PART II

Korean Economic Development, Migration and Health Care

In Part II of this thesis I shall begin with a brief account of the political economy of postwar South Korea. The purpose is to show the broad social context within which the rationale for Korean emigration has been generated, and the characteristics of health care have undergone changes. Following a brief examination of the political economy of postwar Korea, in the second half of Chapter 5, I shall discuss the social backgrounds of Korean migration to advanced countries such as the United States, Canada and Australia. I shall also discuss the migration of Koreans from lower socio-economic backgrounds and its consequent effect on the formation of the Korean community in Australia. In Chapter 6, I shall discuss the vicissitudes of health care (biomedicine and *hanbang* medicine) in contemporary Korea because they have had a significant impact upon health care use patterns amongst Koreans overseas, especially first generation Koreans.

Chapter 5

The political economy of postwar Korea and the social origins of Korean migration to Australia

A POLITICAL ECONOMY OF POSTWAR KOREA

Following the Japanese colonial plundering of the Korean economy and its massive devastation by the Korean War, South Korea has grown to be one of the most competitive export economies in the world over the last few decades. There are a few different strands in the argument as to what factors have most significantly contributed to what Korea is politically and economically today: dependency/world systems theory; cultural explanations based on the Confucian ethic; and approaches which highlight and emphasize the state's involvement.

Firstly, according to the dependency/ world systems theory, Third World countries can achieve little or no significant development for various reasons within the constraints of the world capitalist system until they 'break out' and establish 'self-reliance' (Foster-Carter 1985: 27; Hirschman 1980). Typically therefore, Third World countries tend to remain underdeveloped as a result of their reliance on export-oriented primary

production such as textiles and raw materials (Cumings 1987). However, Korea has successfully engaged in global economic relations. Reluctant to admit any positive aspects of the Korean economic achievement, dependency theorists have put forward the alleged costs of the development. These include: the longest working hours ever recorded by the ILO; an inability to cope with the unprecedented changes stemming from the international economy; and the underdevelopment of democracy. This is to argue that Korean economic growth is growth without development, focused to the outside rather than the inside, and therefore incapable of raising living standards.

Undoubtedly, the Korean economy has deeply geared itself to the global market. Yet it is paradoxical that 'while becoming more dependent on the world economy, South Korea has simultaneously become more independent within the world economy' (Foster-Carter 1985: 31). Foster-Carter (1985: 31) argues that these are the central aspects of dependency theory and the case of Korean development illustrates and strengthens 'a more subtle and nuanced version of dependency theory' as follows. In the course of Korean development, foreign trade has been a means, not an end, tariff barriers have been used discriminately, a constant effort has been made to maximize indigenous technological capacity over time, and the state has discouraged direct foreign investment but preferred to borrow internationally.

It would be futile to downplay the significance of Korea's successful gearing to the international market as a contributing factor. However, dependency/ world systems theory, in overemphasizing trading links (or exchange) between countries, tends to pay limited attention to the class structure and class struggle, and manoeuvring by the state, within a country. Unlike the

relations of exchange between countries, the central aspects of class structure and class struggle at the national-state level are the relations of production (Navarro 1982: 83). Needless to say, a national economy is heavily *influenced* by the international economy, but it is the relations of production within a country that *determines* its position in the relations of exchange to a more significant degree. If the international trading environment were the main determining factor of a few prospering newly industrialized countries (NICs), there would be far more countries rapidly growing economically. Rather we need to focus on the particular political economies of the few countries which have managed to adapt effectively to a given international environment (Johnson 1987: 164). The ways in which the Korean state persistently intervened, shaped and directed the entire process of the Korean economy including its class structure and class struggle have been significant contributing factors and I shall elaborate these in more detail shortly.

Secondly, similar to Max Weber's Protestant ethic thesis, Confucianism or a Confucian ethic has been referred to as the driving force of the Korean economic development in the last few decades. There is no doubt that Confucianism is more deeply rooted in Korean society than in Chinese society (cf. Grayson 1989). Confucian teaching and culture in Korea has been *partly* responsible for the accentuated desire for education in Korea (Shinn 1986). Consequently, a larger than usual well-educated work force has contributed to the process of industrialization (Chŏn 1996; I.G. Kim 1987; C.H. Lee 1990; Moon 1988; Pye 1985).

However, Weber's major concern was in search of the *origins* of capitalist development rather than its subsequent *spread* and growth. It is with respect to the latter or Korea's economic 'take-off' where 'the Confucian ethic' thesis

is applied. Further, education was confined to males within one class *yangban* in the highly Confucian-oriented Chosŏn dynasty (Foster-Carter 1988: 699). Therefore, the question as to why education has been a major tool for social mobility in Korea for the last few decades still remains unanswered.

Despite the criticisms of dependency/world systems theory and the Confucian ethic thesis, it is premature to dismiss their usefulness in accounting for Korean economic development. Whilst I argue that what has been called a 'bureaucratic-authoritarian industrializing regime' has been the central driving force (Soon Cho 1994; Cumings 1984; Roh 1989), dependency/ world systems theory and the Confucian ethic thesis can be understood as contributing factors in the context of the authoritarian regime thesis.

It is indeed through a historically specific blending of authoritarian politics with many other factors which explain the South Korean economic miracle. These include a favourable international economic environment, the influence of a Confucian ethic at both the individual and institutional levels, microeconomic institutions, the quality of leadership, ideology and commitment, social networks, mass nationalism and bureaucratic competence. Together they have led the South Korean state to be developmental rather than predatory (Gourvetich 1993; Moon and Kim 1996: 147; Przeworski and Limongi 1993). The Korean state's top priority was economic development and the state implemented effective policies to achieve economic growth and exports. Although I would argue for the significance of the state's involvement, the authoritarian regime alone would have been insufficient without the combination of other factors.

Bureaucratic-Authoritarian Industrializing Regimes

Although the authoritarian regime thesis has increasingly gained support since the mid-1970s (e.g., Hasan 1976; Mason, Kim et al. 1980), from a diverse range of political economists writing on the Korean economic achievement, the thesis is not without opponents. Focusing on narrow class analysis and overemphasizing the role of private markets, critics often tend not to acknowledge the state's involvement in central economic planning. For example, Milton and Rose Friedman (1980: 57) argued that Malaysia, Singapore, Korea, Taiwan, Hong Kong, and Japan – all relying on private sectors – enjoyed economic boom conditions whereas India, Indonesia and the People's Republic of China – all relying on heavy government intervention – remained underdeveloped. However, this line of argument simply ignores the role of government and is clearly ill informed. Many studies have provided abundant evidence that has shown the significance of an authoritarian government in Korean economic development.

It is widely agreed that a substantial foundation of infrastructure, which the Japanese colonial government had built for the efficient shipment overseas of the extracted surplus and for its military strategies, was an advantage for later industrialization (Cumings 1987: 46; Jones and Sakong 1980; Kuznetz 1977; Vogel 1991: 42). Also a significant achievement before the 1960s, which laid the foundation for later economic development, were the two land reforms in 1948 and 1950, resulting in the increase of agricultural families owning medium-sized farms from 46% in 1952 to 76% in 1960, and the decrease of tenant families from 38% to 15% (cf. Vogel 1991: 50). Different authoritarian political regimes in Korea have intervened in economic planning and successfully stimulated the Korean economy since the 1960s (Berger 1986: 151). It is notable that every authoritarian regime has led an

export-oriented economic policy, which has determined many features of class conflicts in Korean society (J.H. Lee 1997).

(i) The Park Chung-hee regime

Park Chung-hee seized power through the military coup d'état of 1961. Instantly facing lingering poverty and unemployment, Park launched the Five-Year Economic Development Plan in 1962. This was also a move to legitimize his leadership (Vogel 1991: 51). In order to facilitate economic development, Park carried out a number of institutional and policy reforms involving interest rates, foreign exchange rates, tax, credit and other administrative measures. The combined efforts by export industry and government which gave strategic support and financial resources transformed the growth rate from 2.2% in 1962 to 12.7% in 1966 and produced a significant increase in exports (Moon and Kim 1996: 142). In the 1970s, transforming the Korean economy from its previous emphasis on labour-intensive light industry to heavy and chemical industries, the Park's government allowed more than two thirds of investments to flow to six strategic areas: shipbuilding, steel, heavy machinery, automobiles, electronics and petrochemicals (J.H. Lee 1997; Moon and Kim 1996: 142). The Park regime's export-oriented economic policy transformed the basis of the Korean economy away from its previous foundation in agriculture. The proportion of production workers increased from 13.2% in 1960 to 28.2% in 1980. In 1980 production workers made up 42.8% of the urban labour force (Koo 1984b: 177). The majority of them were migrants from rural areas who worked under conditions where there was no minimum wage (Kim and Roemer 1979: 162). A large number of them, especially those with little education, emigrated overseas or worked for Korean companies operating abroad. Those with higher education secured higher wages. Due to an enormous difference of wages between university and non-university

graduates, the desire for higher education became more apparent since the 1960s.

Park's 17 year rule resulted in the rise of per capita income from $82 in 1961 to $1,546 in 1979; exports increased from $40.9 million in 1961 to $15 billion in 1979; and the unemployment rate decreased from 8.1% in 1962 to 3.8% in 1979. South Korea experienced its first balance of payments surplus ($12 million) in 1977 (Moon and Kim 1996: 142-143).

Some of the major contributing factors for the economic development during the Park period can be summarized as follows. First was the regime's adoption of efficient and consistent policy choices, as well as their effective implementation (Harris 1986: 41; Mason, Kim et al. 1980: 486). Secondly, domestic and foreign trained technocrats ensured effective economic policy creation and management (Johnson 1987: 152; Werlin 1994: 213; Whang 1992). The technocrats also successfully pursued bureaucratic unity and the depoliticization of economic policies, undermining social and political pressures. Thirdly, Park's constant commitment to a 'well-to-do nation' (*chalsanŭn nara*) through economic development was notable (Cheng and Krause 1991; Moon and Kim 1996: 143; World Bank 1993). Fourthly, a favourable international trade environment was also important in the 1960s and early 1970s. Foreign money was easy to borrow with low interest rates and there were fewer trade barriers against Third World products and little competition from other NICs (Hasan and Rao 1979; Koo 1987: 169). The United States provided Korea with a large sum of financial assistance mainly for political and strategic gains between 1946 and 1976 (Light and Bonacich 1988; *New York Times* 1975 November 21).

The extraordinary economic development was possible at the cost of democratic underdevelopment, which was vividly marked by Park's

dissolution of the National Assembly and declaration of the new Yushin constitution. The threat from communist North Korea was frequently employed to justify the need for a 'special constitution' (cf. Vogel 1991). Under the constitution, the president enjoyed unlimited political power. During the Yushin period, there was a systematic repression of political opposition, and the popular sector was cut off from the political process. Of the many legal instruments, the Korean Central Intelligence Agency (KCIA), which employed 370,000 by 1964 and was partly funded by the revenue earned by Korean soldiers in the battlefields of the Vietnam War, was actively engaged in controlling and intimidating opposition elements (Johnson 1987: 157; H.C. Kim 1992). It is ironical that the Park regime's very strength and autonomy undermined the legitimacy of the regime. Emphasis on growth rather than redistribution fuelled popular discontent, which became increasingly violent and pervasive. How to manage emerging socio-economic and political problems became an issue among key presidential aides, caused division amongst them, and eventually led to Park's assassination by his trusted political supporter, Kim Chae-gyu, who was the then director of the KCIA (Moon and Kim 1996: 145).

(ii) The Chun Doo-hwan regime

Chun Doo-hwan came to power initially by leading a mutiny in the military in 1979, which was followed by a quasi-military coup in 1980. Chun immediately faced an enormous economic crisis stemming from the legacy of the Park regime. Economic growth dropped to a negative 5.5%, current account deficits reached $5.5 billion, foreign debts recorded $34 billion and inflation was more than 30%. Aiming at macroeconomic stabilization for the short-term as well as at a radical reform of the economy, the Chun regime undertook a program of restructuring industry, liberalizing the financial sector, encouraging a free trade economy or market logic (rather

than direct state intervention) and adjusting the links between the state and the market (Corbo and Suh 1992; Haggard and Moon 1990; Moon and Kim 1996: 145). Tight monetary policy was a key feature of the Chun's neo-conservative reforms. The Chun government continued export-led industrialization, cut farm subsidies, downsized defence spending and reduced the size of private credit allocation. Wages in the private and public sector were frozen in order to enhance the competitiveness of Korean products in the international market.

The Chun regime's reforms are widely thought to be remarkably successful. An austerity budget resulted in the fall of inflation from 28.7% in 1980 to 2.3% in 1984, while sustaining a high growth rate of an annual average 9.2% between 1983 and 1986. Along with a significant reduction in the balance of deficit payments ($4.4 billion in 1981 to $1.37 billion in 1984) and a record surplus of $9.9 billion in 1987, the South Korean economy became revitalized by the mid-1980s. This is when the Korean government started to encourage overseas investment (Moon and Kim 1996: 146).

Several institutional factors are suggested to have contributed: Chun's determined leadership of the economic reforms, which was necessary to ensure the regime's survival; the coming of a new technocratic group going beyond the logic of Keynesian expansionism under Park; and the control of popular pressures in order to ensure economic decision-making (Corbo and Suh 1992; Haggard and Moon 1990; K. Hwang 1996: 313; Moon 1988; Moon and Kim 1996; Werlin 1994: 222).

Throughout the 1980s, the state played an active role in suppressing labour movements and the mass media, utilizing old laws generated under the Park regime as well as the National Security Planning Agency – an independent political support apparatus – which replaced the KCIA under

Park (Choi 1984; Koo 1984b; Launius 1984). Pursuing a growth-oriented economic policy, relatively greater inequality in income distribution developed in Korea, in comparison with other NICs (Fields 1982; Koo 1984a). Numerous lingering problems included housing shortages, unemployment, the proliferation of slums, growing conflicts between classes and health problems caused by poor water and sewage systems (J.G. Kim 1994; Roh 1989). Other problems such as traffic congestion, pollution and long working hours became frequent reasons cited by middle class Koreans for emigrating overseas.

Despite noticeable economic achievement under Chun's leadership, popular protests led by university students continued and Chun lost popular support especially following the ruling Democratic Justice Party's near defeat in the general election of February 1985. It was in the mid-1980s when the economic development of the past 25 years started to have a noticeable impact on the life of the Korean people and this shifted the political culture of the Korean people (A. Lee 1993). Political freedom and human rights began to become as important as basic needs (H.C. Kim 1992; Shin and Kim 1989). In April 1987, Chun revoked his earlier promise to amend the constitution to allow a direct presidential election. This resulted in well-organized and intensified mass protests by a united group of the opposition party, university students and dissident intellectuals, who were armed with radical ideologies, such as Marxism and liberation theology. The powerful opposition bloc was particularly reinforced by the addition of sections of the middle class, which had rapidly expanded since the 1960s (Dong 1993; Johnson 1993). Facing a serious political crisis, Chun led Roh Tae-woo, his classmate from the military academy, to announce the June 29 Declaration, which included the constitutional amendment to adopt a direct presidential election and respect for human rights.

(iii) The Roh Tae-woo regime

In December 1987, Roh Tae-woo barely managed to win the presidential election with 36% of the vote. In addition, the ruling Democratic Justice Party failed to gain a majority in the National Assembly in the general election in April 1988. Attempting to gain mass credibility, Roh successfully established diplomatic links with the Soviet Union and Eastern European countries (Kihl 1990: 73). The Roh regime ensured freedom of association and expression *institutionally*. Political prisoners were freed and the labour law was amended to allow collective protest (Cotton 1993). The latter led to the rapid increase in the number of local labour unions and public interest groups, which were joined by workers virtually from the entire society. In 1985, there were 2,534 unit labour unions. The number increased to 6,142 in 1988 and 7,527 in 1992 (Y.T. Chung 1990; Dong 1993).

The previously suppressed labour movement exploded after the June 29 Declaration and the frequency of labour disputes increased from 276 incidents in 1986 to 3,749 in 1987, to 1,873 in 1988, and 1,616 in 1989. The Korean state was not able to insulate itself any more from societal pressures. Thus, political dominance by a small number and bureaucratic unity became weakened (Moon and Kim 1996: 154).

Democratic transition appeared to be at the expense of an economic downturn, such as the fall in the economic growth rate from 12.9% in 1986 to 4.7% in 1992, an increase in the inflation rate from 2.7% in 1986 to 9.3% in 1991 and 6.2% in 1992, and turning a current account surplus ($9.9 billion) in 1987 into a deficit of $8.7 billion in 1991 (Moon and Kim 1996: 155). Although gross savings, gross domestic investment and unemployment improved from the beginning of the Roh regime, the South Korean economy has not regained the vitality. The downturn is attributed to several economic factors:

> global recession and increasing protectionism in advanced industrialized countries; fierce competition from other NICs, second generation NICs and China; limits to technological breakthroughs and overconsumption (Moon and Kim 1996: 155).

Further, the new political climate proved the Roh regime's macroeconomic management was not workable. Roh's attempts to carry out massive economic reforms, such as the control of business concentration (e.g., *chaebŏl*) (cf. J. Lee 1997: 137; C.H. Nam 1995) and land-related laws, produced a recessionary impact. Because this threatened the legitimacy of the Roh regime, Roh turned back to growth-oriented economic policies, which resulted in the continuity of the 'old problems' such as real-estate and stock-market speculation. Observing the consequent inflationary pressure, Roh again swung back to a contradictory position. The repeated implementation of inconsistent policies had a negative impact upon the economy and severely undermined the credibility of the regime (Moon 1994). Roh never regained it until he handed over presidential power to Kim Young-sam's civil government in 1993. Sharp wage increases since 1987 also aggravated the economic recession. About 2,600 South Korean firms relocated production operations abroad and over 200 foreign firms, formerly based in Korea specifically to benefit from the cheap but skilled labour, left the country. Wage pressure was the main reason (Moon and Kim 1996: 153-157).

Today, the majority of Koreans enjoy a much better income than they did a couple of decades ago. However, growth-oriented development policy has produced numerous by-products such as relative deprivation especially among the poor, environmental degradation, and corruption at nearly all levels of government and in the private sectors. More recently, the economic recession has caused redundancies for a large number of workers in numerous business sectors. Despite its recent membership of the OECD, the system of social welfare is ill-developed. Following the disclosure of the

involvement in large scale corruption by a son of the first civilian President Kim Young-sam, political and business leaders have called for a movement to 'rebuild the nation'.

SOCIAL ORIGINS OF KOREAN MIGRATION TO AUSTRALIA

Major Factors Influencing Emigration from Korea

Since the end of the Korean War, a number of factors within Korea have led the migratory movement to other countries. Firstly, the Korean government's migration policy based on population control, foreign policy and earning foreign currency aimed at economic development and the political control of people by the regime. Secondly, lack of economic opportunities and political instability caused by factors within South Korea and by threats from communist North Korea have led a large number of Koreans to migrate overseas. Thirdly, increases in wages since 1987 made it more difficult to operate small businesses. These factors have influenced diverse classes differently. Of course, potential emigrants have utilized all the resources available to them to achieve their goals of migration.

Since the formation of the Republic of Korea in 1948, the first official Korean emigration policy came in an enactment in 1962 as a vehicle for population control. Korea has achieved enormous economic development since the introduction of the Five Year Economic Plan in 1962. One of the unique aspects in the Korean (and Taiwan) development process was their political and strategic usefulness, from the American point of view, in the Cold War period following the Second World War (Koo 1987). Between 1946 and 1976 the United States provided a total of $222.4 billion worth of economic and military assistance, loans, and grants worldwide. Of this amount, Korea received $12.6 billion or 5.6% (Light and Bonacich 1988: 42). By 1975 United States commercial banks extended $2.3 billion in loans to South Korea,

which amounted to 83.5% of all commercial loans to South Korea (*New York Times* 1975 November 21). These economic supports have certainly contributed to the Korean development process. However, they paved the way for exploiting the cheap and disciplined Korean labour force through imbalanced trading relations between the core country and Korea as the periphery one, in the structure of international political economy. A brain drain of Korean professionals (whether they were in Korea or in the United States at the time of migration) was also a result of the politico-economic ties between the two nations.

The ways in which people from low socio-economic backgrounds left Korea are different from those of the middle and upper classes. Whilst the former generally went abroad as contract workers or emigrated under the agreements between the Korean government and the receiving nations, the latter emigrated in their capacity as professionals; or took advantage of their qualifications or financial assets; or under the category of family reunion (KDI 1979; I. Kim 1981: 53; I. Yoon 1993: 31). Indeed, the 'emigration' of people from lower socio-economic backgrounds in the 1960s and 1970s was not only the result of an individual search for economic well-being but also a carefully designed state policy to export labour power, as a marketable 'commodity'. Once Koreans left their home country as workers, the Korean government virtually abandoned them, hardly showing any interest in their welfare (N. Han 1992).

Korean Emigration Since the 1960s

Migration of Koreans from middle and upper class backgrounds

The United States was the preferred destination of potential Korean emigrants until the 1980s. Since the enactment of the 1962 Korean government emigration policy, about 75% of all Korean emigrants entered

the United States (KDI 1979: 41; I. Kim 1981). The political and economic benefits for both nations have been the major factors sustaining a continued migration to the United States. About 26,000 Koreans in the 1970s and 33,000 in the 1980s have annually migrated to the United States. The majority of Korean immigrants to the United States in the 1970s had white-collar occupations in Korea such as professional, technical, managerial, or clerical jobs. About 30% of them aged 25 or more were 4-year university graduates, whereas only 22% of all the new immigrants to the United States for the same period and 16% of the United States born population were so (I. Yoon 1993).

Canada was also a popular destination for Koreans mainly because of its geographical location close to the United States. Although the number of Koreans in Canada was only 622 in 1967, this figure had increased to more than 10,000 by 1974 (Yu and Yu 1992: 18).

However, the legacy of the White Australia policy was so influential in Korea that Australia was a doubtful destination, despite the envious attitudes of many Koreans towards the Australian welfare system, perceptions of high living standards and a good environment. The major contacts between Australia and Korea started with Australia sending 1,200 troops to the Korean War (1950-53) to fight against communist attack. In the 1960s, some Korean students and others drawn from government offices, universities, high schools and hospitals came to Australia to study English or to pursue technical education under the Colombo Plan, assisted by the Australian government and UN awards. Some chose to remain and a limited number of geologists, helicopter pilots and teachers migrated to Australia (Buzo 1995: 56; P. Kim 1986: 20-21). The first 37 skilled migrants arrived in Sydney in 1969 and more followed in the early 1970s (*Korean*

Overseas Development Newspaper, cited in Chang 1988: 157). These were the first Korean immigrants in Australia. They were generally university graduates and came from middle class backgrounds (Hyŏn 1976: 1062). Thus, there seemed to have been little difference between the origins of Korean migration to the United States and that to Australia in the 1960s and early 1970s. When the Korean Society in Sydney was formed in December 1968, there were only about twenty households of Koreans, including the officers of the Korean Consulate and students (C. Kim 1992: 431).

Australia started to become a more popular destination for potential Korean immigrants, with the coming of nurses and computer technicians from the early 1980s. About 100 to 200 households entered Australia under the category of skill-based migration every year between August 1987 and August 1991, when the Australian government introduced a stricter requirement (C. Kim 1992: 431).

Sin Dong-A (Song 1995), a popular monthly magazine in Korea, recently explained how to migrate to the three most popular destinations in the 1990s: Australia, New Zealand and Canada. The article starts with three typical cases of would-be-migrants.

> Case one: Mr. A, in his early forties, ... works as a deputy director in a conglomerate company. He is married with two children. He has 'some' balance in a bank account and owns a fair size apartment in Kangnam [a middle class suburb in Seoul]. One day, he became tired of the 'life in Seoul'. Traffic jams and pollution were going from bad to worse. These factors made his life doubly stressful. He started to feel that his ten-year career as a wage earner in Seoul did not offer him much. ... His application for emigration is approved and he is looking forward to leaving for New Zealand, his would-be second home country.
>
> Case two: Mr. B, in his fifties, was a physician, running his own clinic in a small city. He was well-known in the area and he thought that he had earned enough money. He worked tirelessly in his early days as a doctor, and began to earn big money. His children were doing well with their studies. His family would be one that many people envy. However, he was not happy. Looking at so many patients in the reception room every

day, he asked, 'Why should I live like this?' Knowing that some of his colleagues were suffering from the consequences of medical accidents, he became more self-questioning about his life. He was quite tired of the incidents. He looks forward to enjoying his life in the way he likes in Canada.

Case three: Mr. C, in his early thirties, married last year and his wife works. He studied computer science in a university and has worked for a computer company for the last five years. He has accumulated A$150,000. Seoul was not an attractive city to him either. He became frustrated with the limited 'opportunity'. He was worried as he might end his life as a mere employee. He decided to go to a bigger 'pool'. He also wants to pursue further study while he is young enough. Last year, he applied for emigration to Australia. ... He and his wife leave soon for Australia, the land of 'opportunity'.

The above examples are typical of potential middle or upper class Korean emigrants not only in the 1990s but also in the 1980s. Of the many reasons for Koreans to emigrate, Jonathan Willoughby-Thomas (cited in Song 1995: 429), the immigration officer of the Australian Embassy in Seoul, points out that 'the majority of applicants are generally tired of their life in Seoul and they want to live in a society with the least degree of stress'. They want to offer their children better educational and social environments as well, saving them from the so-called 'university entrance exam hell' (cf. Sullivan and Gunasekaran 1993). Some applicants mentioned to the officer that there were too many obstacles for business activity.

Table 5.1: The number of Koreans emigrating to Australia in the 1980s

1980-85	1983/84	1985/86	1987/88	1988/89
About 500 every year	560	1,212	1,825	1,756

SOURCES: Australian Bureau of Statistics and the Australian Higher Commission in Seoul (cited in *Taeyangju Nyusŭ* 1988 November: 14-15 and in *Hoju Dong-A* 1990 June 21)

Table 5.2: The number of Koreans emigrating to Australia under various categories, 1983–87

Year	83/84	84/85	85/86	86/87*	In total	N/year	%
Family reunion	450	561	1,072	616	2,699	675	68
(adoption)	(176)	(309)	(256)	(308)	(1,049)	(262)	
Skill based/ employer nomination	111	87	104	195	497	124	12
Independent		3		649	652	163	16
Business migration	1	11	28	71	90	23	2
Humanitarian			1	3	4	1	
Cultural/sports	3		7	16	23	6	
In Total	568	665	1,212	1,551	3,996	999	100

SOURCES: Australian Bureau of Statistics; C. Kim and Wŏn (1991)
* As C. Kim and Wŏn indicate, numbers include family members and the statistics for 1986/87 are approximate.

The *total* number of Koreans entering Australia permanently has been slightly decreasing since mid-1988 primarily because the Korean economy is booming.[4] However, this was also the time when there were significant wage increases and the number of business migrants to Australia increased significantly (*Hoju Dong-A* 1990 June 21; S. Kim 1990). Although the Fraser government introduced the Business Migration Programme in November 1976, the number of Koreans who came to Australia under this category was relatively small.

Some of the small business persons in Korea undoubtedly have worked diligently to expand their capital. However, some of them made a fortune out of real estate speculation, which was common and almost a legitimate way to become rich in the three decades of industrialization and urbanization from the 1960s to 1980s, despite the Korean government's strict control over the speculation. These 'nouveaux riches' choose not only the United States but also Australia, New Zealand and Canada (*Haeoe Imin* 1987: 17).

[4] The total number of Koreans who emigrated overseas in 1986 was 34,798 and the number in 1996 reached 12,949 or 37.2% of the figure in 1986 (Ŭn-ho Yi 1997: 13).

Australia, New Zealand, and Canada appealed more to some Koreans, who were concerned about the lingering ethnic conflicts, for example, between Koreans and other ethnic groups in the United States, which in part led to the 1992 civil unrest in Los Angeles. Furthermore, following the continuing surplus from international trade since 1986 (e.g., US$4.6 billion in 1986; US$9.8 billion in 1987; US$14 billion in 1988), the Korean government was in search of efficient reinvestments, one of which was to encourage overseas investment. This brought about a liberalization of foreign exchange policy and potential business migrants were allowed to take more capital out of Korea. This has led to the increase of business migrants from Korea to other countries including Australia since the late 1980s. Australia has been the second most popular country for Korean investors, the first being the United States (HKKCH 1989; K. Kim 1989: 123).

However, since 1990 the economic recession in Australia has become much more serious and the Australian government has actively encouraged the entry of business immigrants with capital. Australian government agents went to Seoul and ran seminars to encourage business migration to Australia, and also advertised in daily newspapers in Korea (*Haeoe Imin* 1987). This drew potential Korean emigrants with capital to Australia. Since 1988, an average 100-200 households of Korean business migrants have moved to Australia every year (Song 1995: 432).

Table 5.3: The number of Korean migrants to Australia in the early 1990s

1991/92	1992/93	1993/94	1994/95	1995/96	
1,224	929	673	666	704	
				Family reunion	360 (51.1%)
				Skilled and business	291 (41.3%)
				Others	53 (7.5%)

SOURCE: *Han'guk Ilbo* 1997 February 14: A1; 1997 July 26: A1

Migration of people from lower socio-economic backgrounds

Those who were unable to emigrate to the United States or Canada in the 1960s but who had some capital attempted to go to South America frequently in the hope that they could somehow eventually get to the United States, which was considered to be possible in the 1960s and 1970s. In fact, a considerable number of Korean immigrants and contract workers in many countries, including South America, entered the United States and gained permanent resident status (I. Kim 1981). However, those who were without resources or those who were well educated but unemployed left to find work in South East Asia, the Middle East, and West Germany. It is not the case simply that lower-class Koreans have not responded to migration opportunities (I. Yoon 1993: 23), but that they had no resources nor the required qualifications or skills to reach their preferred destination.

Since the enactment of the emigration policy of the Korean government in 1962, mostly urban residents went abroad. In the meantime, people in rural areas moved to urban areas and some went abroad as manual workers. Unemployment was a worsening problem for many people irrespective of their level of education and the economic rewards for unskilled workers were low in the 1960s and 1970s. There was an enormous difference between university graduates and non-graduates in terms of their salaries. This was because education is the crucial means of upward social and economic mobility in Korea, where Confucianism has been deeply rooted for many centuries (cf. Grayson 1989). In 1976, two-year college graduates and high school graduates earned 63% and 44%, respectively, of the average income of four-year university graduates (Ministry of Labour 1985, cited in I. Yoon 1993).

Unskilled labourers from rural areas found it difficult to satisfy their aspirations in urban Korea and managing everyday life became a problem. This led many of them to join Korean construction companies abroad, such as in the Middle East or mining companies in the former West Germany. A large number of 'fast trained' and a small number of fully qualified nurses also left for contract nursing jobs at hospitals in the former West Germany and Middle East. Many unskilled or low-skilled labourers and a small number of professional and university graduated workers left for the battle fields of South Vietnam in the 1960s (I. Yoon 1993).

Korean emigration to South American nations such as Brazil, Argentina, Paraguay, Mexico, and Bolivia started with the arrival of 91 people of 17 households in Brazil in 1962 after the Brazilian government requested a number of agricultural migrants to cultivate its virgin lands (KDI 1979: 37; I. Kim 1981: 49). However, most of them were urban dwellers, although farming experience was an official criterion for their selection. Half of them were graduates of 2 or 4-year colleges/ universities so they tended to look down on agricultural work and were oriented towards upward social mobility. Prior to emigration, they were wage earners, former army servicemen, or unemployed, never having had anything to do with farming. For the farmers from the rural areas, emigrating overseas was probably beyond what they could think of doing in the 1960s. Not long after the Korean migrants arrived at the farming destination, they left for other cities within Brazil or other countries such as Cuba, the United States and Canada.

Some 25,000 military personnel and civilian workers went to South Vietnam to work in cooperation with American companies during the Vietnam War (I. Kim 1981: 54; Vogel 1991: 62). South Korean capital gains

from the war formed a major source of capital accumulation in the 1960s and 1970s, for instance, South Korea earned $2.3 billion for the three years from 1966 to 1968 (Cole and Lyman 1971: 135).

American and Korean work forces began to withdraw from South Vietnam in 1973. Shortly before and soon after the end of the Vietnam War in April 1975, a number of those Koreans in Vietnam reached the United States and a few thousand Korean civilian workers travelled to Australia as tourists with one month visas with the help of the Easy Visa scheme initiated by Whitlam's Labor government of Australia.

Table 5.4: The number of Korean workers and migrants to selected countries/continents in selected years

Countries/continents	Number (period)
South Vietnam	25,000 (1954-73)*
West Germany	17,000 (1963-74)**
Middle East	50,000–100,000 (1972-78)***
Central and South America	29,739 (1962-79)****

SOURCES: * (I. Kim 1981: 54; Vogel 1991: 62); ** (Hyŏn 1976: 1050); *** (*New York Times* 1978 June 19); I. Kim (1981: 84); **** (Ministry of Foreign Affairs, Seoul, cited in N. Han 1992: 31)

About 50,000 Koreans were engaged in construction work in Arab nations in the Middle East from 1972 to 1978 (*New York Times* 1978 June 19). According to I. Kim (1981: 84), more than 100,000 Korean construction workers worked there during this period. In 1979 sixty-eight Korean companies and 93,000 Korean workers were involved in work in Saudi Arabia alone (Vogel 1991: 62). Schools to teach the operation of heavy construction equipment boomed in Korea in the 1970s since many wanted to earn foreign currency away from the home country, which was troubled with unemployment.

The movement of Koreans to the former West Germany began with the arrival of 247 Koreans to work in mining companies under a 3-year contract in December 1963. After the arrival of 128 Korean nurses in Frankfurt on 31

January 1966, 5,514 Korean nurses went to West Germany by 1977 (*Haeoe Imin* 1986: 69). According to another source, about 17,000 Korean nurses and miners worked in West Germany between 1963 and 1974 (*Dong-a Almanac*, cited in I. Kim 1981: 54).

Hyŏn (1976) suggests several reasons why Koreans went to West Germany. Firstly, few of the Korean miners had working experience in a mining company and 60% of them went there primarily to earn wages. The second group wanted to use West Germany as a stepping stone to go to either Canada or the United States. The third hoped to satisfy their aspiration going to the West without a careful plan; and the last to look for any opportunities to study in a German university. The money they could remit to their family was not much more than they had earned in Korea because of the unexpectedly low wages they received in West Germany. Unable to satisfy their ambitions, many were disappointed and frustrated but did not want to return to Korea after their contracts expired. Instead, they searched for wives among Korean nurses working in the areas near mining fields such as Düsseldorf, Achen, and Bochum. Others married German women (Hyŏn 1976: 1051).

Consequences of Korean Migration for Australia

The significance of the emigration of those Koreans who were unemployed or from lower socio-economic backgrounds discussed above is that when their work contracts expired and/or in the event of dissatisfaction with their immigrant life, several thousands of them entered Australia as tourists and consequently became permanent residents through amnesties, i.e., amnesty migrants. Those who had previously worked in Vietnam, the Middle East, South America and West Germany formed the majority of Korean migrants in the early 1970s, when there were only a small number of skilled/

independent migrants in the Korean community in Australia. The possible end of the Vietnam War was a dark cloud for the Koreans working in the war zone, as it meant financial difficulties for their families in Korea. Even though they wished to find a job in Korea and reunite with their families, they were well aware that the unemployment rate was high in Korea and that it was even more difficult for people with few qualifications, which was the very reason they had opted to leave for the battlefields. Those who had enjoyed a better quality of life or high income in foreign countries found it problematic to return to Korea.

After the expiration of their contracts, some nurses and male workers in West Germany married and migrated to countries such as the United States and Australia, instead of returning to Korea. About 20-30 households from West Germany came to Australia as legal migrants (Kim Hyo-sun, migrant who previously worked in West Germany, interviewed; cf. J.M. Kim 1988). Of those migrants who lived as migrants elsewhere and entered Australia in the 1970s, those from West Germany formed the only group who arrived in Australia as skilled migrants, due to their skills or their wives' nursing qualifications. Unlike Korean amnesty migrants who arrived in Australia in the 1970s, this group of people from West Germany actually lodged immigration applications before arriving in Australia.

Finally, there was another group of people who initially came as tourists and later settled as permanent residents in the 1970s. They are about 80 households from Tongduch'ŏn city[5], a military base of the American army in Korea, from where a large number of Koreans left for South Vietnam.

[5] It was Kim Wŏn-jin who first informed people in Tongduch'ŏn that many Koreans were granted permanent residency in Australia. Kim worked for an American army base in Tongduchŏn, worked in Vietnam during the war and came to Australia in the early 1970s. He became a permanent resident following the 1976 amnesty (Im Chi-hun, amnesty migrant).

They came to Australia after they heard that some of their work colleagues settled in Australia.

CONCLUDING REMARKS

This chapter has explored the political economy of postwar Korean development as well as a number of factors in Korea which have contributed to the migration of Koreans to Australia and other countries. The socio-economic factors of both countries influenced the flow of Korean immigrants to Australia, i.e., the settlement of amnesty migrants or Koreans often from lower class backgrounds in the 1970s; from the middle class/professional ranks since the early 1980s; and small entrepreneurial classes since the late 1980s.

Chapter 6

The rise of biomedicine and the revival of traditional medicine in Korea

This chapter provides an overview of the types of medicine or therapy Koreans now in Australia used prior to their emigration. It discusses how medicine has undergone changes in Korea according to changes in the socio-economic climate. These changes are directly related to the health status of Koreans and the patterns of medicine used prior to and after their emigration. This is especially relevant to the first generation of Korean immigrants in Australia, because they brought many of their cultural practices with them, including their health practices.

Economic development has generally led to the expansion of Western medicine (subsequently referred to as biomedicine). However, the expansion of traditional or non-Western medicine has not generally accompanied economic prosperity. Further, official recognition of traditional medicine together with biomedicine is rare with the exception of China. Nevertheless, Korean society, which experienced rapid industrialization and development over the last few decades has also seen the revival of *hanbang* or traditional medicine as well as its official recognition by the government, though not as

much as in China. This chapter sketches a brief history of bio- and *hanbang* medicine in Korea and discusses the relevant socio-economic contextual factors.

In the Chosŏn dynasty (1392-1910), herb practitioners were so closely integrated into the state bureaucracy that professionalism could not be promoted independently of state control. However, when biomedicine became the official medicine in the early 20th century, the demise of the old structures based on state patronage lowered the status of professional herb doctors. The social status of *hanbang* practitioners continued to decline until they regained a degree of professionalism, coinciding with rapid industrialization in Korea, in the 1970s (B. Cho 1988: 54).

MEDICINE IN THE LATE CHOSŎN DYNASTY

The Chosŏn dynasty officially recognized *hanbang* medicine. Medical personnel were trained for several years in government-recognized medical schools and clinics. In the hierarchically organized Chosŏn dynasty, the dominant *yangban* class (mostly state bureaucrats) benefited from professional *hanbang* practice which originated in China and was introduced to Korea about A.D. 500. *Hanbang* thereafter developed as an indigenous Korean medicine. Conversely, the lower classes depended much less upon professional *hanbang* practitioners, relying instead upon folk medicines and shamanistic practices, where general remedies were based on herbs easily available near the community. Under the centralized government, rural medical facilities were less equipped than those in the capital city. It was difficult to control the frequent epidemics of communicable diseases in rural areas because of the delay in medical practitioners reaching the victims and the general ineffectiveness of available medicine.

In the Chosŏn period, medical practitioners were considered by birth to belong to the intermediate *chungin* class, between the high-class *yangban* and low-class *sangmin* (which included peasants and slaves). In Chosŏn society, where the *yangban* class was the only respected one, physicians were regarded as technicians and the government paid them a non-monetary salary for their services (H.Y. Cho 1935: 138). However, *hanbang* doctors had much better living conditions than did most members of the *chungin* class. Professional, officially recognized *hanbang* doctors derived the major portion of their livelihood from diagnosing or treating sick people. This was not necessarily true of the unofficial or less-recognized practitioners, who maintained other sources of income in addition to medical work. In short, two tiers of medical practitioners existed.

Western medicine was introduced to Korea by Christian missionaries from North America in the 1880s, when Western imperialist powers expanding in the East and local class conflicts resulting from land ownership and the tenant system, caused a national crisis in Korea. A long-time hermit kingdom, the Chosŏn dynasty was forced to become more outward looking, approving a diplomatic treaty with Japan in 1876 and interacting with Western nations thereafter. Western medicine was the most important tool of the missionaries, who adopted a 'social gospel approach' (Dearman 1982). Christian missionaries proved to be at the forefront of the expansion of Western powers into Korea.

In 1884, disagreements between the conservatives and progressives over the retention or elimination of Korea's policy of seclusion led to civil unrest, during which the Queen's nephew, Min Yŏng-ik, a leader of the conservatives, was seriously injured. After the court's *hanbang* practitioners failed in their attempts to treat him, an American missionary doctor, Dr.

Horace Allen, was invited to give him medical attention. After the injured nephew recovered, Dr. Allen became King Kojong's personal physician (in February 1885) and gained the opportunity to establish the first Western-style hospital in Korea (*Kwanghyewŏn*) with special permission and funding from the king in the same year. The Korean population showed great interest in biomedicine. Dr. Allen's hospital served 265 inpatients and 10,460 outpatients in the hospital during its first year. The effects of surgical treatment and medicines, such as quinine, were almost magical for Koreans. *Hanbang* medicine had not provided them with the same dramatic results (B. Cho 1988: 60). By the end of the Chosŏn era American missionaries had built 30 hospitals and clinics around the nation (Yonsei University 1986). Most were privately funded and maintained some Korean students. In 1899, the Severance Union Medical College was established with the financial aid of an American donor (B. Cho 1988).

Biomedicine had a minimal effect on existing medical services, largely based on *hanbang*, until after 1910, when the Japanese imperial government began to impose a German version of modern, scientific medicine on Korean society by providing medical doctors, constructing hospitals, and controlling disease epidemics. This program started to challenge the place of *hanbang* in Korean society and laid the foundations for the hegemony of biomedicine in Korea for many years to come.

The Japanese imperial government was supportive of biomedical doctors and their activities. Biomedical doctors did not need to organize to reap political and economic benefits. They enjoyed high income under the hegemony of scientific medicine. Biomedical doctors, ranging from the graduates of medical schools to self-taught practitioners, were all encouraged to work for the public as a group, in order to convince Koreans that the

Japanese colonial government brought in modern, scientific medical facilities to help Koreans suffering from illness (B. Cho 1988: 61). Such a policy was useful to the Japanese regime set up mainly for the economic and cultural exploitation of Korea (cf. MacPherson 1982: 41-45).

In the early years of the Japanese regime, the major goal of economic policy was to increase rice production. Private ownership was officially implemented and the tenant-farming system was intensified, both of which were effective in increasing rice productivity and extracting the maximum surplus from the peasants. The regime also supplied modern farming tools and methods to the landlords. Rice production doubled between 1919 and 1939, while rice exports to Japan increased 3.8 times. As a result, Korean peasants suffered enormously from rice shortages and malnutrition, despite imports of alternative crops from Manchuria (B. Cho 1988: 64; Kuznetz 1977: 13-18).

The general health of Koreans during the Japanese colonial era was very poor, with life expectancy a mere 22.6 years for men and 24.4 years for women (Seok 1972, cited in B. Cho 1988: 66). Smallpox was still the most life-threatening disease, although it was more efficiently controlled by the Japanese colonial government than by the Chosŏn dynasty.

While the colonial government was responsible for supplying healthy labour, the police collaborated with the health authorities. Village chiefs appointed by the bureaucracy were told to report sick persons to the police. Some victims were taken to hospitals, but most of the patients — Koreans in particular — had to stay at home in isolation because of inadequate facilities in the hospitals. A large number of Korean patients were not even detected or treated by health authorities, but high-quality medical care was available to Japanese residents and a few wealthy Koreans (B. Cho 1988: 70, 72).

Control of epidemic diseases was difficult for a number of reasons. Healthy people refused vaccinations and infected people refused to be segregated in hospitals. A lack of understanding about communicable diseases prevailed amongst the public. Popular distrust of the police, who had demonstrated widespread cruelty at the time of the March First Movement in 1919, caused great difficulty in controlling epidemics. Segregation of the infected after laboratory tests such as stool samples was regarded as a trick to infect healthy persons and to kill Koreans in segregated hospitals (Seoul-si Ŭisahoe 1982, cited in B. Cho 1988: 70). In the Korean cultural context, it was hard to approve of leaving a sick family member under the care of others in segregated hospitals and of cremating the corpse of an infected person. The former was considered ruthless in a culture of close kinship, and the latter was known to be a way to cause misfortune for descendants.

Public hospitals were a major instrument to control communicable diseases, to ensure the dominance of scientific medicine, and also to keep labour healthy and therefore keep productivity high (cf. Johnson 1973). The number of public hospitals in Korea reached 54 in 1937 (T.W. Sin 1986: 132). However, the majority of sick Koreans still had no opportunity to receive medical attention. For example, a mere 5–6 per 1,000 Koreans were treated by the hospitals during the first three years of the Japanese colonial regime (Chosŏn Ch'ongdokpu 1913, cited in B. Cho 1988: 75). In 1937, public hospitals treated 329,165 Koreans and 274,237 Japanese. Most Korean patients came as outpatients. With respect to inpatient care, only one Korean out of 1,000 was hospitalized, in contrast to 30 out of 1,000 Japanese (Keijo Daily News Co. 1935, cited in B. Cho 1988: 76). However, the majority of Koreans had no resources to help them organize politically to meet their health needs.

Of the 105 private hospitals in 1940, 63 were owned by Japanese, 20 by Koreans, and 22 by missionaries (Chosŏn Ch'ongdokpu 1913, cited in B. Cho 1988: 97). In actual capacity they were little more than large clinics. Successful private doctors were able to earn 10,000 won[6] per year, whereas high-level bureaucrats earned 70 won per month (Ŭihak Ch'ulp'ansa 1984: 673-685; Chosŏn Ch'ongdokpu 1922, cited in B. Cho 1988: 98). There were few physicians, so there was little competition among them. The state health sector's limited resources to meet the needs of the people led to a growing private sector motivated by profit. This contradicted the state's official ideology of *sihye*, meaning in this case that medical services were supposed to be provided by the state or the ruler for the well-being of the people.

Indeed, the near-unique case of Dr. Lee seemed to indicate clearly the commodification of biomedicine at that time. Lee Yung-chun (1963) worked as a rural medical doctor after his graduation in 1929 from Severance Medical College, the first modern medical college in Korea. Despite the strong opposition of his friends and colleagues, he willingly accepted the invitation of the Japanese landowner, Rihei Kumamoto, who employed two thousand Korean tenant farmers on his land. Lee's job was to provide free medication to the farmers. According to Lee Yung-chun (1963), provision of such medical treatment to the employees made Kumamoto's farm extraordinary for that era. Kumamoto was fortunate to be able to find a physician who was prepared to work in a rural area. Lee remained committed to non-profit medical activity after Korean independence and into the early 1960s. While biomedicine was already fast emerging as a lucrative business in the 1920s, his personal religious devotion seemed to have made a difference. In his own words (1963: 13, 39):

[6] 1 AU$ is equivalent to 550 won or 1US$ to about 800 Won in 1996.

> Why do other medical doctors not attempt to undertake an enterprise like mine? ... Some of my colleagues acknowledge the worth of my work but they say that under present circumstances it is very difficult to maintain such a non-profit operation; and others point out that publicity and 'diplomatic tact' are wanting. ... I only know the difficult nature of a non-profit health organization. Looking back along the thorny path I have somehow travelled, I pray to almighty God that He give me and my colleagues the light He gave Dr. Avision [one of the first American medical professors at the Severance Medical College] when he was in distress. 'Lord, give me courage and show me a miracle!'

Nurses were regarded as supporters of physicians rather than as separate health workers to treat patients. While doctors received college education, nurses were trained in public and private hospitals, generally for two years. Even at the end of the Japanese regime, there was no regular nursing school independent of the hospitals. There is still a shortage of nurses in Korea. In 1991, there were eight physicians, nine nurses, and eleven assistant nurses for every 10,000 people. The accepted worldwide ratio of doctors to nurses is 1:3 (Stebbins 1986). Much of the patient care in hospital wards has been undertaken by relatives. Ironically, Korean nurses have been 'exported' to developed countries, such as the former Federal Republic of Germany, the United States, and oil producing countries in the Middle East ever since the start of the Five-Year Economic Plan in 1960. In fact, they have been an important source of the hard currency to support the growth of Korean industry.

DECLINE OF *HANBANG* MEDICINE DURING THE JAPANESE COLONIAL PERIOD (1910-45)

The Japanese colonial government provided its own version of biomedicine in public hospitals without charge in order to demonstrate its superiority over Korean *hanbang* medicine. This free service, which was offered to the poor in particular, also aided social control. Biomedicine was a major means to control epidemics and this led to greater national productivity. Despite

the severe shortage of biomedical doctors, *hanbang* medicine, seen as an obstacle to the development of scientific medicine, was systematically suppressed and denied a place in the recognized medical sector. The colonial regime started the process in 1907 by closing down the state-run *hanbang* medical school, Tongje Ŭihakkyo in Seoul (C. Kim and U. Kim 1994: 133). This ended the production of 'recognized' *hanbang* physicians and began the decline of *hanbang* medicine (see Table 6.1). Subsequently, *hanbang* was practised only at the level of folk medicine.

Table 6.1: Number of health workers in selected years, 1915–40

Year	Biomedical doctors	Nurses	Midwives	Pharmacists	*Hanbang* doctors
1915	954	215	517	63	5804
1920	1,111	609	606	93	5,376
1930	1,972	1,120	1,251	234	4,594
1940	3,660	2,098	2,116	598	3,604

SOURCES: Chosŏn Ch'ongdokpu 1920, 1930, 1943, all cited in B. Cho (1988: 92)

In order to revive *hanbang* medicine, *hanbang* doctors adopted some aspects of biomedicine. This was also a strategy to attract the interest of bureaucrats. Sometime in the 1930s, traditional practitioners established a small *hanbang* medical school with a one-year course, where the basics of biomedicine were also taught. The school received limited financial support from a local government authority on the provision that *hanbang* doctors would be dispatched to the countryside, where there were no biomedical doctors. Unlike biomedical doctors, herb reformers criticized state health policies, incurring state hostility toward *hanbang* medicine (J. Lee 1977: 297, cited in B. Cho 1988: 93). The attempted revival of *hanbang* medicine, whose practitioners remained as poor as their clients, did not succeed. It steadily declined under the colonial regime (B. Cho 1988: 92-93).

THE EXPANSION OF BIOMEDICINE

American influence on the health care system became more pronounced after the end of the Japanese colonial government (1910-45) and the start of the United States military government (1945-48), which included landlords, Korean technocrats under the former Japanese regime, and pro-American groups. In 1950, the government successfully carried out an interim land reform and offered a patchwork solution to ease class conflict. In effect, this turned the members of the lower classes away from welfare issues such as medical service.

American-style medical specialist and medical education courses were introduced in the 1950s. Many Koreans also studied medicine in the United States and returned to Korea. As new medical systems were being established, conflicts arose between the old and new health care practices. Instead of relying on the military government, Koreans were encouraged to resolve problems themselves (B. Cho 1994a: 111). This implied a degree of autonomy for biomedical doctors, whose professional organization abetted the commodification of medicine over the following decades. This set the stage for the entrepreneurial medicine of industrial Korea, which became more pervasive during the 1970s and 1980s.

A focus on the control of communicable disease continued, as it was seen to help increase productivity. Smith (1950, cited in B. Cho 1994a: 112) argued that the economic loss caused by tuberculosis and malaria was more than the annual budget of Korea in the early 1950s and that the control of diseases should be a primary component of the American aid program. Another area to which the government paid direct attention was health care for the poor. However, the severe shortage of finance meant that no quality service could be provided. Those who were economically better off had to solve their own

health problems with private doctors, over whom the government had no direct control and who were allowed a relatively high level of autonomy. This provided room for the development of a private sector, thus accelerating the privatization of medicine. Furthermore, doctors preferred not to work in public hospitals, where the facilities were poor and the pay was low. Despite the generally low standard of living of most Koreans in the 1960s and 1970s, doctors began to establish private clinics.

Under the United States government aid program, most professors in medical colleges in Korea visited the Minnesota Medical School for one to two year(s) during 1953-69. Impressed by American medical training, they began to apply it in Korea. For example, research-oriented postgraduate training was adopted in 1959 with Korean government support. However, this was rather inappropriate in light of the poor facilities at that time. After ten years experience with this American-style program, 28.2% of Korean doctors had become specialists (see Table 6.2). The majority of them worked in their own private clinics or at university teaching hospitals, carrying out the work that would have been done by general practitioners in the past (B. Cho 1994a: 137). In other words, they simply earned the nominal title of specialist by spending a few more years being educated.

Table 6.2: Numbers of biomedical doctors and their employment patterns in 1962 and 1969

Type of employment	1962 N	1962 %	1969 N	1969 %	1969 (specialists) N	1969 (specialists) %
Private practice	3,660	71.0	4,448	69.8	1,395	59.5
Medical school and hospitals	387	7.5	574	8.9	417	17.8
Public hospitals	585	11.4	517	8.0	345	14.7
Health administration	184	3.6	194	3.0		
Corporate hospitals	261	5.1	318	4.9	188	8.1
Individual hospitals	77	1.5	346	5.4		
Subtotal	5,154	100.0	6,434	100.0	2,345	100.0
Interns and residents	256		1,036			
Military services	820		1,233		276	
Unemployment	260		416		180	
Unknown	100		506		158	
Total	6,590		9,625		2,959	

SOURCE: Taehan Ŭihak Hyŏphoe 1962, cited in B. Cho (1988: 134)

The large proportion of specialists in the 1960s meant that, although they were accessible without referral from general practitioners, they charged higher fees and thus restricted their services to wealthier patients. Patients turned back to the general practitioners, who had been mostly trained under the Japanese, because they charged much less. These two groups of biomedical doctors with different educational backgrounds consequently competed for more patients, advertising in newspapers and offering unnecessary services. Given their poor standards of living, the majority of Koreans were unable to afford medical attention. When the American government eased immigration quotas for foreign doctors in 1965, a quarter (3,500) of the biomedical doctors in Korea emigrated to the United States (B. Cho 1994a: 137).

However, as the Korean economy started to grow rapidly in the 1970s and the demand for health services increased, biomedical doctors became less organized politically, concentrating instead on the commodification of their

services. The demand for health services increased dramatically with further economic development in the 1980s, until the shortage of medical services became a serious problem. Instead of improving existing public hospitals, the government encouraged the investment of foreign capital and domestic private capital to build more hospitals. Fifty-six private hospitals were constructed between 1978 and 1985 (Pyŏngwŏn Yŏn'guso 1985, cited in B. Cho 1994a: 150). The government also trained more doctors by increasing the number of medical schools. In addition to the twelve medical schools already in operation by the early 1970s, another 14 were established between 1977 and 1985. Although the number of biomedical doctors increased significantly, they avoided going to small cities, preferring to service residents in big cities. This tendency is still apparent today. Junior doctors sometimes have to start in small cities, then they move to big cities where there are better financial rewards and opportunities to establish lucrative practices. This has also been encouraged by the discrepant development in general between large and small cities.

The growth of large-scale general hospitals from the late 1970s attracted significant capital input as the larger hospitals invested in the latest equipment and technology. This attracted a higher proportion of patients. In the late 1980s, two-thirds of the beds in the small or middle-sized hospitals were empty. Of course, most biomedical doctors preferred to work in their university teaching hospitals or large scale general hospitals. According to a survey of medical students, 72% hoped to work in large scale general hospitals or medical colleges, 21% wanted to open their own hospital, and no one planned to work in small or middle-sized hospitals (Yi, Won and Oh 1985).

Doctoring as a Lucrative Occupation

Many medical graduates seek training as specialists in Korea, because general practitioners are not highly regarded. Most Koreans think that a doctor without a Ph.D. in medicine is not highly intelligent. It has become common practice over the last few decades that, no matter how well qualified a medical student is, most applicants for residency, particularly at prestigious universities, have to contribute large sums of money. A typical example occurred in 1993, when a leading university hospital was accepting applications from prospective residents. The applicant with the highest marks on the written exam was marked lowest in the interview, simply because he was not prepared to bribe hospital executives. His application was turned down (KBS 1 Television 1993 December). In contrast, the applicant with the lowest marks on the written exam was prepared to donate nearly AU$0.27 million. He was admitted.

Interestingly enough, the unsuccessful student sat for the exam again the following year. This time, he offered an appropriate bribe and was admitted. In the ensuing court case, the hospital director was convicted and sentenced to prison, but this was not the only such incident of corruption in the health services or society at large. In fact, most Koreans of all classes seem to be aware that contributing a large sum of money to get a high-prestige job such as a doctor, high-school teacher or university professor, has become more or less legitimized in Korean society, where Confucianism's deep roots place high value on such occupations (Han 1994). Would-be doctors especially understand that it does not take too long to recoup the investment, no matter how much they contribute to find a position. Consequently, medical education in Korea pays very little attention to primary health care in the community or preventative medicine, and largely ignores the promotion and preservation of health (cf. Stebbins 1986: 144).

Finally, there is a popular saying in Korea that a girl who wants to marry a medical student should be prepared to offer three keys to her potential husband: the key to a luxurious apartment, the key to a car, and the key to a clinic (S. Hong 1990: 263).

Opposition to Medical Entrepreneurship

It has been observed that the status of doctors in Korea has been declining recently, particularly after the implementation of universal health insurance in 1989 (B. Cho 1994b; Pak 1993). One reason is that people have a greater choice of health services. Although they may have lost a certain degree of prestige, there is no doubt that doctors continue to enjoy many benefits at much cost to low-income earners and that situation is unlikely to change in the near future (cf. Navarro 1988).

The growing concerns of doctors can be seen in several professional associations, such as Ch'ongnyŏn Ŭisahoe (Young Doctors' Association), Indojuŭi Silch'ŏn Ŭisa Hyŏbŭihoe (Humanistic Doctors' Association) and Ilhanŭn Saramdŭrŭi Kŏn'gangŭl Wihan Ŭisahoe (Doctors' Association for the Health of Workers) (see Indojuŭi Silch'ŏn Ŭisa Hyŏbŭihoe 1994), whose major goal is to oppose the prevailing entrepreneurism and to offer their professional skills for the benefit of patients.

Among the problems such organizations have identified are corruption in the health sector and in medical training, over-servicing to increase profit, and bribe-taking before the hospitalization and discharge of patients (Indojuŭi Silch'ŏn Ŭisa Hyŏbŭihoe 1994: 56). However, this movement to reform Korean health practices has so far done little more than point out the excesses of medical entrepreneurship. Although one goal of the movement is to benefit members of the working class, its influence has been minimal

and its protests have been systematically suppressed by the growth-oriented development policy of the Korean government.

Expansion of the Pharmaceutical Sector

The place of pharmacists in the Korean health care industry is significant, because they do more than sell pharmaceutical products. They are often the first ones consulted when people fall ill. The establishment of the pharmaceutical industry in Korea has an interesting history. In the 1950s, the United States aid program provided an enormous amount of pharmaceutical materials that United States companies began manufacturing in Korea, making the country a potential market for American products. Other pharmaceutical companies, in cooperation with multinational firms like Hoechst, Bayer and Merck, were established soon after.

Since there were only 354 Korean and 394 Japanese pharmacists in 1943, they could not satisfactorily distribute pharmaceutical products, so biomedical doctors were also engaged in selling medicines. In 1954-56, however, eleven pharmaceutical training colleges were set up and the number of pharmacists grew rapidly, from 4,696 in 1960 to 14,648 in 1970 (see Table 6.4). At the same time, pharmacists were allowed to sell medicines without a doctor's prescription, and this meant that the public had easy access to pharmacists at relatively low cost. People appear to have become more dependent on drugs as the years went by (K. Pak 1989).

As a great movement of population from rural to urban areas unfolded in the 1960s, the demand for pharmaceutical products among urban wage earners increased significantly. In the 1960s and 1970s, most Koreans suffered from some degree of malnutrition. Supplementary tablets of calcium, vitamins, or iron offered an affordable way to maintain health among wage

earners at all levels. Numerous kinds of health tablets were continually produced. As Korean society became more affluent in the 1980s, a variety of tablets or health foods were brought back by overseas tourists or imported from the West. Advertisements of tablets and other health products still flourish in all kinds of media, including women's magazines and TV. As each new product is introduced, many people are determined to try it. Demand is heightened by increasing awareness of the need to maintain one's health care in order to sustain one's capacity to work in a climate of rapid Korean economic development.

The increasing focus on the tonic effects of medicine that grew out of the rapid structural transformation of the Korean economy and society was a major factor in the revival of *hanbang* medicine. As it has been noted, the most dramatic structural transformation from a land-based agricultural economy to a capital-based industrial society has occurred since the late 1960s. The economic development policies of the government of Park Chung-hee, propelled by United States economic advisers and American-educated Korean economists, centred on maximizing exports by utilizing Korea's cheap and disciplined labour force (I. Yoon 1993: 11). Changes in the distribution of the Korean labour force by industry are presented in Table 6.3.

Table 6.3: The changes in the distribution of the South Korean labour force, by industry, 1960–90

Industry	1960	1965	1970	1075	1980	1985	1990
Agriculture, fishing, and forestry	65.9	58.6	50.5	45.9	34.0	24.9	18.3
Mining and manufacturing	7.5	10.4	14.3	19.1	22.6	24.5	27.3
Service and commerce	26.6	31.0	35.2	35.0	43.4	50.6	54.4
Total							
%	100	100	100	100	100	100	100
No. (1,000s)	7,028	8,206	9,745	11,830	13,706	14,935	18,036

SOURCES: Korea Economic Planning Board (1962, 1965, 1970, 1975, 1980, 1985, 1990, cited in I. Yoon 1993: 13)

THE REVIVAL OF *HANBANG* MEDICINE

The departure of Japanese doctors at the end of the colonial regime and the increased demand for doctors after the Korean War, led the government to invite *hanbang* doctors back into the medical sector in 1951 (B. Cho 1994a: 125). The *hanbang* medical college reopened and received government recognition. National Assembly members also fuelled the revival by blaming biomedical doctors for trying to earn income at the expense of helping the sick. They added that biomedicine relied on imported drugs whereas *hanbang* could utilize the herbs available domestically (Kukhoe 1951, cited in B. Cho 1994a: 125). Despite the fact that *hanbang* regained official respect, the government's health care policies still focused strictly on biomedicine. The number of *hanbang* doctors was relatively slow to increase (see Table 6.4).

Table 6.4: Number of health professionals in selected years

Year	Biomedical doctors	*Hanbang* doctors	Pharmacists
1955	6,141	2,078	1,304
1960	7,765	2,992	4,696
1965	10,854	2,849	10,028
1970	14,932	3,252	14,648
1975	16,800	2,788	19,750
1980	22,564	3,015	24,370

SOURCES: Ministry of Health and Social Affairs 1967, 1971, 1982, all cited in B. Cho (1994a: 128)

Although the insufficiency of medical practitioners throughout the country was instrumental in bringing *hanbang* practitioners back into official favour, most *hanbang* doctors found their place in urban areas, just like their biomedical counterparts. As the Korean economy improved and access to modern technology increased, *hanbang* doctors undertook scientific research to prove the efficacy of their treatments, publishing results in their own professional journals. *Hanbang* hospitals were equipped with modern instruments and *hanbang* doctors wore white gowns. Nowadays, the bulk of the clientele of *hanbang* doctors come from the middle and upper classes, not from the poor largely for economic reasons.

The Use of *Hanbang* Medicine

In understanding health care systems in Korea today, the place of *hanbang* is significant. Cho Sung-nam (1988; 1992) recently carried out an important study about the patterns of health care service utilization among different classes. It is worth examining some of her findings that relate to *hanbang*. She found that 84% of the respondents had made use of *hanbang*, while only 16% had never used it (S. Cho 1992: 21) (see Table 6.5).

Table 6.5: Experience of using Chinese medicine (*hanbang*), by social class

(Unit: %)	Social class Middle class	Working class	Row total
(a) Ever used before			
Yes	85.0	82.6	84.0
No	15.0	17.4	16.0
Total (N)	(213)	(138)	(351)
(b) Purpose			
Restorative	64.7	36.8	54.2
Acupuncture	19.3	42.1	27.9
Diagnosis	14.4	18.4	15.9
Consultation	1.6	0.9	1.3
Total (N)	(187)	(114)	(301)
(c) Reason			
Efficacious	58.7	63.7	60.6
Feel at home compared to biomedical doctors	15.6	16.8	16.1
Hanbang doctors are kind	3.9	0.9	2.7
Cheap	0.6	5.3	2.4
Close to home	0.6	1.8	1.0
Other	20.7	11.5	17.1
Total (N)	(179)	(113)	(292)

SOURCE: S. Cho (1992: 121)

People tended to seek *hanbang* treatments for some selective ailments, in particular: (a) feeling weak in health; (b) pain or swelling in joints or muscles; (c) breathlessness even after light work (see Table 6.6). S. Cho (1992) also asked which option respondents would choose for conditions where biomedical and *hanbang* treatments were equal in cost and efficacy. About 57% of respondents expressed a preference for biomedicine and 43% for *hanbang* medicine (see Table 6.7).

Table 6.6: Choice of health care services for hypothetical symptoms, by social class

(Unit: %)	Social class Middle class	Working class	Total
(a) Feeling weak health			
No action, but wait and see	21.0	37.2	27.4
Self-treatment (sleep, sports)	20.0	28.5	23.3
Hanbang service	18.6	8.8	14.7
Biomedical doctor's clinic	11.0	8.8	10.1
Univ. or general hospital	13.8	2.2	9.2
Pharmacy	10.0	10.2	10.1
Others	5.7	4.4	5.2
Total (N)	(210)	(137)	(347)
(b) Pain or swelling of joints or muscles			
No action, but wait and see	4.3	9.6	6.4
Self-treatment (sleep, sports)	12.4	15.6	13.6
Biomedical doctor's clinic	34.4	21.5	27.5
Univ. or general hospital	16.2	5.9	12.2
Pharmacy	19.0	34.8	25.2
Hanbang service	11.0	7.4	9.6
Community health centre	—	1.5	0.6
Others	5.7	3.7	4.9
Total (N)	(210)	(135)	(345)
(c) Becoming breathless even after a light work			
Proportion of those who would choose *Hanbang*	6.2	4.4	5.5

SOURCE: S. Cho (1992: 122)

Table 6.7: Attitudes toward and perceived efficacy of, biomedicine and *hanbang*, by social class

Unit: %	Social class Middle class	Working class	Total
(a) Preference if both are efficacious and the cost is same			
Hanbang medicine	40.4	46.7	42.9
Biomedicine	59.6	53.3	57.1
Total (N)	(213)	(137)	(350)
(b) '*Hanbang* is as efficacious as biomedicine'			
Yes	78.0	87.0	81.5
No	22.0	13.0	18.5
Total (N)	(214)	(138)	(352)

SOURCE: S. Cho (1992: 123)

Cho's study raises several questions. Firstly, why has *hanbang* become popular for tonic purposes? How was it used in the past? Chŏng Hun-sik's

(1962, cited in S. Lee 1971) study in 1962 indicated that higher levels of education correlated with lower tendencies to seek *hanbang* services. Ten years later, however, Lee Soo-ho (1971: 4) found that university graduates had a slightly higher tendency to seek *hanbang* medical treatment than did other groups and that the proportion of people who sought *hanbang* treatment dropped slightly over the decade between the two studies (from 15.9% to 11.1%). Lee's (1971: 9) explanation was that more people were electing to take advantage of modern, scientific medicine and turning away from *hanbang*. Overall, however, *hanbang* has expanded significantly over the last two decades among people of all socio-economic backgrounds. Advertisements of *hanbang* medicine are common in all kinds of media for purposes that range from restoring health to losing weight.

According to S. Cho's (1992) study, the most frequent types of *hanbang* used are tonic medicines and acupuncture. *Hanbang* tonics were used by 64.7% of middle-class respondents and 36.8% of working-class respondents, while acupuncture was used by 19.3% of middle-class respondents and 42.1% of working-class respondents. In short, the middle class tends to use *hanbang* to maintain or boost their health, while the working class tends to seek acupuncture to fix joint problems or swelling. However, the use of *hanbang* tonics is also prevalent amongst the working class. A significant reason why people use *hanbang* remedies is because of their supposed efficacy. Most Koreans would agree that the efficacy of *hanbang* tonics and acupuncture has been known for a long time. But what explains the rapid expansion of *hanbang* medicine since the 1980s? And why is restoration of health the most frequent reason given for using *hanbang*?

Hanbang is generally considered less effective in curing disease than it was in the past (Kong 1993). Part of the reason is that many diseases not treatable

or even recognized in the past have been understood or discovered by modern medicine. The proportion of diseases susceptible to traditional *hanbang* cures thus continues to drop. Nevertheless, it is clear that *hanbang* provided both restorative (*poyak*) and curative medicine in Korea for centuries when it was the only medicine available. Now, however, it has gradually abandoned its curative functions, apart from the use of acupuncture for swellings or joint problems. Biomedicine has taken over the curative role. In the era of industrialization, the predominant function of *hanbang* is to provide tonic medicine, despite recently revived interest in its curative potential.

Nevertheless, over the last few decades, many of the remedies associated with *hanbang* have become overpriced and largely unavailable to all but the wealthy. One of the major items of illegal imports in the 1980s was deer antler (cited in *Han'guk Sinmun* 1996 March 8: 18). During the mid-1980s, a course of tonic medicine cost about 100,000 won (US$125). In 1987, a man who worked in a metals factory working 11-hour shifts earned US$260 a month (*New York Times* 1987 April 7: 6) and a university graduate's starting salary was around US$400 a month. In general, *hanbang* medicine, including tonic medicine, was so expensive that the majority of the patients came from the middle and upper class, 'not low-income earners' (C.J. Kim 1985: 29-30).

Sich (1978: 31) argues that traditional medicine maintains its philosophical nature, focusing on the individual rather than the disease. Unfortunately, such a conception of herbal medicines did not last long. In fact, *hanbang* has shown the same entrepreneurial growth path as biomedicine, departing from its origins as a holistic medicine to ensure individual well-being. Reflecting the patterns of biomedical practitioners, 80 per cent of herb

doctors were located in the cities by the late 1970s (Sich 1978: 32). By the late 1980s, 96% of *hanbang* doctors worked in urban areas (Lee 1987, cited in S. Hong 1989: 76), preferring large cities. To counter this trend, the Korean government recently decided that *hanbang* doctors could fulfil their military service obligations by serving in rural health centres. In an interview on the occasion of the 14th anniversary of the opening of Kyŏnghi *Hanbang* Hospital, the director advised his *hanbang* medical students never to get into the medical profession in the hope of making a fortune, but instead to try to be respectable medical practitioners (*Insamgwa Kŏn'gang* 1985b: 26).

Just as some biomedical doctors organized to protest against entrepreneurism in their field, *hanbang* doctors formed organizations with similar goals, such as the *Ch'amdoen Ŭiryo Silhyŏn ŭl Wihan Ch'ŏngnyŏn Hanŭisahoe* (Young *Hanbang* Doctors' Association for the Realization of Philanthropic Medical Services). Such groups argue that the high degree of commodification in medicine has created inequities between urban and rural areas in the availability of medical services and has often denied poorer people access to adequate health care. Members suggest that the government should implement better health care policies and should encourage research to develop *hanbang* as an indigenized medicine (*Hanbanggye* 1991). Members are also involved in providing community health seminars and in visiting urban and rural workers with low incomes. According to the president of the Association, 'doctors are not supposed to sit in the hospital and wait for patients, but to go out and serve the patients' (*Hanbanggye* 1991: 82). Noting that *hanbang* medicine has only recently begun paying attention to the victims of industrial accidents, the Association insists that *hanbang* doctors should treat those who suffer workplace injuries. This movement appears to aim at the same goals as cure-oriented biomedicine. In line with these goals, the Association attempts to arrange

opportunities for *hanbang* doctors to treat accident victims so as to prove the efficacy of their remedies (*Hanbanggye* 1991: 83).

Hanbang Education Today

While there were two universities offering *hanbang* medical education in 1972 (S. Hong 1989: 51), today there are 11. This increase was partly in response to public demand, but it should also be noted that a *hanbang* teaching university is not as costly to set up as a biomedical one. *Hanbang* medicine was the most competitive of all the disciplines in the 1995 university entrance exams. The entrance exam is difficult and students who were highly qualified in other disciplines but could not find a suitable opening, are sitting for the exams. *Hanbang* medical colleges and attached teaching *hanbang* hospitals undertake clinical research, and *hanbang* medical services and research are promoted by such organizations as *Taehan Hanŭisa Hyŏp'oe* (Korean *Hanbang* Doctors Association) and *Taehan Hanŭihakhoe* (Korean *Hanbang* Medical Research Organization).

Hanbang Hospitals

There are 36 *hanbang* hospitals throughout South Korea, each maintaining 20 to 100 beds for inpatient care (*Hanbanggwa Kŏn'gang* 1993a). Many of these hospitals provide both biomedical and *hanbang* services. This brings in more patients among those who are supportive of *hanbang* medicine but ambivalent about depending on it alone (Kim 1991c). However, *hanbang* doctors oppose the government's plan to implement a unitary health care delivery system by offering *hanbang* services within general (biomedical) hospitals. *Hanbang* doctors think the plan would lead to biomedicine absorbing *hanbang* medicine, despite the campaign to allow the merits of biomedical and *hanbang* services to complement each other. In some quarters it is thought that *hanbang* medicine will gradually fade away (Yun

1991). The Association of *Hanbang* Doctors suggests, instead, that the unitary system of medical services in China could be a good model because it does not diminish the role of either constituency (*Hanbanggwa Kŏn'gang* 1991a: 34). However, such a model would not be adopted in Korea, because it requires strong government action to counter the dominant position of biomedical doctors in a capitalist society. The biomedical industry obviously has little to lose under the present social and economic circumstances, even if some sort of unitary system came about, whereas the *hanbang* medical industry has real fears of being diminished.

There are numerous *hanbang* clinics and about 300 shops selling herbs (including ginseng) in the Kyŏngdong suburb of Seoul. Many new shops and clinics sprang up during the 1970s and 1980s (*Hanbanggwa Kŏn'gang* 1991b: 22). Rents are very expensive there, but it is well known that every *hanbang* clinic in the area enjoys a flourishing business. Investors are prepared to pour millions of dollars into setting up clinics and hiring *hanbang* doctors.

Ginseng and the antlers of young deer have traditionally been two important ingredients in herbal medicines in Korea. The market is highly commercialized. An important supplier of the antlers is New Zealand, which exports 65% of its output to Korea. This amounts to 600 tons or NZ$45 million a year. New Zealanders used to throw the antlers away, but Korean immigrants commercialized the product and began exporting it in the 1960s. This industry is supported by a scientific research centre with an annual budget of NZ$5 million, whose goal is to improve the product (KBS TV 1995 September 17).

Ginseng is also a highly commercialized product under government protection. Its products include liquor, shampoo, tea, cosmetics, and ginseng in the form of capsules, powder, syrup, or the root itself. The Korean

government carefully controls the quality of ginseng products, and its efforts to promote them internationally have been so successful that demand abroad has increased significantly (*Insamgwa Kŏn'gang* 1985a: 34). However, the highest demand comes from Koreans in the homeland. Ginseng plantations have arisen in China, Australia, and North America, and producers have been exporting the product to Korea both legally and illegally (Sin 1991). This has caused concern for the domestic industry in Korea. There is a continuous campaign to promote Korean products in journals such as *Insamgwa Kŏn'gang (Ginseng and Health), Hanbanggwa Kŏn'gang (Hanbang and Health), Wŏlgan Han'guk Insam (Korean Ginseng Monthly)* and *Hanbanggye (Hanbang Medical World)*. The journals advertise *hanbang* hospitals and clinics and report the efficacy of *hanbang* medicine and ginseng in particular (*Insamgwa Kŏn'gang* 1986).

It goes without saying that Koreans and others have widely acclaimed the supposed efficacy of *hanbang* medicine, such as ginseng and deer antlers, for hundreds of years. Many diseases that were formerly untreatable are thought to respond to treatment; infertile women are thought to become fertile, and so on (C. Kim 1991b). However, the means by which *hanbang* treatments contribute to human health have not been scientifically proven (Rodriguet 1985; Ziebe 1985). Nevertheless, articles and letters to the editors of these journals regularly illustrate the almost magical effect of *hanbang* medicine on numerous diseases, including cancers. It is argued that the combined use of *hanbang* and biomedicine could be very effective for chronic conditions and that no disease is incurable. Some *hanbang* doctors are even attempting to resolve the problem of obesity by utilizing an electronic device (T. Kim 1993). Ginseng and *hanbang* are also said to overcome 'stress, ... the most serious disease in this century' (*Hanbanggwa Kŏn'gang* 1991d; Rodriguet 1985; Yu 1993). Special *hanbang* tonics are also recommended for students

taking the highly competitive university entrance exam in order to maintain their health, help their brains function better, and improve their ability to study (Im 1991).

In the modern era, *hanbang* doctors have also begun to use scientific tools. While health conditions used to be checked by applying fingers to the patient (a method still used by a small number of *hanbang* doctors), more recently trained doctors or those in well-equipped hospitals tend to utilize new machines either developed specifically for *hanbang* or ones already in use by biomedical doctors, such as the stethoscope, sphygmomanometer, and X-rays (C.J. Kim 1985: 28). Most of the patients using *hanbang* medicine favour the use of scientific tools by *hanbang* doctors. *Hanbang* doctors also maintain a few machines to prepare herbal medicines in liquid form and package each dose in a little plastic bag. This has resolved the inconvenience of preparing the medicine in the old way, which involved boiling the herbs in a clay pot for a few hours and then squeezing out the liquid, often risking the danger of accidentally burning the medicine.

The health food industry has become enormous since the late 1970s. The production of honey and royal jelly has been booming, particularly in Cheju Island. Recognized as somehow 'good for the body', they are not only displayed in department stores, but also sold door-to-door. The 1980s saw an enormous increase in health food imports to Korea, many of them supposedly 'genuine' items brought back by Koreans travelling abroad.

The aloe plant is one of the popular health foods in Korea. It was an ingredient in *hanbang* medicine in the past and was also used in many parts of the West. After being applied to the damaged skin of nuclear bomb victims after 1945, aloe or its powder, has been used for a number of illnesses, such as cancer, rheumatism, constipation, diarrhoea, stomach

problems, skin lesions and burns. In Korea, it is most commonly taken on an empty stomach to improve health (Im 1985; C.M. Kim 1985). There have been many inventions, as well, to help people recover quickly from ill health or fatigue, including the 'biotech back massager' (*Hanbanggwa Kŏn'gang* 1991c).

Unusual Remedies

Koreans have pursued other unusual strategies to take care of their health over the last few decades. The food supply in Korea has rarely been sufficient, particularly during the period immediately preceding the economic development that began to take effect in the 1970s. The majority of the population barely survived on so little food. Many resorted to eating fine tree bark, especially in the last months before the barley harvest. Lack of food may have led some to kill domestic cats and dogs, or to hunt frogs, snakes, and other small animals. The protein from such animals helped strengthen their weakened bodies. Even today, when there is enough food, cats and dogs are often major ingredients in tonic medicines, and snake is even used as the last resort to treat some diseases.

Overseas tours have become common since the 1980s, especially among the wealthier members of Korean society. One tourist attraction in countries like China and Thailand is the opportunity to insert a straw into the gall bladder of a bear and suck out the liquid, which is thought to purify the blood, lower blood pressure, and make the liver function better. Tour agents have organized special tours for this purpose, even though a sip of this exotic tonic costs as much as a month's salary for a low-paid worker. Another exotic quest involves searching for a special type of ginseng called *sansam* [mountain ginseng], which is supposed to have magical healing or restorative powers. These rare roots cost as much as US$25,000 each (Ziebe

1985). Once again, the consumers are those who can afford it, not necessarily those who need it (Im 1985).

Anything believed to be 'good for the body' is highly sought after by many Koreans, even worms, insects, and cats. One highly valued bear gall bladder might cost as much as the price of a good apartment in Korea. This engendered many counterfeits and enticed some Korean tourists to bring the gall bladders of pigs and dogs back from overseas (Kang 1985: 41). In one story, a domesticated bear kept deep in the mountains received a gall bladder transplanted from a pig. A buyer led a group of people to the spot, opened the bear's belly, and sold the gall bladder to them (Kang 1985: 42). Raising deer and bear has also risen in popularity since the late 1970s. Such businesses started with imported animals, but *hanbang* doctors have argued that imported deer antlers and gall bladders are not as effective as those found in the wild in Korea.

The Role of Pharmacists

The increasing lucrativeness of *hanbang* tonics and medications has led to conflict between pharmacists and *hanbang* doctors over the right to prescribe them (Yi 1993a; Yi 1993b). Both pharmacists and *hanbang* doctors had the right to prescribe and sell *hanbang* medicine under the government regulations in effect during the 1970s, when there were relatively few *hanbang* doctors despite steady public demand for the medicine. Although *hanbang* doctors claim that they should be the only group of health workers to prescribe *hanbang* medicine, there was no severe conflict between the two professional groups during the 1970s and early 1980s.

Now, however, the demand for *hanbang* tonics has become so enormous that *hanbang* doctors have become more vocal about asserting their exclusive right to prescribe and sell herbal medicines. They believe that only

those who have been educated in the concepts behind *hanbang* medicine should be allowed to dispense *hanbang* medications. The introduction of universal health insurance in 1987 only exacerbated the problem by redirecting a large number of patients from pharmacies to health clinics or hospitals. Conflict intensified between the three major medical interest groups and, in August 1993, pharmacists and *hanbang* doctors staged large-scale demonstrations (*Dong-A Ilbo* 1993 September 22). Pharmacists closed up shop, causing great inconvenience to the public. *Hanbang* and pharmaceutical students participated in separate hunger strikes for weeks to claim their respective rights in the medical services market. Relations were also tense between *hanbang* and biomedical interests (S.D. Han 1993). Pak Chŏng-sŏn, a practising *hanbang* doctor, suggests that pharmacists want to retain the right to prescribe and sell herbal medicines, *hanbang* tonics in particular, primarily for their own economic benefit (*Hanbanggwa Kŏn'gang* 1993b: 61). Some pharmacists agree (Yi 1993b: 41). The same can also be said of *hanbang* doctors who claim exclusive rights to supply herbal medicines. Pak admits that much of the conflict can be attributed to *hanbang* doctors who prescribe mostly expensive tonics rather than many other kinds of lower-priced curative medicines.

On entering a Korean pharmacy, one generally sees two types of medicine shelves: one for biomedical pharmaceuticals and another for *hanbang* medicine. This situation appears to argue for the existence of two different kinds of medicine. But in pharmacies, both kinds of medicine are sold and both medicines are highly commodified.

HEALTH INSURANCE IN KOREA

Health Insurance in the 1970s

Health insurance has been a national issue since Independence from Japan in 1945. Park Chung-hee's government drew up a regulation for health insurance in 1963. However, it was not until July 1977 that government-supported health insurance was implemented for employees of companies which had 500 or more workers. It was further applied to the employees of companies with 300 or more, public servants and to private school teachers in 1979. There were a few reasons why health insurance had to be brought in during the late 1970s (PSY 1989; Son 1981; Son 1983). Firstly, whilst the talks between the North and South Korea were going on in the early 1970s, the Park military government attempted to offer better conditions in the South. Health insurance received attention.

Secondly, since the start of the Five Year Economic Plan in 1960, South Korean economic development was always growth-oriented or focused on capital accumulation. The distribution of wealth gradually became a serious social problem in the 1970s. In addition, the maintenance of the legitimacy of the military government, which was protected by all possible means such as the President's Special Law under the National Crisis, came to be questioned. These led the government to include health insurance, a popular measure in the Fourth Five Year Economic Plan which commenced in 1975.

Thirdly, the introduction of health insurance was one way to ensure the reproduction of labour power. The Korean economy was booming in the second half of the 1970s, due to the prosperity of both heavy and chemical industries and with the large demand for workers by the Korean construction companies operating in the Middle East. Capitalist

organizations such as the National Association of Business Executives and the Korean Chamber of Commerce argued for the immediate implementation of insurance, as they were concerned about the stable supply of healthy labour power (Ch'oe Se-jong, n.d., cited in PSY, 1989: 126). This was the reason the first benefits went to the companies with 500 or more workers in 1977, and were extended to the companies with fewer workers in the following years.

Health insurance, which was hurriedly implemented by the executives of big companies and the state, has not necessarily been beneficial for the workers. Whilst low income earners contributed a significant proportion of their income, the contributions by the state and capital were relatively little. Further, the workers were kept out completely from the decision making process (PSY 1989: 127). Another problem was that those who had no health insurance were charged extra to make up the gap on income received by medical practitioners when they provided services for the insured (Yi 1985: 233).

Health Insurance in the 1980s

The 1980s saw health insurance extended to the whole population. The benefit applied to the workers of companies employing 100 or more in 1981; 16 or more in 1983; and 5 or more in 1988. It was given to the residents in the agricultural and fishing communities in 1988 and to urban residents in 1989.

As soon as Chun Doo-hwan came to power, he declared that health coverage of the whole population should be implemented from 1988. The initiation of health insurance in the 1970s went ahead, according to the needs of the ruling fractions involved in the state, and there was little conflict in implementing the policy. The most significant aspect of Korean health insurance was that the necessary funds came from the workers. For example,

individual patients paid more than 60% of their medical cost in, say, 1983 (Kwŏn 1986). This became unacceptable when the offer of insurance was made to the residents in the agricultural and fishing communities, who had been left out of the distribution of wealth under the growth-oriented economic policy manoeuvred by the state and capital.

In reaction to the enforcement of contributions to health insurance, residents in the agricultural sector suggested an adjustment. The reluctance of the state (favouring entrepreneurs) to listen to the agricultural community brought about a national movement (involving a small number of medical professionals, the urban poor, low paid workers and university students) seeking a rethink of health insurance in general. The movement meant that the farmers' request to lower their contribution eventually brought out into the open fundamental problems with respect to health insurance, such as who would contribute and who would benefit; and the conflict between capital and labour. It was proposed that there be a progressive contribution to the insurance fund, according to the level of income, and that this taxation should be the main source of funding and the state should be in charge of administering it.

The Characteristics of Korean Health Insurance

(i) Management

A few hundred different bodies managed health insurance schemes, the members being classified according to their work, employer and area of residence. This is not irrelevant to the idea that individual job sectors look after their own members and that people watch over their own health, both of which are opposed to the notion that the whole society is responsible for the health of its members. The government deliberately chose to keep a large number of management bodies, which are nevertheless under the

strict control of the national body and the central government (PSY 1989: 132).

(ii) Contributing method

The relevant governing body determined that 3–8% of the average regular income had to be contributed to health insurance. Half the contribution was taken out of the individual wage and the employer contributed the other half. The problem posed by this method is that the higher the income, the lower the proportion of basic income that is paid. The high income earners tend to have additional incomes, such as penalty and bonus payments, and earnings from real estate. The calculation of the contributing proportion is based on the basic income only. Therefore, low income earners paid a higher proportion of their total income than high income earners (S.G. Ch'oe 1988).

(iii) Contribution through national revenue

The state has continually refused to use taxation revenue for health insurance, because the contribution was considered to affect adversely national savings which gave priority to a growth-oriented economic policy rather than one which was distribution-oriented. For example, the revenue made no contribution to the health insurance of employees in private sectors and it paid only the cost of managing some insurance offices. In the case of the public sector, revenue paid half the contributed amount (i.e., half of the 3–8% of the average income); and in the case of private schools, the owner paid 30% and the national revenue paid 20% (K. Yi 1985: 236). Even when the farmers and fishermen joined the insurance scheme in 1988, the national revenue paid only 35% of the required insurance fund (i.e., contributing amount plus management costs).

Just before the national poll in April 1988, the state agreed to pay 50% of the fund. However, after about 20% of the fund is used for management, only

about 30–40% of the required insurance fund was met by the revenue (S.G. Ch'oe 1988: 134).

(iv) User pays

Furthermore, when people used medical services, they had to pay 20–100% of the doctor's consultation fee and 20–55% of the cost of medical treatment. In other words, patients pay about 50% of the bill, in addition to what they had already contributed to the health insurance.

Nonetheless, health insurance benefits are not claimable for preventive medical treatment, such as health check-ups; or for non-acute health care attention for chronic illnesses. It seems obvious that health insurance in Korea is not meant to help a person live as a healthy member of society, but rather to assist the person maintain the minimum physical health required to work (PSY 1989: 135).

DISCREPANCIES IN THE HEALTH CARE SERVICE UTILIZATION

Although absolute poverty in Korea has been reduced to a great extent, relative poverty, gauged by the percentage of the population below one third of the national median income, has increased—from 5% in 1970 to 14% in 1978 (Koo 1984a: 1030, cited in I. Yoon 1993: 41). Even in the mid-1990s, when the Korean government was trying to become a member of OECD, the situation remained unchanged. Ross Stark (1995: 23), an Australian visitor to Korea, wrote,

> South Korean society is considerably divided between rich and poor. While there, I shared the living conditions of those Koreans who do not have many privileges or resources. Sleeping on the floor, few toilets and showers, a lack of running water, dense smog and the stench of garbage decomposing were a few striking ...

I visited Korea in 1995 after several years absence, having heard from many Koreans in Australia that Korea was really an affluent society. However, I agreed completely with Stark. The living conditions of the poor in urban and rural areas had become relatively more impoverished, compared with those of the urban upper and middle classes (cf. Stebbins 1986: 144).

In the early 1980s, the number of industrial accidents in Korea reached 135,000 every year and 1,300 people died per year. Korean accident rates were 6 and 2 times higher than that of Japan and Singapore respectively (SNUMC 1989). In 1990, 2,236 workers died as a result of industrial accidents (*Hanbanggye* 1991: 82). Japanese and United States' chemical industries, which had been seriously limited by environmental regulation in their own countries, have taken advantage of the South Korean government's neglect of the impact of pollution on workers and the environment and have moved their operations to Korea, where there is also cheap and industrious labour.

The most highly developed biomedical and *hanbang* facilities are concentrated in the metropolitan areas, particularly in Seoul. Furthermore, there are many tiered hospital systems within the Seoul area. Well equipped, modern university hospitals tend to accommodate middle or upper class patients. In recent years, private and most university teaching hospitals have been busy importing super hightech medical equipment, often costing more than half a million dollars, as they wish to make their medical service more lucrative. Well-to-do people may be admitted to university teaching hospitals, even when their ailment is minor (e.g., flu) thus pushing aside patients in need of urgent care (H.T. Hwang 1992).

The depositing of a sum of money is compulsory prior to hospitalization. Such hospitals maintain reserved area for VIPs, such as company executives

and politicians. When such patients check out, they often bring precious gifts to a few doctors who cared for them. The gift may range from a sum of money to a new car. Even if a patient can barely afford to pay the hospital, she or he is directly, or indirectly, asked to bring some sort of gift, usually some cash in an envelope. If the doctor does not receive the bribe she or he may tend to keep the patient hospitalized until it is forthcoming. If it becomes too delayed, a junior doctor makes mention directly to the patient's relative so that the 'hostage' can leave the hospital.

Working class patients cannot usually think of being admitted to prestigious hospitals. It is hard for them to afford the deposit of a large amount of money. They go to less prestigious hospitals or to public ones. There tend to be long waiting lists to get into the latter. No matter how seriously ill a patient may be, the deposit of a sum of money is often necessary. The victims of motor car accidents do not necessarily have priority to receive emergency care, unless it can be shown that the victims have sufficient wealth. Victims who are not sufficiently well off to pay a deposit are sometimes refused by one hospital and taken to another, until such time as the victim does not need any more attention.

It is not only medical practitioners who collect 'improper gifts' from patients, but also nurses. It is usually the head nurse in a ward who is given gifts by patients' relatives. The gift for the nurse ranges from underwear and stockings to 'cash in an envelope'. The head nurse shares such gifts as underwear and stockings, but not the cash. This has made the position of head nurse quite attractive. The competition for the position is extreme and the promotion process is not always fair.

CONCLUDING REMARKS

Although there were signs in the early 1970s that *hanbang* medicine was being used more and more as a preventive, rather than as both a curative and preventive as it used to be, the demand at that time for tonic or restorative traditional medicine was not as conspicuous as it is now. This was due in part to the fact that most Koreans were not able to afford the expensive tonics. Wage earners in particular lacked the resources to devote to their health concerns. It is also possible that during the early stages of economic development in the 1970s, such issues were not very high priorities among employees who had to work at unstable jobs for minimum wages, able to be fired at will, and with no support from trade unions.

Professional organizations, research, and journals have led the way in promoting *hanbang* medicine. Some, like the director of Kyŏnghŭi University *Hanbang* Hospital, argued for including *hanbang* medicine in health insurance coverage to widen patient access to it (*Insamgwa Kŏn'gang* 1985b: 26). Many Koreans wanted *hanbang* medicine to be covered by the national health insurance system. However, when this occurred in February 1987, it was only the middle and upper classes that benefited, just as with biomedicine. One reason is that insurance did not cover herbal medicines, which were most frequently (83%) prescribed by *hanbang* doctors. Another reason is that the national health insurance fund had to be used for biomedical services as well, and thus was at risk of being consumed too quickly (C. Kim 1991a). In effect, only middle- and upper-class patients can seek *hanbang* medical services. Low-income earners have only limited access, apart from acupuncture, since neither community health centres nor public health clinics or hospitals offer *hanbang* medical services at reduced rates for the needy (Kim 1991a: 26).

By comparison with the fate of traditional medicine in many other Asian countries, *hanbang* has grown enormously in Korea (*Hanbanggwa Kŏn'gang* 1991a: 33). The September 1951 bill to officially recognize *hanbang* doctors in South Korea was primarily a response to the shortage of biomedical doctors and the colonial-era suppression of *hanbang* medicine, seen as uniquely Korean. This bill enabled *hanbang* medicine once again to firmly establish itself. Meanwhile, changes in the socio-economic and political climate have enabled *hanbang* medicine to reclaim its legitimate place in Korean society. Within this context wage earners seek to best exploit the available means (whether biomedicine or *hanbang* herbal medicine or others) to improve their health, which is the fundamental basis of their labour power.