

Development of the Capitalistic Structure in Korea

Dong-Sung Cho

《 Contents 》

- I. Social and Economic Environment of the Pre-Modernization Period**
- II. The Challenge to the Old Order**
- III. The Period of Colonization**
 - 1. Establishment of the colonial economic structure
 - 2. Development of plantation and transfer of light industry
 - 3. Preparation of wars and transfer of heavy industry
- IV. Chaos after the Liberty and Foundation of New Government**
- V. The Period of Korean War and Reconstruction .**
- VI. The Period of Economic Planning**
 - 1. Initiation of economic planning
 - 2. Financial reform and Vietnam boom
 - 3. Stabilization of economic structure

I. SOCIAL AND ECONOMIC ENVIRONMENT OF THE PRE-MODERNIZATION PERIOD(~1876)

The Yi Dynasty reigned over the Korean Peninsula for five hundred eighteen years (1392~1910). Confucianism was its political philosophy, and from it stemmed a hierarchical system of social classes. It was divided into four classes; Wangjok (royal family), Yangban (noblemen), Sangmin (common people), and Nobi(servants). Wangjok were together consisted of very small portions of the whole population and had negligible social influences. The Sangmin group was by far the largest, but Yangban played a dominant role in political, social, and cultural activities. The ownership of land was seen as the only measure of wealth, a typical characteristic of pre-industrial, agricultural societies. Both Yangban and Sangmin were and could be legally independent. Economically,

Author: Research Member of the Institute of Management Research, Assistant Professor, School of Management, Seoul National University

they either had their own land or were tenants to other wealthier Yangban or Sangmin. The difference between these two groups was that Yangban were those who passed Kwager (the examination for the public office biannually held by the government), or those who had Yangban in their paternal lines.

Occupationally, the social classes were esteemed in the following order: scholars, farmers, artisans, and tradesmen. Scholars were only from Yangban group, since they had to study to pass Kwager. Both Yangban and Sangmin could be farmers, who constituted more than 90% of the whole population until 1910. Yangban did not dare to be an artisan or a tradesman since these occupations were regarded as shaming of the family and lacking in a sense of duty to his parents. Naturally artisan and tradesmanships were occupied by the Sangmin group. Geographically these artisan and tradesmanships were active in the northern part of Korea, since the government discouraged the people in this area from taking Kwager which was the only way for a Sangmin to rise in social class to Yangban. This prohibition was instituted just after the Hong's Rebellion in the 18th century. The leader of the rebellion happened to be from the northern part.

II. THE CHALLENGE TO THE OLD ORDER(1876~1910)

Ideas of capital and capitalism were virtually non-existent until the late 19th century when the government was forced to abandon a policy of isolation by countries such as England, Russia and Japan. As a result, western civilization was introduced through foreign trade and exchange of commissioners and students with foreign countries. In major cities, primitive forms of wholesale, retailing and banking businesses were formed into systematic operations by the people who were aware of the value of capitals in a modern society. Evident corruption in the government also gave these people an incentive for the accumulation of capital; they could buy the social status of Yangban with money.

In the meantime, Imperialist Japan invaded Korea to colonize her. Japan achieved a status of monopoly in Korea because other imperialistic countries such as England, France, and the United States considered Korea less desirable than Southern Asia because of its small size and inconvenient location. The typical method of Japan's economic invasion was monetary loans to the government and the purchase of land from farmers.

Confronting the national emergency, some Yangban elite who had been exposed to the western culture tried a series of social revolution, political reform, establishment of an educational system for the public, introduction of western technology, and most of all, economic modernization. Since the first business concern was founded in 1883 in Pyungando which was one of the provinces in the northern part of Korea, a total of 40 business concerns were established in the next ten years⁽¹⁾. Most of them were, however, different from modern businesses in terms of organization and functions, since many of them were established by the government as convenient vehicle for dealings with foreign businessmen. There was no law or regulation regarding business activities; it was the exclusive privilege of the government to regulate the establishment of business concerns. Commercial Law was first initiated in 1893, and all the regulations relative to application of the law were finally formalized in 1895⁽²⁾. From that time the government-operated business concerns lost their special privileges and gradually became private concerns. These private business concerns were mostly established by the wealthy Yangban who had the land capital to exchange for commercial capital, and who did not mind traditional contempt for these occupations through western education. They also understood the significance of business activities in protecting the economic independence of Korea from imperialists. Thus, their motives for establishing businesses could be found from nationalistic impulses and a desire to modernize

(1) Cho, Kijoon, *The History of Korean Businessmen*, Seoul, Korea: Bagyung-sa, 1973, pp. 40-41.

(2) Cho, Kijoon, *op. cit.*, pp. 43-44.

the Korean economy⁽³⁾.

However, there several reasons why Korean capitalists were not successful in business. At first, the government of Yi Dynasty could not help them, due to a lack of public finance and interference by the Japanese government in domestic affairs of Korea. Japanese officials interrupted activities of capitalists since they provided sources of the money for the national independence movement at that time. Secondly, the market economy in Korea was not yet established. The majority of the people still lived their own ways of life without market media, maintaining a self-supply economy. Thirdly, native capital was comparatively small and could not effectively compete against the foreign capital. Fourth, all foreign trade routes were monopolized by the Japanese shipping companies and the Korean capitalists could not participate in foreign trade. Finally, they did not have technicians and modern managerial skills. Educational institutions taught only Confucianism and ancient literature. Founders of the business concerns were well equipped with the modern spirit, but not modern skills.

III. THE PERIOD OF COLONIZATION(1910~1945)

1. Establishment of the colonial economic structure (1910~1919)

Yi Dynasty lost its sovereignty in Korean Peninsula in 1910, and the Japanese Governor-General was appointed to rule the nation. At first he made a series of colonial legislative systems including the Regulation of Korean Corporations by which the establishment of new business concerns by Koreans was ruled out and business activities of Koreans were restricted to the domestic market. Consequently, the number of business concerns run by Koreans were reduced from 120 to 19 in the period of 1910 to 1919⁽⁴⁾.

(3) Thomas C. Cochran and Robert A. Gouden mentoned that prestige, power, economic stability, or social service could be the important motives of the business. We might add patriotism, nationalism, or desire of modernization of national economy as prime reasons for business activities of businessmen especially at the initial stage of industrialization in underdeveloped countries.

(4) Park, Jungjae, *One Hundred Years of Korean Economy*, Seoul, Korea: Korea Center of Productivity, 1971, p.63.

Table 1 Classification of Farmers*

	1914	1918	1923
Landlord	1.8%	3.1%	3.6%
Self employed	22.0	19.7	19.2
Self+Tenant	41.1	39.4	25.3
Tenant	35.1	37.8	51.9
Total	100.0	100.0	100.0

*Source: *Korean Economic Yearbook*, Seoul, Korea: Bank of Korea, 1948, p.63

The Land System Investigation Project was launched in 1910 as a means to nationalize effectively the unclaimed land and to systemize the agriculture of Korea, so that Korea could be supplier of raw materials and agricultural products for Japan. Accordingly, many small land owners lost their ownership and became tenant farmers, while the number of Japanese landlords increased (see table 1). This trend shows the reverse pattern of the history of Western Europe in the late 18th century when tenant farmers to the feudal lord became Yeomen in the process of downfall of feudalism and emergence of the absolute monarchy. Next, the colonial finance system was established through currency reform and centralization of banking business by the First Bank of Japan. Finally, by the removal of all tariffs between Japan and Korea, the Korean economy was brought under the complete control of Japan.

2. Development of plantation and transfer of light industry (1919~1931)

In 1919, the March First Movement, the first nationwide independence movement, occurred as a result of cruel military colonial policy by yet underdeveloped Imperialist Japan. This movement was also inspired by Woodrow Wilson's doctrine of "The Principle of Self-Determination of the People" and the prevailing worldwide mood of nationalism at the time. This movement failed, but resulted in a complete review by the Japanese government on the colonial policy in Korea. As a way to mitigate tensions, the military Governor-General

was replaced with a civilian. In terms of economic policy, commercial, usury and land capitals which wickedly exploited the poor people formed capitals for industry. Also, Japan began to allow the use of Korean capitals in commercial and industrial businesses by repealing Regulation of Korean Corporations in 1920. As a result, Korean entrepreneurs increased gradually to a minor portion of the total economy in the process of industrialization (see Table 2).

Table 2. Business Corporations by Nationality of the Owners

	1910	1919	1929
By Japanese	71.7%	87.3%	70.1%
By Korean	17.8	2.8	20.5
J&K	10.5	9.9	9.3
Others	—	—	0.1
Total	100.0	100.0	100.0

*Source: *Statistical Yearbook*, Seoul, Korea: Korea Government General, 1932, p. 121.

There were some other significant changes in the environment as well. First, Japan overinvested in the war industry during World War I. As the war ended, they encountered excess capacity and idle capital. A serious economic depression followed. They chose Korea as a solution to this economic problem, by transferring to her industrial capital. Second, the Land System Investigation Project was finished in 1918. This project established the private ownership of land and the land could become the object of trade, transfer and mortgage. Thus, the land owners could easily liquidate the land capitals. At this stage, a few entrepreneurs emerged from the landlord class such as Younsoo Kim whose family is still one of the tycoons in Korea. Third, spread of the modern educational system supplied a number of managers and technicians. During the period of 1910 to 1917, the number of modernized public schools increased from 98 to 572, and the number of traditional schools also increased from 16540 to 24,294⁽⁵⁾. Finally, and most importantly, the attitude of Koreans toward

(5) Cho, Kijoon, *op. cit.*, p. 23.

their country and nationalism has changed. As direct, armed opposition became impossible inside the country, they set up a Temporary Government in Shanghai, China, while inside the country, they tried to build the financial support for it.

As a result, textile, silk, food processing, and some other light industries were built in Korea, using the vast supply of raw materials of good quality, huge amounts of electricity, and the cheap labor which was a byproduct of the Land System Investigation Project. In 1931, 80% of all manufacturing products were produced by the textile industry, 12% by the food processing industry, and less than 1% by mechanical industry⁽⁶⁾.

Korean entrepreneurs after 1919 could be categorized into two groups according to their mental attitudes towards business and their behavioral patterns; one was the group of entrepreneurs who maintained nationalism as their principal motive for business, and the other was the group of people who aimed solely at maximizing profits. The former group followed the nationalist spirit of the people before March First Movement, but differed from those who directed their activities solely against the Japanese tyranny. Instead, they began to use more subtle, sophisticated techniques, in order not to reveal their desires to the Japanese police administration. As an interim goal they sought capital gains, but invested profits in such social infrastructures as journalism and education so as to inspire a spirit of independence to their countrymen. This type of entrepreneurs came most frequently from the wealthy Yangban class who had been exposed to modern education in private schools before 1910. Private schools were run mostly by the nationalists as a vehicle to promote independence⁽⁷⁾. As an example, Sungsoo Kim, founder of Kyungsung Textile Co., Ltd., came from one of the landlord tycoons, and was educated abroad.

(6) Cho, Kijoon, and Oh, Duckyoung, *The History of Korean Economy*, Seoul, Korea: Bummo-on-sa, 1962, p. 349.

(7) Many respected educators are found in early 20th century especially in the northern part of Korea. Among them are Sunghoon Lee and Changho Ahn who established Ohsan School, the first high school in Korea.

He published the Donga Daily Newspaper — which has an independent, nationalistic editorial policy, and also founded Korea's first university. When Korea became independent in 1945, he was elected Vice President of the country.

The second group comprised people largely from the Sangmin class who had to start their business without any inherited fortunes. They were industrious and innovative, and had guts and courage to do anything for money. They were willing to shake hands with and flatter Japanese governors, if it was necessary for their business. They were true examples of private entrepreneurs, contemporary of the businessman in the industrial revolution period in Western Europe⁽⁸⁾.

3. Preparation of wars and transfer of heavy industry (1931~1945)

Japan won the Manchurian War and set up a puppet government in Manchuria in 1931. The strategic value of Korean Peninsula grew from a mere market to a threshold to mainland Asia from Japan Islands. Therefore, the war

Table 3. Breakdown of GNP by Manufactured Goods and Agricultural Goods*

Year	Manufactured Goods	Agricultural Goods	Others	Total
1911	10.6%	80.8%	8.6%	100%
1921	15.4	73.6	11.0	100
1931	23.9	61.6	14.5	100
1941	35.9	41.8	22.3	100
1944	34.0	37.8	28.2	100

*Source: Park, Jungjae, *op. cit.*, p. 66.

industry was transferred to Korea utilizing the advantageous location, abundant electricity, high quality iron ore, huge coal reserve, and high quality labors. Chemical industry alone increased its share in the manufacturing total from less than 1% in 1931 to 22.9% in 1945⁽⁹⁾. Table 3 shows the drastic change in the structure of the economy: a big increase in total manufactured items,

(8) Hungshik Park, born in the northern part of Korea as a second son of a small farmer, built the biggest department chains in Korea, and constructed the aircraft manufacturing plant for Japan during World War II.

(9) Cho, Kijoon, and Oh, Duckyoung, *op. cit.*, p. 349.

and a sharp decrease in agricultural goods since 1941.

In conclusion, the Korean economy took steps towards industrialization in conjunction with Japan's wartime economy during this period. However, the dominance of war industry and heavy chemical industry did not contribute to public welfare and reproduction, but further increased the dependence of Korean economy on Japan.

IV. CHAOS AFTER THE LIBERTY AND FOUNDATION OF NEW GOVERNMENT(1945~1950)

With the unconditional surrender of Imperial Japan at the end of World War II, Korea was promised her independence by the Allied Nations at the Cairo Summit Meeting. The two winning countries, the USA and the USSR, agreed to free Korea with their own desires in mind; the former intended to establish a base of regional operations against the USSR, while the latter wanted to acquire ice-free ports in Korea and to expand communism in line with the Southward Movement Policy⁽¹⁰⁾. Finally they came to a compromise and split Korea into two areas roughly equivalent in size along the 38th parallel, occupied their territory, and in 1948 set up governments respectively for Koreans, this was the end of a series of nightmares under the Japanese imperialism, and the beginning of another. This sudden split of the country brought about separation of millions of parents, brothers, and husbands from their children, sisters and wives who happened to be in different parts of the country. In 1950, the northern government, manipulated by the USSR, invaded South Korea and provoked the Korean War. More tragedy ensued. Those people who were separated from their families had to point guns at their own flesh and blood. The war lasted 2 years, destroying most major cities and industries. More than 2 million people were killed or wounded. Since the ceasefire, spontaneous minor confrontations near the border continue to occur nearly every day, adding

(10) Chungjin Harbor and Najin Harbor are presently used as outposts of USSR Navy.

to hostility between the two governments while there was a warm flow of emotion between people separated by the iron—armed wall of the border.

Before the split of Korea by the USA and the USSR, the southern part was mainly an agricultural area with dense population and virtually no industry, while the northern part was an industrial area with abundant electricity and little agricultural produce (see Table 4). This extreme imbalance of economic resources made both countries suffer from the beginning. As both governments planned their own economic development toward self-sustenance and balanced

Table 4 Distribution of Industry Output by Region* (1944)

	Southern Korea	Northern Korea
Total Agriculture	66%	34%
Total Industry	39	61
Electricity	8%	92%
Fuel	12	88
Mining	22	78
Basic Metal	10	90
Fabricated Metal Products	72	28
Chemical Products	18	82
Construction	27	73
Wood and Wood Products	30	70
Paper and Paper Products	40	60
Textile	67	33
Rubber and Plastic Prod.	63	37
Food and Beverages	60	40

*Source: Cho, Dongsung, "Models on Amalgamation of Economic Structures—Developmental Models between South and North Korea", unpublished article, 1973, p. 2.

Table 5 Composite Ratio by Industry* (1960)

	South Korea	North Korea
First Industry(Agriculture, Forestry and Fishery)	41.4%	71/ ?
Second Industry(Mining and Manufacturing)	15.1	29/ ?
Third Industry	43.5	?
Total	100	100
Ration of First vs. Second:	73:27	71:29

*Source: Cho, Dongsung, *op. cit.*, p. 3

economy, the character of industrial output became similar (see Table 5 which is based on Hoffman's differentiation except that mining is included in the second industry in Korean statistics). From Table 4 and Table 5, we can imagine a certain degree of inefficiency in terms of contribution of resources in each economy in recent years, relative to the pre-1945 economy when the northern part of Korea was devoted to manufacturing and the southern part to agriculture.

As World War II ended in 1945, all the Japanese were deported, and all the Japanese-owned businesses which had been dominant in the Korean economy with 91.2% of the total business capitals were under no control until each company had a meeting to elect employee representatives among the Korean people⁽¹¹⁾. Japanese-owned real estate was taken over by the government and sold for a nominal price to a small group of the people who had political or family connections with the then government officials. These unexpected fortunes could have been turned out to business capitals, but few made it due to the following reasons.

First, Japanese technicians who occupied more than 80% of the total technical jobs were deported. Most of the plants stopped operation. The unemployment rate was 60% in manufacturing industry and 97% in mining.

Second, overissue of currency during the war caused the vicious spiral of inflation with skyrocketing prices. The wholesale price index increased more than 170 times during 1944 to 1947, compared to 2.4 times from 1936 to 1944.

Third, South Korea suffered the shortage of electricity as the supply from North Korea was cut in 1945. Agricultural products were also drastically reduced to less than 70% of pre-1945 levels⁽¹²⁾.

Fourth, frequent labor disputes caused by political and ideologic confusions paralyzed production activities.

Finally, most of those who happened to become rich did not entrepreneurial expertise or foresight at all.

(11) Ko, Sunghyo, *Josen's Communistic Economy*, Tokyo, Japan: Japan Critiques Company, 1973, p. 12.

(12) Park, Jungjae, *op. cit.*, p. 69.

V. PERIOD OF KOREAN WAR AND RECONSTRUCTION(1950~1961)

The war lasted three years and ended in 1953 with property damage of approximately 3 billion dollars. In order to feed war-torn people and restore the economic and social well-being of Korea the United Nations with the USA as its major participant poured aid totalling 1.8 billion dollars into Korea during the period 1953 to 1959. The composition of the aid is shown in Table 6. With this aid and the effort of the government to achieve economic stabilization, the South Korean economy regained the pre-war economic level in terms of GNP by 1956. Unfortunately, most aid was composed of goods for consumption which did not contribute too much to reproduction, and no Korean businessmen dared to invest capital in the production goods industry. Rather, they focused on the consumption goods industry such as foods and clothing, and accumulated capital through two sources, foreign exchange and interest. They developed strong ties with politicians who controlled allocation of foreign aid. By manipulating the foreign exchange in black markets, they could enjoy bigger margins than from investment in industrial sector⁽¹³⁾

Table 6. Composition of Aids through United Nations*

Year	Total Amount (million \$)	Production Goods (%)	Consumption Goods (%)	Service (%)
1945~52	852.5			
1953~59	1,838.4			
1953	194.2	1.5	98.5	—
1954	153.9	14.5	83.2	2.3
1955	236.7	40.1	58.3	1.6
1956	326.7	25.4	72.5	2.1
1957	382.9	24.2	73.5	2.3
1958	321.3	26.3	70.5	3.2
1959	222.2	25.5	69.4	5.1

*Source: *National Saving of Korea*, Seoul, Korea: Investigation Bureau of Bank of Korea, 1961, p. 72.

(13) Byungchul Lee became one of the richest men in Korea as he engaged himself in manufacturing textiles and sugar during the midst of the war.

VI. PERIOD OF ECONOMIC PLANNING (1961~)

1. Initiation of economic planning (1961~1965)

In 1960, the student and civilian demonstrations succeeded in overthrowing the President Rhee's government. The next government lasted only 13 months until Major General Park succeeded in the coup d'etat in 1961. As Park was elected the President of Korea, he realized the need of economic development in South Korea in order to compete successfully against the threatening North Korean government. However, foreign aid was reduced to less than 200 million dollars which could not meet the expense of the vigorous economic planning. Yet, the investment climate of Korea in the early sixties was not mature enough for foreign private investors to be interested. Moreover, extreme inflation due to the political and social uncertainties during two governmental changeovers resulted in little savings for the people. A succession of changes in monetary policies did not help.

2. Financial reform and Vietnam boom (1965~1969)

The government realized the necessity of financial reform in order to remedy shortage of capital. First, the floating system was instituted to normalize the foreign exchange rate and abolish the black market. Second, bank interest rates were standardized, and the interest policy was carefully manipulated by the government. Savings interest rates were allowed up to 30%, while the maximum interest for loans remained at the 26% level. By doing this, the government tried to encourage private savings as much as possible while giving industry impetus for investment in production facilities. As a result, private savings were mobilized and the capital market was established. In the meantime, the government recruited foreign capital in the name of the Korean government, which was distributed to numerous corporations. Later, as some

business concerns became capable of attracting foreign capital, the direct investment became the major source of capital.

As the Vietnamese War broke, Korea sent ground troops to Vietnam at the request of the United States. This participation in the war brought home more than 200 million dollars of construction and war supply business during 1965 to 1970, which provided various derivative effects to other industrial activities inside Korea. From this war industry boom, several tycoons emerged. Among them are Joonghoon Cho, who concentrated on transportation including air lines, and Jooyoung Jung who was most active in the construction business for village reconstruction and war camp facilities.

3. Stabilization of economic structure (1969~)

Since 1969, the Korean economy has been distributed by political uncertainties associated with events such as the Pueblo Capture by North Koreans and China's emergence as a major power. As China was seen as a potentially friendly nation to the United States, the chance of the United States retreating the Pacific guard line from Korea-Taiwan to Japan-Phillipines became bigger and bigger. Domestically, as the Vietnamese boom faded away, demand-pull inflation arose. In the government, structuralists gained the edge over the monetarists and adopted the tight monetary policy in 1970. Consequently, the rate of dishonored checks more than doubled the previous record in 1971, and 18% of the total small and mid-sized corporations bankrupted in 1971⁽¹⁴⁾. All the business concerns hesitated in their plans for facility expansion. Also, the low foreign exchange policy and uncertainty about drastic change in the foreign exchange rate made businessmen unwilling to accept the foreign investment which was a bonanza before.

In late 1971, the government initiated the tax shelter privilege for joint venture businesses in order to strengthen the capacity of domestic corporations

(14) The definitions of the terms are according to the Bureau of National Tax Collection of Korea.

for international competition in the export market. Also, some other preferential treatment policies were combined with this offer, such as subsidy, preference loans, incentive allowance for exports, and governmental payment guarantee for foreign capital in certain cases.

The government began aware of the public welfare, as social crime and complaints of the havenots against the haves became the major issue of political concerns. As a remedial measure, the government instituted the high tax policy on the income tax of private unlisted corporations. This policy accelerated the selling of stock by healthy corporations and animated the private capital market. Accordingly, the Korean economy could continue 9% of GNP growth rate (net growth rate would be 7% taking account of 1.9% of population growth) during 1961 through 1973, until the energy crisis hit the world economy and Korea in late 1973.

The stabilization process of the economy was under strict government control; becoming a millionaire overnight became the dream of the past. Only those who had enough money to offer political funds to politicians had a chance to profit. Still, this profiteering from political contacts was only like spontaneous injections, and businessmen could not survive unless they had managerial expertise and diligence.

REFERENCE

- Association for Commemoration of National Foundation, *Ten Years of National Foundation of the Republic of Korea*, Seoul, Korea: Publishing Committee for Ten Years of National Foundation of the Republic of Korea, 1956.
- Jongho Bae, *Tycoons I*, Seoul, Korea: Sangah Publishing Co., 1966.
- Dong Sung Cho, "Models on Amalgamation of Economic Structures—Developmental Models between South and North Korea" unpublished article, 1973.
- Kijoon Cho, *The History of Korean Businessmen*, Seoul, Korea: Bagyung-sa, 1973.
- Kijoon Co and Duckyoung Oh, *The History of Korean Economy*, Seoul, Korea: Bummoon-sa, 1962.

- Hojin Choi, *Problems of Korean Economy I*, Seoul, Korea: Chungyoun-sa, 1971.
- Editing Committee of The History of Korean Revolution Court Trials, *The History of Korean Revolution Court Trials*, Vol. 1, Publishing Department of The History of Korean Revolution Court Trials, 1962.
- Choongshik Hong, *Korean Economy*, Seoul, Korea: Pyungwhadang Publishing Company, 1965.
- Sunghyo Ko, *Josen's Communistic Economy*, Tokyo, Japan: Japan Critiques Company, 1973.
- Kyungnam Lee, *Korean Businessmen* 1, 2, 3, Seoul, Korea: Shinmoon Publishing Company, 1973.
- Sung Park, *Theory of Korean Economic Development*, Seoul, Korea: Ilshin-sa, 1969.
- Jungjae Park, *One Hundred Years of Korean Economy*, Seoul, Korea: Korea Center of Productivity, 1971.
- Annual Report of the Economically Active Population, Economic Planning Board, 1971.
- Korean Statistical Yearbook, National Economists' Association, 1972.