The Illusory Chaebol Republic

In the globalized economic structures of the world today, names such as Samsung, Hyundai, and LG have become household names often associated with high technology consumer goods such as phones and television sets, and with heavy industries such as shipbuilding and automobiles. These companies, are not simply South Korean\(^1\) brands that have “made it” at the global scale in terms of name recognition and large profits. Known as “chaebol” in South Korea, the organizational structures of these companies and the associated economic power gives these companies and their founding-manager families great economic clout in the South Korean economy. Their near monopolization of economic power in today’s Republic of Korea (ROK) earns them a position within the “power elites” of South Korea. However, given the historical development of the chaebols and the ties of the chaebols to the state, the question of whether the chaebols and the families that control them are not just economic but also political power elites presents itself.

As such, this paper will aim at understanding the dynamics between the state and the chaebols, the political and the economic sphere, asking whether the chaebols and the families that control them are not only the economic but also the political power elites of South Korea. I will be arguing the point that although the chaebols and the families that control them have ties to the state and the government, they are not political elites themselves although their power and position is of great importance to politics. In arguing this point, this paper will first briefly inquire as to what are the criteria being sought for political power elite status; then look at how the chaebols are positioned as economic power elites; discuss the history and reality of the

\(^1\) I will be using the Republic of Korea and South Korea interchangeably. However, the term South Korea will figure more prominently due to its versatility of use.
chaebol-state relationship in South Korea; and move on to an analysis of whether history and current practice validates the chaebols as political power elites of South Korea.

Defining Political Elites

Integral to the discussion and argument of this paper is the way in which the term “political power elites” is framed and defined. For the purposes of this paper the parameters being used to define a certain group as political power elites depends on whether a clear, decisive, and overwhelming control over the political decision making, policymaking, and domestic and foreign affairs exists. In this sense, for a democratic republic, the political elites would be considered those members of parliament – or congress – and the members of the executive branch of the government. Members of the judiciary, from the higher courts that hold the right of constitutional and legal review may also be included under the definition of such elites, especially given their ability to define the scope of law and policy.

Such a definition precludes two major points items from discussion. For one thing, lobbying and corruption are taken out of the discussion because they do not constitute a “clear, decisive, and overwhelming” control of the policymaking circles. This is for two main reasons. On the one side, although lobbying does not exactly depend on the direct transfer of money whilst corruption in this context does, such activities either are or they border on the criminal. What is being sought after here is legal and legitimate political power, within the existing democratic republican political structures of South Korea today. On the other side, although economic power might be used in influence “peddling” by businesses and politicians, it is rarely the case that a politician can be said to be bought outright by business interests. Thus, such “peddled” influence only remains loyal to its acquirers until money runs out, a higher bidder appears, or a popular or constituent concern emerges, making power obtained as such a fleeting
phenomenon. Furthermore, politicians and state officials always have the option of pressuring companies into such transactions, where influence might not even become a bargaining chip. As such, for the confines of this study it is not important how much money chaebols might be funneling into politics and friendly politicians in South Korea, because such actions are not taken to be path towards legitimate and legal power in politics that is decisive and overwhelming.

Secondly, such a definition removes from consideration any backroom deals that might be made between government and business. Informal networks of coordination and cooperation, although they might bolster the elite status of those groups invited to them in their respective fields, for the purposes of are not taken as avenues that create political power. This is because such arrangements are not only secretive – going contrary to being clear – they also do not guarantee that the outcomes – contrary to being decisive and overwhelming – are the products of one of the parties present and involved. In such arrangements, it is usually the government that has the upper hand, because it has greater control over policymaking and because it can renege on private promises or deals without much backlash. Under such an asymmetry of power, which exists in these types of arrangements, the ultimate point of authority remains the state and it is the state that decides whether or not to act upon the outcomes of such meeting. As such, while there are historic examples of chaebol leaders and the top echelons of power meeting with each other – which will be discussed in a later section – these do not necessarily end up meaning that the chaebols have political as well as economic power because ultimate political power lies elsewhere.

**Chaebol Families**

In the economic sphere, especially with regards to chaebols, it is not particularly hard to understand how these companies and the families that control them have become the economic
elites of South Korea. Looking at the chaebols holistically, two important areas of discussion into the creation and maintenance of the elite status of the chaebol can be identified. Namely, these two areas are the organizational structures and practices of the chaebol, and their position of power and control over the South Korean economy.

Looking into their organizational structures, the FARS relations “model” of Chan Sup Chang, which stands for family-alumni-regional-state relations, is one tool that is easily accessible and beneficial in understanding the basics of power and control within the chaebol (C. Chang 52). For the purposes of this section, the focus will be on family, alumni, and regional relations, as the state-chaebol relations fall under the scope of the historical analysis of the following section. It can be found that, since their inception and even today, much of the chaebol have been family enterprises owned, managed, and controlled by the founding family – which I will call chaebol families – which have become “founder-managers” of their respective chaebol’s (C. Chang 52; Y. Kim 22; P. Lee 6; Kuk 128). In this way, the chaebols – from their inception – have been configured as enterprises under the exclusive control of a narrow group of people, where the head of the family became the head of the chaebol, with relatives and children occupying positions of power within the chaebol. Wealth and economic power have been concentrated at the hands of a few people, where power and control have been solidified further by the familial connections that existed between the holders which eased the creation of elite consensus and unity. Furthermore, due to familial control over the chaebol, the wealth and power of one person could be easily inherited by one of their kin, which would ensure that the elite status of chaebol founder-managers could continue unbroken. As such, when one talks about the chaebols as the economic power elites of South Korea, this is synonymous with talking about the
chaebol families as the economic power elites of South Korea, which is central to the approach of this paper in its final analysis.

Besides family connections, the recruitment schemes of the chaebol favored specific alumni and regional connections, which they tended to share in with those that they recruited. With regards to alumni, the chaebols sought to recruit those that had graduated from the most prestigious universities of South Korea, the so-called “SKY” group of Seoul National, Korea, and Yonsei universities (C. Chang 53; Y. Kim 31-32). By using such alumni connections, which can be seen as a pursuit of academic elitism on the part of the chaebols, what was guaranteed was a supply of well-educated and highly skilled personnel, which the chaebol families could count upon to perform well. On the flip side, this recruitment pattern ensured that those who graduated from these institutions would be highly likely to enter chaebol management positions, and that the main beneficiaries of the chaebols’ economic power would be drawn from a network of people who studied in the same institutions. Regional connections on the other hand, turned the chaebols towards recruiting personnel from the hometowns and home regions of their founding-managers (C. Chang 53-54; Y. Kim 30-31). As such, in terms of what can be called regional elitism, the chaebol families turned to those people whose managerial and entrepreneurial prowess had already been confirmed by that of the chaebol founder-managers. Thus, this recruitment practice allowed for the benefits of chaebols’ economic prominence and success to be channeled into certain regions and citizens of South Korea, whose performance could be counted upon to further the chaebol cause.

As such, while the chaebol families through their economic wealth, power, and control became the leading economic elites whilst creating a corporate bureaucracy through their recruitment practices that favored certain educational and regional connections and networks.
The fact that the chaebol turned to recruiting people from specific educational and regional backgrounds reflected a desire to bring together people with similar worldviews and managerial spirits, who could work in unison with the direction the chaebol families set for their companies, to the exclusion of others from chaebol structures. What must be noted is that within the structures of power and control that existed within the chaebol, the creation of a corporate bureaucracy—which was expected to work loyally and in total subordination to the chaebol families—allowed for the broader economic power and elite status of the chaebol families to be reinforced. This happened as the chaebol attained those organizational factors that would allow them to pursue greater efficiency, profits, and corporate diversity and control across sectors where greater control, power, and wealth would be channeled upwards to the chaebol families.

The elite status of the chaebol families has also been furthered and reinforced by the broader organizational structuring and ownership patterns of the chaebols. As conglomerates, whose reach extends to many—at times unrelated—industries, the chaebol families have maintained their control over these vast conglomerates through a practice known as “circular cross-shareholding” (Chiang 58; P. Lee 15; Albert). To illustrate how this ownership structure worked, it is best to use a brief example, where I will make use of the name of the now defunct Daewoo Group to make the example more concrete. In its most basic form this was an arrangement where Daewoo Group, being the parent company in this instance, would own controlling shares of Daewoo Electronics, which would own controlling shares of Daewoo Motors, which would own shares of Daewoo Group itself.² Within such an ownership structure, what emerged was a situation in which the chaebol families maintained total control over and

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² I am entirely making this example up. I am only using the name of Daewoo Group and its affiliates Daewoo Electronics and Daewoo Motors because the conglomerate itself is defunct and its continuing subsidiary groups are under the ownership of different group. Furthermore, the name Daewoo would be much more recognizable and concrete in this context that using the names company A, B, C which is better used in an economics textbook.
funneled profits from their conglomerates, with minimal investments and risks on their personal wealth and power (Hattori 470-471). Thus, the chaebol families could constantly enlarge the sectoral outreach and presence of their conglomerates, increasing their wealth and power over the economy of South Korea, with the option to bail without much risks to their name, if their subsidiary businesses went under. Under these conditions, the economic power and prominence enjoyed by the chaebol families was reinforced much easier than it was damaged, which ensured that the elite status of the chaebol families was – on the balance – strengthened by the continuous success and growth of the chaebol. Furthermore, the chaebol families, by ensuring that their companies held stocks and maintained control over one another, with them controlling the parent company, also contributed to the further concentration of economic power at their own hands and protected from being dispersed.

Looking into the position of power and control the chaebol enjoy over the economy of South Korea, what is apparent is that an overwhelming percentage of the South Korean gross domestic product (GDP) is produced by the chaebols and the chaebol families that own them (C. Lee 261; Albert; Chiang 58). As such, it can be argued that the chaebols are effectively dominating and wielding massive influence over the economic fortunes of the Republic of Korea, which is to a great extent dependent upon the success of the chaebol to deliver growth and prosperity to the people. In charge of the chaebols, and in effect at the helm of the economy, are the chaebol families whose power over the economy can have an effect on the lives of all South Koreans – regardless of whether they are part of the chaebol corporate bureaucracies or not – because it is in their power to deliver a boom or a bust situation owing to their significant influence. The accumulation of such power, and such responsibility, at the hands of the chaebol families works to bolster their positions as the economic power elites of South Korea.
The Making of the State-Chaebol Complex

The makings of the state-chaebol complex, what has been termed “Korea Inc.” by some observers, has its roots in the colonial period in Korea, where the Korean businessmen had been firmly taught that they needed to play it well with the state to succeed (Woo 66). Thus, the roots for such cooperation had already been in place and in practice by the time the Park Chung-hee took power in 1961 with the May 16 coup. As Park turned towards the economic “rejuvenation” of the nation he soon found that the best way to achieve his policy objectives and to maintain his legitimacy was to ally with the chaebols that had the organizational size and economic capacity to deliver what the needed (Kim & Park 270, 271; Kuk 115-116). Park choice of existing chaebols as his partners in carrying out his economic policy objectives ensured that the already economically privileged chaebol families would be further privileged and given preferential treatment which would increase their economic power. Thus, the path to solidifying the position of the chaebols as the economic power elites of South Korea, without any alternatives, was established and embarked upon by the Park government.

It can be seen, that the longevity of the chaebol and their economic fortunes depended upon an operational framework that Park had carefully constructed in order to keep the chaebols in check. Park made sure that the chaebol submitted to his broad policy directions; constructed a system of competition between the chaebol for government favor; and made it clear to the chaebol their economic dominance came in exchange of their distance from politics (S. Kim 85-86; Kuk 109; Kim & Park 268-269; K. Hwang 309). What emerged was a system in which the Park government became the ultimate arbiter of economic policy over the chaebols, driving them

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3 In using the names of South Korean individuals, I will be using the family name first order. However, in the romanization of Korean I am not adhering to a particular convention but rather using the most common method of romanization that I can find.
to constant growth and expansion in order to secure further funds, which would then be used to fuel the established patterns of investment. As such, the chaebols depended on their own success and their good standing with their political overlords, in order to sustain their businesses and business practices. Critically, the chaebols were fenced into the economic sphere by Park, who did not want to see the economic power of the chaebols translated into political power which might come to rival his own. As such, what can be observed is the active removal of the chaebols from candidacy to political elite positions, by the existing political power elites. Furthermore, Park concentrated political power upon himself and his office, and had a preference of directly reaching out to and working with the chaebol founder-managers himself (Kim & Park 275). By employing such a method of cooperation Park managed to exercise personal power and authority over the behavior of the chaebols, because his decision to make deals with the chaebols’ founder-managers meant that these men were to be responsible to Park’s judgement in their successes and failures. As such, not only could Park gather at his hands the power to direct the chaebols to his own policy goals, but he also had the power to reward their successes and punish their failures with direct involvement.

In the realm of policymaking and enforcement Park had also crafted a system in which the state held ultimate power over the economy, which depended upon two critical economic state institutions. Those two economic state institutions, central to the power Park enjoyed over the economic life of South Korea, were the Economic Planning Board (EPB) and the Bank of Korea (BOK). On one hand, the EPB acted as a mechanism for economic policymaking through which Park centralized and solidified his power over the direction of the South Korean economy (K. Hwang 308; Kim & Park 270; Pirie 34-35; Hwang & Yülek). On the other hand, the BOK acted as a tool for the Park government to manipulate the economy for further development and
to punish those chaebols that had not kept up their end of the relationship they had with the state (Pirie 31, 34-35; Kang 187). As such, these institutions helped bolster the power of the state vis-à-vis the chaebols because they gave Park an overwhelming amount of power and authority to influence the direction of the South Korean economy on a sectoral basis, control the flow of funds and investments, and decide the fate of those chaebol he found in breach of contract.

A final dimension of Park’s power over the economy of South Korea and the chaebols rested with the ability of the state to maintain control over the nationalized financial institutions and the finances available to the chaebols (S. Lee 439, 440; C. Lee 259; Kuk 110; Kang 188). Going beyond the power the EPB and the BOK gave to Park in controlling economic policy and maintaining chaebol loyalty and compliance, control over the financial sector gave the government total control over the supply of funds in the South Korean economy. The fact that the government controlled the flow of funds and loans within the South Korean economy meant that the chaebols seeking to expand their influence and profits would have to go along with the policy outlook of the Park regime, and keep to the roles defined for them within Park’s system of control. As such, in an economy where the chaebols – as the most significant actors of investment and growth – depended upon the state to supply them with the funds to fuel their corporate development strategies Park’s tight control over finances ensured the total control of the political elites over the economic elites.

The founder-managers of the chaebols for their part, formed in 1961 the Federation of Korean Industries (FKI) in an act to organize, engage the state in the economic policymaking on a day-to-day basis, and also to act as a lobbying mechanism uniting the chaebols before the state (Y. Kim 22, 23; Y. Lee 167; Kim & Park 275). The FKI was in no way a mechanism for the chaebols to engage actively in politics, but it did present a proactive movement to organize the
economic power that was held collectively by the chaebol families. It is important to note that the FKI did remain an actor and an influence in the making of economic policy, however, under Park’s system of control its position was more like that of a council of experts incorporated to the state structures and safely contained under the power of the presidency.

In terms of policy Park pursued a policy that combined import substitution and export-oriented industrialization, whereby effectively pushing to build up internal South Korean productive capacities, whilst feeding such expansion with state guaranteed foreign loans and export revenues (Hwang & Yülek; Lim 73-74; Horowitz 90). Under such a political outlook towards economic policy and development, along with the partnership arrangement that Park had elected to make with the chaebols, what resulted was a series of policies from which the chaebols emerged as the main beneficiaries. The earliest economic policy of the Park government to depend upon and strengthen the chaebols was the First Five Year Economic Plan of 1964. With this plan, the Park government – aiming to spur investment in select “strategic” industries – gave the chaebols privileged access to itself, provided state guaranteed loans, and gave out “oligopolistic” industrial licenses (Kim & Park 278-279). What emerged was an economic development drive which poured resources to the chaebols and allowed them to establish themselves as the main producers – with sectoral chaebol competition – that both created production capabilities and solidified the chaebol as the economic power elites.

A second important policy decision came with the financial crisis of 1968 and the subsequent “bailout” of the chaebols by the government in August 1972, with the Emergency Decree for Economic Stability. The Emergency Decree put a moratorium on new loans and generously extended the payback period of loans – mostly to the curb market – with significantly lower interest rates (Kang 191; Kim & Park 285). Under these conditions, while the creditors of
the chaebols found themselves losing a large amount of money in interest, whilst the chaebols found their debt burdens sufficiently lifted so as not to threaten their continued operation. Furthermore, this experience had worked to confirm the centrality and the importance of the chaebols as economic elites of South Korea, because the state had not been able to stomach their wholesale failure in the face of the financial crisis. The third and important policy of the Park government that worked to strengthen and solidify the positions of the chaebols within the South Korean economy came with the Heavy and Chemical Industries Development (HCI) drive, which was meant to allow South Korea to achieve industrial autonomy (Lim 77, 79; Kuk 116-117). The launching of the HCI can be seen as the final act which sealed the fate of the South Korean economy in its dependence upon the chaebols, because it allowed for them to move into a sector where no other company would have the capacity to do so. Thus, by virtue of being the only operators with the necessary economies of scale to undertake the HCI the chaebols emerged as the most powerful, most able, and in many respects the unchallenged economic powers and power elites of South Korea. Overall, under the economic system these policies created chaebols invested, created production capacities in the industries they were directed to, and imported their products to foreign countries to make a profit. The unchallenged position of the chaebols within South Korea, along with their privileged partnership position with the state allowed them to expand their power over the economy by penetrating a vast number of industries as the government saw it fit to let them.

Although Park’s regime had been crafted to keep the chaebols firmly under state and government control and to keep them from becoming a political force, it had not been able to keep them from solidifying their positions as the undisputed economic power elites of South Korea. With the rise of their economic power, the balances of power shifted to allow chaebols to
gain a degree of power against the South Korean state. Due to the dependence of the Park
government on their performance to deliver economic development and political legitimacy, and
the constant funneling of funds to their coffers, the chaebols had become too big to let go and to
let fail (K. Hwang 313; Horowitz 90; Kang 190). As such, the economic elites of South Korea –
despite not being involved with politics directly – had managed to become a power that the state
and government could not possibly ignore in making economic policy, if it wanted to keep its
legitimacy.

After the assassination of Park Chung-hee under both dictatorial and democratic
presidents, the South Korean economy saw certain reforms and global developments that worked
to increase the power of the chaebol. Reform and opening of the financial sector, allowed the
chaebol to have greater access to financial resources without the amount to scrutiny and control
that had been exercised under the Park regime (C. Lee 261, 266; S. Lee 450; K. Hwang 313; S.
Kim 90; Horowitz 83). As such, liberalizing the access of the chaebols to both the financial
sector and the financial resources that it contained allowed them to borrow more money with
greater freedom, which increased the level of investments but pushed up the level of corporate
debt to dangerous levels. South Korea and the chaebols saw that the returns of such reform in the
1997 Asian Financial Crisis, in which some of the largest chaebols were significantly hurt (with
the aforementioned Daewoo Group going bankrupt during the crisis). However, the reform
which once had been realized had become irreversible and despite the setback of the financial
crisis, the chaebols had emerged as the undisputed and unbroken powers over the South Korean
economy, with greater freedom of defining corporate direction and of borrowing finances.

The chaebols also benefitted from globalization, which they used successfully as a selling
point to derail reform and instead strengthen their position as the only economic actors in South
Korea strong enough to join the global competition (P. Lee 4; S. Kim 94; Chiang 57; Kalinowski 296). For the very reason Park had chosen to have the chaebols as his partners in the development of the South Korean economy, now the democratic presidents were being forced into keeping up the support for the chaebol because only they had the necessary size to compete globally and deliver success. Through the acquiescence of the South Korean governments to the vision of the chaebols that they should not be hurt by reforms but rather protected as the global South Korean economic giants further solidified the position of the chaebols as the economic elites of South Korea.

As can be seen, in the period after Park’s assassination and the subsequent democratization of the South Korean polity, which also weakened the system of control that Park had created saw the rise of chaebol and fall of state power to some extent. The state still remained powerful enough to pursue independent policies such as economic neo-liberalization, which required a strong state to push reform, but – as discussed above – it no longer enjoyed the same power it did over the chaebols (Choi 4; Y. Lee 166). However, a takeover of chaebols had not happened, contrary to the “chaebol republic” rhetoric, because despite their position of economic influence, the chaebols and chaebol families were still firmly kept out of politics.

*Chaebols in Politics? Not Really*

Having discussed the framework of discussion on political elitism, the defining points of chaebols as economic elites, and the history of the state-chaebol complex, this section will now bring together what has been discussed. The discussion here will draw upon both recent experience in South Korean politics as case studies and the larger strands in the making of the state-chaebol complex in how they reflect upon the position of the chaebols as political power elites. I will first discuss the cases of presidents Lee Myung-bak and Park Geun-hye – both of
whom have ample demonstrable ties to the chaebols – in order to assess the contemporary level of chaebols’ intrusion into politics and whether or not such intrusion qualifies them as political elites. The discussion will then move towards a final analysis of the position of chaebols in South Korean politics today, based on the contemporary and historic evidence of their relations with the political elites and their places within the South Korean economy, and the theoretical framework of this paper.

Before becoming the President of the Republic of Korea, Lee Myung-bak had enjoyed a relatively brief career in politics, which remains dwarfed by the length of his work with the Hyundai Engineering and Construction, most notably as the CEO of the company. Before his rise the presidency Lee had been both an Assemblyman and the Mayor of Seoul, both for single terms. However, Lee’s rise to presidency does not reflect on part of the chaebols a rise towards the occupation of the higher posts of power within South Korea. The main reasons for this, is that Lee is not from a chaebol family, but rather has been a talented member of the corporate bureaucracy of Hyundai Engineering and Construction Company that had risen to a position of prominence. As such, his rise in national politics cannot be said to have had the same impact as the rise of someone from a chaebol family, where ties to other members of the family still in possession of a vast amount of wealth and economic power would have become factors in politics. Thus, Lee’s presidency should not be seen as a confirmation of the “Chaebol Republic” and the confirmation of the political power elite status of the chaebols but rather as an isolated instance where one man, with a chaebol past, rose to the position of president.

On a related note, it is important to highlight the fact that there is a lack of personnel crossovers from chaebols, and chaebol families, to political structures in South Korea but rather a movement from political structures to the chaebols is more prominent (Y. Kim 8, 10, 12; Y. Lee
This dynamic shows two important aspects of the balances of power between the chaebols and the state. On the one side, it shows that the chaebols and chaebol families have not been able to get their own members into active politics or generate a power base for themselves so as to translate their status as economic elites into political elites. On the other side, this shows that the chaebols are still dependent upon the knowledge and expertise of the ex-members of the political elites in order to negotiate the political landscape of South Korea and to gain access to the networks of power of the political elites.

Elected in 2013, Park Geun-hye, the elder daughter of Park Chung-hee, became the first female president of South Korea and with the explosion of a political corruption scandal in 2016, became the first South Korean president to be impeached and removed from office. The scandal that brought Park Geun-hye’s downfall revealed extensive ties between her administration and Lee Jae-yong, who is a prominent member of the Samsung chaebol family. Although the revelation of such ties, and the exchange of bribes for influence shows the degree of collusion and interaction between the state and the chaebols that exist today, it falls outside the framework of this paper. These ties between Park Geun-hye administration and Samsung are neither legal nor legitimate nor do they provide the chaebol with a clear path – or line – into political power.

Looking into these two cases, what becomes clear is that the chaebols have not been able to break through their historical exclusion from active participation in the politics of South Korea which had been brought about by Park Chung-hee. Per the parameters that had been established earlier in this paper, the chaebols have not been able to establish clear, decisive, and overwhelming control over the political decision making, policymaking, and domestic and foreign affairs of the South Korean state. South Korean politics and the composition of the political elites remain notably devoid of members of chaebol families that have reached
significant positions of power, which would allow for a fusion of political and economic power and authority. Corruption and informal ties have been continuous and ever-present; however, they have not given the chaebols enough influence and political power that it can be argued that they have been able to set government agenda and influence state policies.

What best describes the current balance of power within the state-chaebol complex seems to be the “mutual hostages” approach, which finds that both sides depend upon one another to deliver successfully the services and goods expected of them (Kang 183-184, 192; Kim & Park 267). As such, while the chaebols and chaebol families are not political power elites, but they are rather economic forces that cannot be ignored and must be taken into account by the South Korean state whose economic fortunes depend on them. It can be seen that within this balance of power, both the chaebols and the chaebol families and the politicians are kept to their respective areas of power and influence. However, the power of the political elites to guide the economy and the economic elites is still present, given their monopolization of political power and authority in South Korea. Moreover, it should be noted that while the state and government must take the chaebols into account in policymaking, this does not mean that to ignore or bypass the chaebols is not impossible but only hard. The South Korean economy, as any other, has a number of participant and competitor, which the state could choose to prioritize for its purposes, foregoing the chaebols. This makes the political weakness of the chaebols all the more pointed, because a change in attitudes or economic fortunes could allow for what is essentially an independent political elite group to drop support for the chaebols.

In Conclusion

Before concluding, I would like briefly mention a couple of ways further research might be taken in order to build upon the argumentation of this study. On the one side, a study might be
made into public opinion in the Republic of Korea, regarding the chaebols and the state-chaebol complex, recording and analyzing responses as is and after the argument that the chaebols are not political elites is introduced. The responses recorded in response to the argumentation found in this study would help create a greater understanding of how and why the people’s vision that the chaebols are political elites is created and sustained. Furthermore, based on the responses, the avenues of “power” the people point towards might be studied for their own sake, in order to find out whether the chaebols are really influential in political affairs, using the channels that the South Korean people put forward.

On another side, a study that focuses specifically on corruption and informal political ties should be made since they have been excluded from the scope of this paper. I do not take these to be clear, dominant, legal, or legitimate sources of power; however, this in no way means that they do not bring a certain amount of political influence to its holders. As such, the extent of power and influence that changes hands and is put to use through such channels should be studies on their own, as part of the larger discussion building upon the findings of this study.

As I have sought to demonstrate in this paper, the South Korean chaebols are indeed the economic power elites of South Korea and the extent of their power and control over the economy of South Korea makes them a key factor in government policies. However, both in the past and the present, the chaebols have been effectively barred from and unable to translate their economic power into political power and to position themselves as political power elites as well as economic power elites. As such, the chaebols and the chaebol families remain the weaker partner of the state-chaebol complex and have not achieved the status of political elites in addition to their status as economic elites in South Korea.
Works Cited


