

W. W. Rostow and Economic Discourse in South Korea in the 1960s

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W. W. Rostow was one of key foreign policy makers as well as one of the outstanding economic historians in the 1950s and 1960s. Not only did he create the 'take-off' theory, he played great roles as an advisor for President Kennedy and Johnson on national security. In his books published in the 1950s, nationalism, the necessity of social reform and new leadership were themes paid attention to in the Third World countries in order to carry out economic development.

Among all of his works and activities in the 1950s and 1960s, it is not difficult to find that his 'take-off' theory was only a part of his perspective. Nevertheless, he was very famous as an economic development theorist not only to common people, but to scholars in South Korea in the 1960s. This is a case of the Koreanized process. Like other western theories, South Korean scholars accepted the part of western theories that were relevant to them in the light of South Korean situation.

1. ECONOMIST OR FOREIGN POLICY DESIGNER?

Walt W. Rostow is famous (or notorious) for his outstanding work, *The Stages of Economic Growth; A Non-Communist Manifesto* (London: Cambridge University Press, 1960). His name has gained currency among Koreans since the 1960s as an economist, the field where he created the "take-off theory" which is the third among his five stages. He was a professor at the Massachusetts Institute of Technology (MIT) from 1951 to 1960, and the University of Texas in Austin from 1968 to date.

The Stages of Economic Growth, published in 1960, argued that economic growth was a multi-staged process, stimulated by a widespread desire for the improvement of life as well as the search for profits.¹ According to Rostow, this "modernization" process was characterized by a crucial "take-off" period of rapid growth stimulated by the expansion of a few key economic sectors. Rostow, as the subtitle of his book, counter-posed his model to that of Marx and used it as the ideological underpinning for his policy approach towards the developing countries of Asia, Africa and Latin America (Parker 1980: 143).² His influence was enormous in many countries, especially those that experienced colonization and were then liberated after World War II.

He is also regarded as a designer of U.S. foreign policy under the Kennedy Administration. His career as policymaker commenced in the middle of the 1950s as an adviser to Sen. John F. Kennedy (D. Mass.) on foreign policy. After inauguration, Kennedy appointed him deputy special assistant to the president for foreign security affairs. He was moved to the State Department as chairman of the Policy Planning Council in November 1961, like another George Kennan. In 1964, he was appointed to the additional post of U.S.

¹ The five stages he created is the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption.

² His theory was influenced by Simon Kuznets and Albert Hirschman (Oman and Wignaraja 1991: 11-12).

representative to the Inter-American Committee on the Alliance for Progress. From 1966 he was back in White House as a special assistant to the President for National Security Affairs.

Throughout his life, he vigorously worked for the government in spite of the fact that he spent more time as a professor than as a policymaker. He played a large role in both the Kennedy and Johnson administrations, as his career displays. Nevertheless, there are few works on his theory, focusing especially on his ideas on foreign policy. John Lodewijks tries to analyze his theory from the viewpoint of security and military strategy, while not focusing on his ideas on the Third World (Lodewijks 1991).

2. ROSTOW'S NEW APPROACH TO AMERICAN FOREIGN POLICY

2.1. Changing the Third World

Rostow's criticism of U.S foreign policy toward Asian countries had three components. First of all, he believed the U.S had no interests in Asia in the 1950s. He thought that while there was a decreasing possibility of European war with the Soviet Union, "the place where the Communists intend to expand is Asia" (Rostow 1955: 6-7; Rostow 1960: 337). In his book, he expressed the belief that the core of the Cold War was a struggle against not only the Communist bloc, but also against nationalism in underdeveloped countries in Asia.

The population in these undeveloped countries was an overwhelming proportion of the world. If they got stronger, the U.S would face significant danger. Colonial experiences, racial problems, and problems of color might bring hostility. The U.S should reconcile and establish close relations with these countries in order to avoid their hostility towards the U.S (Rostow 1957: 141-142).

He thought that the matters related to Asia were directly related to U.S security, and that the ideological menace in Asia was stronger than that in Europe. Nevertheless, while aid to Europe had consisted of both military and economic aid, i.e. NATO and the Marshall Plan, aid to Asia had only been military.³

Secondly, he believed that American foreign aid policy had a strong military bias in the 1950s. "[I]n emergency efforts either to salvage situations which have been permitted to degenerate, such as South Korea and Indo-China, or to put out additional brushfires if they get started," America had devoted itself to military aid against the Communist bloc, rather than supporting the development of stable and effective societies (Rostow 1957: 2, 5, 11).

As a result of the existing military bias, world opinion of the U.S administration was damaged, he thought. He stressed, "[i]f we are to maintain an alliance embracing the Asian peoples, it is essential that they understand and believe in our peaceful purpose. The widespread belief in Asia that we intend to launch aggressive war is already extremely costly to us. And should war come, its outcome in both political and power terms may well hinge

³ Shortly before the Korean War, President Truman planned to carry out the Point IV Program in 1949. This Program was considered an attempt to improve economic condition in underdeveloped countries. The ECA assistance plan to South Korea in 1949 and 1950 was based on the Point IV Program. Oral History Interview with Ambassador John J. Muccio, Washington D.C. Feb.10 and Feb 18, 1971. By Jerry N. Hess, Harry S. Truman Library Independent, Missouri, Jan. 1972, p.21. Rostow also recognized that Point IV was the starting point for foreign assistance from the perspective of economic development in Third World countries (Rostow 1960). But the program was not carried out because of the outbreak of the Korean War.

on whether or not Asians believe that it was started by us.” In the end, the U.S ought to reduce military aid and increase another means (Rostow 1955: 14).

Lastly, America should concentrate on stimulating economic growth in underdeveloped countries. Basically, he felt that military aid for countries that had inappropriate economic stages would bring disaster to the U.S as well as to the undeveloped countries. U.S. military assistance should be changed to economic development aid, and even if some of the undeveloped countries, like India and Egypt, were hostile toward the free world, aid to those countries should be provided in order to change their attitude. In the end, the success of U.S economic aid might ensure psychological success in the Third World (Rostow 1955: 13-14; Rostow 1957: 12-13; Rostow 1960a: 464).

In conclusion, he strongly stressed the necessity of a great transition, that the balance of aid towards the Third World should shift from military grants to economic loans. This would clearly bring about a valuable psychological effect in the Third World. If the Third World succeeded in economic growth through U.S economic aid, people in the Third World might logically find the capitalist method of economic growth superior to that of the socialist (or communist) method, and containment of the Communist bloc would be successful.⁴

[W]e must strive ...[t]o eliminate the ideological threat of Communist victory in Asia by encouraging and reinforcing the steady progress of Asian nations toward independence as free democratic societies. For the idea of Communism cannot be destroyed. It can only be replaced. And it can be replaced by democratic principles only if these principles prove themselves in action.

... The most promising line for Communist advance is in Asia. Thus a major defeat of Communism in Asia might have decisive over-all consequences.

The United States interest in Asia means, in the end, that we face complex and difficult tasks. We must be prepared to meet the challenge of raw military power when it is used against us, as in Korea. ...Simultaneously, we must bend our creative efforts by every possible means and over a long time toward building economic and political strength in the societies of Free Asia (Rostow 1955: 6-7).

Asians must make up their own minds. If their view of Communist theory and practice is false, it will not be altered by exhortation or rhetoric from us. It may be altered by a flow of reliable and relevant information combined with their own experience (Rostow 1955: 13).

In addition, he believed that an emphasis on economic aid would seem neutral and would change people's minds about U.S intentions in the Third World. Throughout the 1950s most Asian people thought that the U.S was responsible for wars and military crises; for example the Korean War. He strongly emphasized that the U.S should show people in the Third World that U.S economic aid would clearly be granted unrelated to military aid, and that the undeveloped countries could thus be convinced of the greater potential for economic growth under capitalism.

⁴ Rostow's theory has a lot in common with George F. Kennan's containment theory. In fact, in the preface of his book (Rostow 1960a) he acknowledged Kennan's assistance. Nevertheless, there is an important point of difference between the two theorists; Rostow seriously considered the importance of non-vital areas, whereas in Kennan's theory the main focus was on five military industrialization centers, the United States, Germany and central Europe, Japan, Britain, and the U.S.S.R. In that sense, his theory also has similarity with Paul Nitze's which was expressed well in a document, the NSC 68 in 1950 (Rostow 1964; Gaddis 1982: Chapter 2 and 3).

The United States should sharply reduce its exhortation and pressure for anti-Communist action in Southeast Asia. We should not link economic assistance to military aid (Rostow 1955: 13).

2.2. Nationalism as a Power for Economic Development

In order to let the undeveloped countries in Asia carry out economic development plans and succeed in economic growth, he argued that the characteristics of those societies should be understood, and the U.S should consider these characteristics carefully in order to decide the extent and kind of economic assistance. In his theory there were common social and psychological features in those countries derived from their colonial experiences.⁵

First of all, the influence of socialism and communism arose in those countries after their liberation from colonialism, particularly among intellectuals and political leaders (Rostow 1960b: 228-235). Social discontent was expressed by the 'words of Marx' or the 'theory of Lenin,' and this tendency was closely connected with nationalism.⁶

In particular, he paid attention to the significance of nationalism in the Asian region rather than communism, and believed that there was a possibility that nationalism could play an important role in triggering economic development. In general development theory, one of the most important elements which undeveloped countries have to fulfill is to gain the active support of their people, i.e. national integration (Tinbergen 1958: 5-8). Rostow himself considered the people's consensus on the necessity of economic development as the first and foremost condition (Rostow and Milikan 1957: 44-45; Rostow 1960b: 23-25).

As he wrote in his book, nationalism would be indispensable at the stage of the "pre-condition for take-off" (Rostow 1960b: 25-26). Nationalism could stimulate 'motivity' as well as the capitalist interest motive, and this power should be activated in the course of an economic development plan (Rostow 1960b: 55-56). The use of nationalism might be, on the one hand, a response to the 'Communist conspiracy' which intended to manipulate nationalist leaders in the Third World (Rostow 1964: 126-127). On the other hand, people who commonly had strong nationalist sentiments in Asia should concentrate not on hostility toward developed countries, but on modernization or industrialization (Rostow 1960a: 439).

Secondly, there was another psychological factor: most people in those countries considered economic growth to be more important than political democratization. Having experienced political chaos shortly after liberation, they concluded that the most important problem was not political, but economic. This experience left them feeling the necessity for economic development. Therefore, nationalism could join with people's passion for economic growth, he anticipated.

⁵ It is not difficult to catch the similarity between colonialism and economic development theory. The origin of economic development theory was colonialism (Hunt 1989: 44-45). Almost all of economic development theories emphasize the positive effect of colonialism, and defined that effect as one of the basic conditions for economic growth after liberation. Since imperialists before 1945 publicly aimed at modernization in the colony, the Third World received the benefits throughout the colonial period (Rostow 1960b: 57-58). Moreover, he asserted that foreign invasion and conquest was a basic element that generated nationalism, an inevitable factor in national modernization (Rostow 1971: 62,72,95).

⁶ The nationalist trend powerfully spread through those countries. According to Rostow, this was derived not only from the colonial experience, but also from the inferiority associated with internalized racism (Rostow 1955: 4-5,10). Like China, North Korea, and Vietnam, Asian communism has strong nationalist tendencies.

Since people in the Third World prioritized economic growth over political development, it might be possible for them to accept authoritarian governments that would efficiently push economic development plans.⁷ This was rationalized in two points. One was to diversify the concept of democracy (Rostow 1955: 14-15). Rostow defined the concept of democracy as "the elements of democracy include the matter of desire and the direction of the movement" (Rostow 1964: 14-15). This meant that the acceptance of the desire and the direction for economic growth might not be inconsistent with the American-style democracy.

The other was to consider economic development an inevitable prerequisite for political improvement in underdeveloped countries. As economic development theorists in the 1950s argued that economic growth might automatically solve the problem of just distribution, he asserted that economic development was a necessary or sufficient element for political democracy. In short, the success of an economic take-off could set the stage for stable democracy (Rostow 1964: 123).

Considering the commonality in the Third World countries, as I mentioned, why did he stress social conditions, especially nationalism? This is because Rostow stressed the role of recipient countries. As he reexamined U.S. foreign aid in the 1950s, he exhumed the ineffectiveness of U.S. economic assistance. The reason stemmed not only from the administrative structure of U.S. foreign aid, but also from the lack of capacity of absorption capital in the recipient countries. From this viewpoint, he paid attention to the preparedness in recipient countries. Therefore he stressed the necessity of alternative groups for a new era, as I will mention later, that were able to carry out social reforms to strengthen the capacity of absorption capital in recipient countries. In the end, throughout the process of the new era, nationalism might become a crucial and effective means to mobilize the entire nation's assets.

2.3. To Be Done

He suggested new methods to support his 'New Look' on foreign policy: one was a new approach of the U.S. aid, the other was U.S support for new classes or groups in the Third World.

First, he emphasized the necessity of U.S. public investment. Because of political, social, and economic instability, it would not be easy to attract private capital, he believed (Rostow 1957: 16-19).⁸ Moreover, he proposed the necessity of long-term (at least five years), planned economic development loans, instead of grants, that were implemented in the 1950s under the Eisenhower administration (Rostow 1957: 126-128). Since the annual amounts and projects for these grants had been decided by the U.S. Congress each year throughout the 1950s, many difficulties occurred in carrying out "the projected aid" in the recipient countries, including Korea.

In addition, the role of Western social scientists, including Rostow himself, was emphasized, as one of the technical aid within economic assistance.

⁷ Rostow's approach, on the other hand, is closely related to the emphasis on the role of the state. According to his take-off theory, the state had to intervene not only in tax and budget matters, but in social matters such as education, public health, etc.. This intervention would be indispensable, especially at the take-off stage (Rostow 1960b: 62-63).

⁸ In fact, the Eisenhower Administration tried to induce private capital to invest in the Third World. This was very well shown in the case of Korea (Park 1999: 97).

A sober evaluation of the modern world's experience of the transition to sustained growth, focused on the concrete problems and setting of Asia would give confidence and perspective to those now charged with guiding the development plans of Free Asia. This is not so much a task for governments as one for Asian and Western social scientists to undertake together (Rostow 1955: 13).

The second point was closely related to the post war situation in the Third World. He believed that in order to execute economic development plans the emergence of new leader groups, consisting of ambitious young people from poor rural areas, would be needed (Rostow 1957: 26). The group would never have a connection with pre-modern productive relationships, for the sake of modern structural reforms. According to his theory, such groups would consist of intellectuals, merchants, and military personnel (Rostow 1960b: 23-25). He didn't believe that either industrialization or modernization could be achieved without meeting this condition.

In this assumption, he strongly emphasized the role of military organization and personnel. He mentioned that the military organization in underdeveloped countries was the only aisle of social mobility for modernization. In particular, he paid attention to the fact that there were few ladders for rural people to raise their social strata. In addition, the military system provided opportunities for many youths who performed military duty, in compliance with the conscription system, to be exposed to modern technology and administration (Rostow 1957: 26-9). He added that military personnel were the major actors throughout the economic development courses, and political stability and the necessity for security might be maintained if they participated in politics.

In research that supported Rostow's assertions on the military role written by Milikan, Rostow's colleague at the Center for International Studies, M.I.T., he said it might be necessary to educate officers of the Third World in the U.S. as one aspect of military aid. Those courses should include not only technology and military strategy, but also discussions about military mobilization for economic, political, and social development in the Third World. Moreover, he emphasized the formation of new groups consisting of economists, specialists, agricultural technocrats, jurists and bureaucrats, medical doctors, and professors, which were lead by 'confident' officers (Milikan and Blackmer 1961: 45-46, 49-51).⁹

With this approach, what kind of economic structure should be recommended?¹⁰ It was not to be an independent economy, but one which had a place within the international capitalist economy. On the one hand this was related to the speeded up economic development, because the Third World should continue to accept a great amount of foreign capital and various kinds of developed skills and technology. On the other hand this goal might be chained to future business in the developed countries from an economic perspective. If many countries in the Third World succeeded in economic growth and maintained strong positions in the Free World, the developed countries would enjoy a favorable international

⁹ The South Korea's May coup of 1961 occurred during the process of designing a new U.S. policy towards South Korea by the Presidential Task Force on Korea, organized in April 1961. Coincidentally, young military officers in South Korea carried out the coup just when Rostow's theory was expanding its influence among the bureaucrats in the U.S. In fact, Rostow recalled that the success of the May coup in 1961 was attributed to his recommendation to President Kennedy. At the crucial moment when President Kennedy tried to decide how to deal with the coup, according to his interview, he strongly recommended that the president support the young military officers in South Korea (Kim 1992).

¹⁰ From Rostow's viewpoint, in general, 75 years might be needed for underdeveloped countries to become developed countries (Rostow 1960a: 413).

climate for their own continued economic growth (Rostow 1957: 55-56).

Rostow also proposed the establishment of unbalanced economic structures in order to include developing economies in the 'swamp', i.e. the capitalist trade system. On the basis of the unbalanced growth theory of Albert O. Hirschman, he stressed the development of leading industries, and also proposed that the U.S. actively use its surplus products in foreign aid (Rostow 1960b: 93-100). In the end, he clearly stated that;

The economic development program outlined in the balance of this book is conceived as one of the instruments for carrying out the task of helping create an environment within which American society can thrive. ...

As our emergence into national maturity lifts our horizons beyond our own shores, and as we come to agree as a people how to manage democratically our mature capitalist economy, we need the challenge of world development to keep us from the stagnation of smug prosperity (Rostow 1957: 6-8).

He also stressed that the U.S. should reduce its international economic and military burden. Accordingly, he proposed not grants and military aid, but development loans and economic aid. And he also stressed the role of the recipient countries: "[o]ur projects were designed in order to support those who help themselves" (Rostow 1964: 25). This meant that it was indispensable for recipient countries to try harder to design, to mobilize, and to carry out economic development plans in order to guarantee successful economic growth.

3. WHERE IS THE TAKE-OFF THEORY?

Rostow's proposal stressing long-term economic development aid in public form, social reforms of underdeveloped countries, and the necessity of new groups, gradually gained currency within the Eisenhower administration, as I examined in chapter 2.

His opinion got popularity among the administration in the late 1950s, and triggered changes of U.S. foreign policy toward the Third World countries. The most decisive turning point was his participation in Kennedy's camp for the 1960 presidential election.¹¹ Rostow's viewpoint was represented well in a paper produced by the Presidential Task Force on Foreign Economic Policy, where Rostow and Millikan belonged.

The new aid program must recognize these motivations and provide the resource incentive for local leaders to direct nationalistic forces into constructive channels of building democratic nations. It should give support especially to the leaders who are eager to modernize society...

Failure of Present Program to Respond to the Problems of the Underdeveloped Nations. : The present program tends to look to private investment to carry the burden of development assistance. This fails to recognize the strength of nationalism in most underdeveloped areas and the unwillingness of private investment to move rapidly into areas needing such assistance... Its operations are hindered also by numerous legislative and policy directives. Authorized and funded primarily on an annual basis, it lacks continuity.¹²

This paper shows that the new policy called for a new kind of typical leadership in the

¹¹ Recorded interview by Richard Neustadt, 11 and 25 April, 1964, JFKL Oral History Program, pp. 20, 113, 149.

¹² Task Force Report, Dec. 31, 1960, National Security File(NSF): Subjects: Foreign Economic Policy, Box 297, John F. Kennedy Library(JFKL).

Third world, substitution of private investment by public loans, and emphasis on nationalism in the Third World.

So what was the position of the take-off theory in his whole perspective? Or what was the role of the take-off theory in his foreign policies? There is a crucial memorandum that gives us insights about the role of the take-off theory.¹³

In general, the new look consists of a turn-around from a defensive effort to shore-up weak economies and to buy short-run political and military advantage, to a coordinated Free World effort with enough resources to move forward those nations prepared to mobilize their own resources for development purposes. Aid ends when self-sustained growth is achieved and borrowing can proceed in normal commercial ways...

What we can do is shift rapidly out of defense support and special assistance into long-term development lending in places where there appears to be a basis for turn-around (e. g., Taiwan, Korea, Turkey, Greece, the Philippines, and even, perhaps Iran). ... on notice that they must develop serious domestic programs before any increases in aid will be granted; e. g., Indonesia and Afghanistan. ... Most important of all, we must promptly expand our commitments to those countries which now have the capacity to absorb capital productively in a reasonably short period; e. g., India, Pakistan, Nigeria, Argentina, Brazil, Colombia, Venezuela.

Through this memorandum, it is not difficult to find the position of his "take-off" theory: his "take-off" theory is a part of his overall ideas on foreign policy. In the document, we can find that in order to use U.S. economic development assistance effectively, he classified the recipient countries into two stages. According to the stages the U.S. should differentiate its assistance, he argued.

In his book, *A proposal* also shows that his take-off theory is a part of his ideas on foreign policy. The take-off theory was dealt with in chapter one of his 14 chapters.

4. TAKE-OFF: BELIEF OF THE SOUTH KOREAN PEOPLE

In South Korea, his theory was introduced in the late 1950s by famous economists in newspapers and journals (Choe 1959; Choe, Mun Hwan, 1961; Lee 1961; Lim 1963). Chiefly intellectuals and economists in South Korea were very interested in his take-off theory because of the atmosphere in the 1950s and the 1960s. In particular, his theory played a great role in getting intellectuals to give up their desire for balanced growth, and to change the Korean people's obscure desires into obvious confidence.

There were a number of disputes on economic development planning in South Korea in the 1950s.¹⁴ These disputes were derived from people's consensus on economic growth in the 1950s (Park 2000a: 16-38). Chiefly the 'balanced growth theory' created by Nurkse gained popularity throughout the 1950s, like in other underdeveloped countries.¹⁵ Without a

¹³ Memorandum to the President, February 28, 1961, from Rostow, "Crucial Issues in foreign Aid," NSF: Meetings & Memoranda: Staff Memoranda, Walt W. Rostow, Foreign Aid, 2/24/61-2/28/61, Box 324, JFKL.

¹⁴ The Economic Development Committee was established in 1958 under the Department of Rehabilitation. The committee was responsible for designing an economic development plan. According to records of meetings of the committee, they chiefly deliberated the balanced theory and considered carefully the Japanese economic recovery process after 1945.

¹⁵ Lewis' and Tinbergen's books were also introduced and translated in South Korea. The Import Substitute Industrialization strategy created in Latin America was introduced in 1959 in a journal

clear economic strategy, the balanced growth theory was accepted broadly among intellectuals in South Korea. Even into the early 1970s, many economists regarded the theory as almost a mythical guide to economic growth (Lee 1990; Yu 1983). The myth continued to exist in economic development plans until the middle of the 1960s.

The first impact against the balanced theory was triggered by Charles Wolf, Jr., who was a member of the RAND Corporation and was dispatched under a contract with the ICA to serve as a special economic adviser for Prime Minister Chang Myeon in April, 1961. Although he stayed in Seoul for about a month, he examined and criticized an economic development plan designed by the Chang Administration in 1961. One of the main points he mentioned was that Korean policy makers and economists had to accept new theories like the unbalanced theory by Hirschman instead of accepting just the balanced theory (Wolf 1961). Many economic bureaucrats wanted to continue to work under his advice, and then the military junta established in May 1961 asked the American government to dispatch him again as an economic adviser for the chairman of the Supreme Council for National Reconstruction.

Nevertheless, the unbalanced theory could not gain currency among Koreans until the middle of 1960s. The military junta tried to adopt the unbalanced theory partially in its own economic development plan in 1962, but too many criticism were raised against the attempt, according to a memoir of a key member in the junta, Yu, Won-sik. Because of this tendency in Korea, the balanced theory continued to have a strong influence until the middle of the 1960s when the second five-year development plan was designed.

The most important impact was Rostow's visit to Korea on May 3, 1965.¹⁶ First of all he had a long conversation with President Pak Chong-Heui. The next day he visited Seoul National University and delivered a presentation, entitled "Economic Development in Asia," in front of students and professors. There were very interesting disputes on economic development planning in South Korea as well as on his theory. At that time, shortly after the Korean-Japanese Normalization in 1965, strongly nationalist sentiments were popularized among Korean students who had actively taken part in demonstrations opposing the normalization in 1964 and 1965.

In his presentation at Seoul National University, Korea's economy was classified as at the take-off stage, along with India's, Pakistan's, the Philippine's, Malaya's, and Taiwan's. He also emphasized the role of agriculture, which could solve the basic need problem while also providing raw materials for industrialization, and the necessity of foreign aid to speed up economic development. He scarcely mentioned his viewpoints on U.S. foreign policy.

Although there were numerous criticisms of Rostow's theory, the word "take-off" became an important discourse in the South Korean society.¹⁷ From President to commoner, "take-

published by the Korea Bank. After the 1960s, progressive economists criticized economic development theories formed in the West based on the Dependency Theory along with Marxist theory.

¹⁶ Several economists and bureaucrats had the experience of meeting him before 1966. Shortly before the May coup in 1961, three bureaucrats belonging to the Finance Department visited Washington, D.C. in order to explain the plan designed by the Chang Administration and to get funds for the sake of implementing the plan. At that time they met him at a hotel, and after the meeting for about an hour, he called them "take-off" boys. In 1963, Kim Jong-pil, who was a director of the KCIA, met him and discussed economic development in South Korea. Rostow remembered the episodes when I interviewed him in 1998 at his office in Austin, Texas.

¹⁷ During the 1950s, Pak, Heui Beom who was a professor at Seoul National University and later became a special adviser for Park, Cheong Heui, vigorously criticized Rostow's theory. In his opinion, Rostow's theory was not appropriate for South Korea's economy. His theory was called an "inward-

off”, in Korean *Toyak* (토약) became a symbol of Korea’s economic growth. There were few university entrance exams that did not contain a question on take-off theory throughout the late 1960s and the 1970s.

Through his theory, in the end, not only intellectuals saw that the possibilities of the ‘unbalanced growth theory’ over of the balanced, were realistic, but also that the Korean people started to have confidence in achieving rapid economic growth. People’s confidence might be one of the most important prerequisites for economic growth in the Third World, as Rostow mentioned in his book (Rostow and Milikan 1957: 44-45; Rostow 1960b: 23-25).

On the other hand, however, the fact that almost all Koreans were uninterested in his whole theory on foreign policy deserves attention. In spite of the fact that Choe Ho-jin introduced Rostow’s ideas on foreign policy partially in a journal (Choe 1961), it is very difficult to find articles or books where his theory was carefully examined. Almost all of people in their 40s and 50s remember his name, even nowadays, but few people know that he was a designer of U.S. foreign policy in the 1960s.¹⁸

The necessity of an economic development plan gained currency in the Korean society in the 1950s. Intellectuals in South Korea imported various kinds of economic development theories. However, as we can see from the case of the Rostovian theory, they saw the theories through a specific hole dug by drills that were made in accordance with their own concerns. Koreans accepted parts of Rostow’s economic development theory while still ignoring many of his ideas.

In a book titled *Theory and Condition of Korea’s Economic Development I-a part of Theory and Policy I* [Hanguk Gyeongjebaljeoneui Irongwa Hyeonsil I] published in 1969 by the South Korean cabinet, there are 17 articles written by outstanding economists of the time who took part in designing and advising economic development plans in the economic policy making process. Over a half of the authors commenced their articles with the introduction of the take-off theory and tried to analyze economic conditions in South Korea on the basis of the theory. Only one scholar, Byun Hyung-Woon raised questions on using Rostow’s theory as the principal method to examine Korea’s economic development during the 1960s. This book clearly shows us the position of Rostow’s theory in the discourse of South Korean society at the time.

5. THE ‘KOREANIZED’

The spread of Rostow’s take-off theory in South Korea in the 1960s was one instance that clarifies the westernized modernization process in society as well as in academic circles. He played a critical role as one of the social scientists, as he noted, who could create and spread their own economic development theory in the Third World and make people feel confident in their ability to achieve economic growth in the Free World (Rostow 1955: 12-13). Of course, it should also be mentioned that a lot of intellectuals and bureaucrats who studied abroad, especially in USA, played crucial roles in the acceptance of the theory.

From the economic viewpoint, requests by American policy makers under the new flow

looking deepening strategy,” or “State-led Capitalism” (Kimiya 1991: 33-61; Park 2000: 39-46).

¹⁸ When I found his book, *A Proposal*, in the Central Library, Seoul National University, just five professors’ names could be found in the last page of the book. During 40 years, a few professors at SNU paid attention to his role as a foreign policy designer.

of the Kennedy administration, were already partially accepted by the military junta and the Park Administration. The junta could not help but revise its own economic plan designed in 1962. American officials asked that the economic plan as well as the economic policies of the junta be changed as a whole, and the revised plan was established in 1964. The key points of the requests focused on the reduction of the government's role, construction of the labor-intensive light industry, use of foreign loans, a free trade system, and so on (Park 2000b).

The spread of Rostow's take-off theory in South Korea is clearly a part of the modernization process. At the same time, however, it is possible to find an example of a Koreanized process through the attitude of Korean intellectuals. They accepted his theory partially through a specified hole made by their own necessity. They accepted the take-off theory alone among his foreign policy arguments. There were many cases in the 1950s where they imported economic theories from the West. The process of interpretation of Nurkse, Keynes, Lewis, and so on, also shows Koreanized process (Park 2000a: 70-76).

Rostow visited Korea again in the early 1980s and gave a presentation to a meeting of the owners of the conglomerates and big companies. He recalled the bureaucrats who he had referred to as his "take-off boys". I met Prof. Rostow in 1998. He was very pleased to meet a scholar from South Korea, a country he regarded as one of the successful examples of his ideas on foreign policy as well as take-off theories.

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