and b). Other authors have instead emphasized U.S. hegemony and the making of a world of regions or the rise of late-industrializing developmentalist states (Katzenstein 2005; Woo-Cumings 1999; Chang 2003). Still others have underscored the role of domestic political coalitions in the emergence of U.S. hegemony (Snyder 1991; Trubowitz 1998). More recently, a host of scholars have stressed the importance of the regional cultural inheritance, from the history of the Chinese-centered tributary system to

* Variants of this chapter were previously presented at the conference “Modernity and Coloniality in the Post-WWII World-System” (Institute of East Asian Studies and Center for Korean Studies, University of California, Berkeley, 26 April 2007), the panel “New Challenges to the International Financial Institutions” (Transnational Institute Fellows Meeting, “The Power of Money,” 15 June 2007, Amsterdam), and the conference “Andre Gunder Frank’s Legacy for Critical Social Science” (University of Pittsburgh, 11–13 April 2008). I want to thank the various participants and sponsors of these meetings for their comments. This chapter also draws heavily from Thomas E. Reifer and Christopher Chase-Dunn, *The Social Foundations of Global Conflict and Cooperation: Globalization and Global Elite Integration, Nineteenth to Twenty-first Century*, a funded proposal for the National Science Foundation, 2003. Thanks also to Christopher Chase-Dunn, Tom Dobrzeniecki, Wally Goldfrank, and Jonathan C. Petty for helpful suggestions.

TWO

U.S. Policies and the Rise and Demise of Japan, Korea, and Taiwan: An Examination of the World-System during the Cold War and After

SATOSHI IKEDA

Introduction

Japan, Korea, and Taiwan were once celebrated as “miracle” economies of the post-World War II World-System. Academic and popular publications in the 1980s sought to uncover the secret of the East Asian miracle, including the tiger economies (Korea, Taiwan, Hong Kong, and Singapore) and the mini-tiger economies (Malaysia, Thailand, and Indonesia). In the early 1990s, these “miracles” turned into “debacles” starting with Japan’s recession following the burst of its asset-price bubble. Other East Asian economies faced financial crises in 1997, followed by a painful recession and by restructuring imposed by the International Monetary Fund (IMF). Recent popular and academic attention has shifted to China, eroding our memories of “miraculous” growth experienced by the countries surrounding it.

China is emerging (or reemerging) as the primary political power in the East Asian region. It holds the largest share of intraregional imports, which implies that it is not only becoming the factory for the world but the absorber of exports from neighboring countries. China is also becoming a major actor in international geopolitics. Thirsty for oil, China is expanding its energy-supply sources all over the world, from Russia and the Middle East to Africa, and Chinese natural gas extraction in the South China Sea is still carried out despite Japan’s objection. A 2006 conference held in Beijing for African development exhibited China’s determination

THREE

The United States and the Internal Development of Korea in the Post-WWII World-System

SUNGHO KANG

Introduction

Over the last sixty years, the Republic of Korea (ROK; hereinafter “Korea”) has accomplished both enormous economic progress and social democratization. As a consequence, Korea has greatly improved its position in East Asia and the World-System. During this period, American military and economic aid have proved to be important factors for Korean development (Cho 2005, 500; Woo 2006). This raises many significant questions. Why has Korea been able to develop while many other countries receiving U.S. assistance have not (Grosfoguel 2003, 3)? Why does Korea possess conditions for pursuing economic growth and accomplishing social democratization? How long did U.S. assistance play an important role in Korean development? What are the limitations of U.S. policies toward Korea?

The purpose of this chapter is to examine what is important in the external and internal developmental factors of Korea and how their interrelationships have changed. Accordingly, it will examine external factors such as America’s Korea policy and cyclical fluctuations of the post-WWII World-System, and internal factors such as the Korean state’s intervention in its economy, the Korean democratic movement, and the inheritance of an advanced traditional Korean society.

Over the past few decades, a number of studies have explained state-led economic development as a typical internal factor (Lee Kijun 2005, 118–121). But, we need to consider two more factors: the Korean people’s desire for democracy and their abundant historical inheritance, without which such state-led growth would have been unsustainable. The Korean people were eager to develop a new democratic country based on the

FOUR

Patronage, Partnership, Contested Solidarity: The United States and West Germany after World War II

BERND SCHAEFER

Introduction

Since Nazi Germany's unconditional surrender in May 1945, the United States has played a central role in the development of the Federal Republic of Germany (FRG), of unified Germany after 1990, and of the entire course of transatlantic ties. Unlike other post-1945 American partners or "client states," however, until 1949 Germany was under international occupation status by the four victorious Allies. That year saw the creation of the FRG in the Western zones of occupation and the German Democratic Republic (GDR) in the Soviet zone with Allied encouragement. Neither German state was given full sovereignty by its foreign patrons until 1955, and in military terms both were placed under formal and informal supervision when the NATO and Warsaw Pact alliances integrated German armed forces in 1955 and 1956, respectively. West Germany, in parallel to its relationship with the United States, developed special ties with France over time (Hitchcock 1998), and from 1957 with the emerging European Economic Community (Dinan 2006). For the FRG to accommodate and reconcile with the French and their painful memories of recent German occupation, it was essential to foster any reintegration with the framework of a continental Europe heavily battered as a result of Germany's formerly hyperaggressive hegemonic policies.

There was something to "America's Germany" (see Schwartz 1991), but increasing Western European integration complemented and sometimes mitigated transatlantic relations of the German state. The European component of "Western integration" and Western Europe's overall strong

Puerto Rico: A Cold War Showcase in Rapid Decline

RAMÓN GROSFUGUEL

Introduction

This chapter is about Puerto Rico's economic development in the twentieth century and specifically its role as an important U.S. military location and showcase during the Cold War. I propose that the United States has made political and economic concessions to popular sectors in Puerto Rico (that have rarely been made to any other colonial or postcolonial peoples) due primarily to the *military* and *symbolic* strategic importance of the island. Here, I attempt to address these questions in a comparative perspective.

Puerto Rico's Modes of Incorporation, 1898–1991

The colonization of Puerto Rico by the United States has had three dominant interests, namely, economic, military, and symbolic. Despite the simultaneity of these three interests throughout the century, one interest could acquire priority over the others, depending on the different historical contexts. It is important to note that these interests can either reinforce or contradict one another. Contrary to the economism of some dependency/mode of production approaches, the economic interests did not always dominate the core/periphery relationship between Puerto Rico and the United States. Instead, state geopolitical considerations such as symbolic or military interests dominated U.S.-Puerto Rican relations over extensive periods during the twentieth century (Grosfoguel 1992). The importance of these geopolitical interests was such that in some instances they actually contradicted the corporate economic interests of the United States in Puerto Rico.