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Crisis, Contradiction and Contingency: An Ethnography of Corporate Capitalism
in Korea and Indonesia

By

Jaisohn Eau

A dissertation submitted in partial satisfaction of the

requirements for the degree of

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In

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of the

University of California, Berkeley

Committee in Charge:
Professor Laura Nader, Chair
Professor Stanley H. Brandes
Professor Sylvia Tiwon

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Abstract

Crisis, Contradiction and Contingency: An Ethnography of Corporate Capitalism
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Doctor of Philosophy in Anthropology

University of California, Berkeley

Professor Laura Nader, Chair

This dissertation is a multi-sited ethnography that focuses on social groups and individuals in factories, business, civil society, government, and corporate organizations in Korea and Indonesia. The project takes a "vertical slice" of social organizations in both countries. By analyzing the linkages connecting these individuals and groups, the dissertation examines the social and cultural consequences of corporate capitalist policies and practices that contributed to the onset of the global economic crisis of 1998.

Dedicated to the Workers of Indonesia and Korea, who have shown, by sacrificing their lives to build a better world for future generations, the limitless possibilities to democratically rebuild it.

Table of Contents

Crisis, Contradiction and Contingency: An Ethnography of Corporate Capitalism in Korea and Indonesia

Chapter 1: Political Economies: South Korea and Indonesia

Chapter 2: Ethnography of Korean Management in Indonesia

Chapter 3: Ethnography of Indonesian Migrant Labor in Korea

Chapter 4: Ethnography of Social Institutions during the Global Economic Crisis

Chapter 5: Steps Towards an Ethnography of Corporate Capitalism

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Chapter 1: Political Economies: South Korea and Indonesia

Historical Backdrop

A Place in the Sun

In May 1986—five years after President Ronald Reagan invited Korean dictator Chun Doo-Hwan to the United States as his first foreign policy act¹-- Reagan's Secretary of State George Schultz visited Seoul and praised the government for "a progressive movement going in the terms of the institutions of democracy." This was a time when dissidents were routinely harassed and jailed if not mysteriously disappeared, when labor organizing was outlawed, and publishers of seditious books were given life sentences. Schultz heaped praise upon General Chun Doo-Hwan's military government, the same one that had killed as many as 2000 protesters and bystanders in the city of Kwangju less than six months after taking power in a coup d'état in December 1979 (Clark 1988). President Carter's comment after this massacre was telling: "Koreans were not ready for democracy...according to their own judgment."

In spring 1987, less than a year after Shultz's visit to Seoul, Koreans took to the streets in mass protest, perhaps a familiar image now to the mainstream media-connected global audience. This time, however, the so called "neck-tie brigade"—middle class white collar workers--joined the dissidents, factory workers, students, and religious organizations in calling for an end to dictatorial rule and democratic elections (Hart-Landsberg 1998:197). The killing of university student protesters proved the final nail in the coffin of the General's regime. The floodgates were open and General Chun—by then self-declared as President Chun—stepped down from power as his right-hand man and

¹ Cumings notes that the support of Chun and de facto the Kwangju massacre angered students and the Korean public even more, and to this day, have residual effects of anti-American sentiment. As Cumings states (1997:390), "The first of many anti-American acts was the arson of the Kwangju U.S. Information Service office in December 1980; by the mid 1980s such acts were commonplace, with many young people committing suicide for their beliefs."

hand-picked successor General Roh Tae-Woo received the spotlight as he immediately proclaimed that direct presidential elections would be held later that year in December 1987 (Cumings 1997:391).²

Although General Noh eventually succeeded in winning the election, this period marked a turning point in not just Korea's political democracy, but also in its political economic trajectories. Due to decades of rapid growth in production and export of exponentially growing global economic markets for chemicals, electronic, steel, and textiles, Korea's economy grew by leaps and bounds, prompting a burgeoning economic and business literature praising Korea's rapid economic growth (Kim 1997; 1998). Together with Taiwan, Hong Kong, and Singapore, Korea was firmly anchored in its status as an "Asian Tiger," a newly industrializing country (NIC) that was undergoing rapid economic growth.

If the direct elections, gradual easing of civil rights, and hyper economic growth were not enough to showcase Korea's place in the sun, the country successfully hosted the 1988 Summer Olympics in Seoul (Cumings 1997:337). It was a moment for Koreans to shine in the spotlight of the global media, as modern apartment buildings, high-rise office towers, and Korean-made consumer electronics, cars, and steel were paraded for the first time to the global public. (Larson and Park 1993).

Coming of Age in a Military Dictatorship

Just as Korea was going through its last weeks under its second successive military dictatorship, my family left the country. I still recall watching the intensifying protests from the bedroom that I shared with my twin brothers, as our apartment overlooked a Presbyterian university famous more for Molotov cocktails and tear gas than theological treatises. Our father used to round us up in the station wagon, and drive

² He did not step down empty handed of course. During Chun's nationally publicized trial in 1996, it was discovered that he had amassed at least \$900 million during his dictatorship (Cumings 1997:391).

off into the countryside so that we could breathe fresh air until the protests died down. Our high school leased its lone building from another university known for its student protests, where we would routinely have “tear gas” breaks and days off. I recall one curious student who unknowingly opened a tear gas canister, which subsequently exploded in his face; we did not see him again in school for a few days. Such occurrences were not uncommon in those times.

From the point of view of a high school student, these protests became routine, a minor annoyance, especially when they prevented us from going to a sporting event or the latest Hollywood movie. In fact, once my family arrived in the United States (and more so when we moved to Kenya a year later), we often felt that we missed such adrenaline-charged moments in Seoul, of which student and worker protests were certainly key components.

Some eleven years later in May 1998, while conducting field research in Indonesia for this dissertation, I found myself reflecting on these experiences as I rode in an SUV with a Korean factory manager as he expeditiously drove through riot-torn Jakarta, deftly avoiding bricks being thrown at us ostensibly for looking Chinese, or, perhaps, Korean. Students were congregating on the streets and university campuses en masse. Wildcat strikes were overwhelming even the ever-ready military and factory guards in the industrial areas that we lived and worked in. The Korean factory managers that I lived with for my field research were worried that angry Indonesians would direct their anger towards them, as had been the case with Chinese Indonesians, who at the time controlled the majority of the country’s economic wealth (Hill 1996, Robison 1986).

From neighbors and associates, we learned of Koreans being beaten or robbed in Jakarta, pulled over by mobs on major toll roads, and especially en route to the airport, as organized thieves knew that wealthy people were fleeing with valuable possessions. And of course, we read

the daily reports of ongoing atrocities against the Chinese.³ We held nightly watches around our residence with baseball bats, in faint hopes of discouraging truckloads of looters that were ransacking neighboring compounds just because they now could. It was a dangerous time for Koreans in West Java. However, we never showed our fear to one another, as if to acknowledge that we had gone through this before in our home country, though in hindsight, not with our lives at stake.⁴

In a matter of days, nationwide protests increased in force and violence, spurred by the growing anxiety and anger over the worsening economy and further propelled by the shooting death of four students at Trisakti University, which in turn left in its aftermath, mass rioting that left close to 2000 people killed, the majority Chinese, leading to an exodus of people and capital. Under relentless pressure, Suharto publicly lost the support of key political and military and economic supporters, both at home and abroad. The speaker of Parliament Harmoko announced on May 20 that the Indonesian Parliament would dismiss Suharto if he did not resign by May 22 (Liddle 1999:17).

On May 21, 1998, Suharto's regime came to an end after some thirty-two years in power. The joy of the Indonesian populace was beamed across the world by CNN, Al Jazeera, BBC, and countless media outlets, including the decentralized world of internet blogs and other websites (Parry 2005:162). It was a short-lived joy, as the economic crisis that may have put the final nail on the dictatorship's reign, continued to spiral out of control in a country where absolute poverty was rising exponentially on a daily basis. Economist Mari Pangestu warned of the GDP shrinking by 10-20%, skyrocketing inflation of 100-200%, rising

³ Violence was sometimes directed at well-known Chinese business leaders such as the Indogroup Chairman Liem Sioe Liong, one of the wealthiest men in the world. General Suharto's family held shares in many of his companies which altogether controlled a big share of the nation's economic value. Angry rioters set fire to his housing compound in 1998. There were also many acts of violence including murder perpetrated against many ethnic Chinese without such causes. There are also conflicting accounts of major events such as the burning of the Lippo Supermal—some blamed the military or other government backed instigators.

⁴ Anti-Chinese riots in Indonesia due to outrage at their disproportionate wealth had occurred before of course. Riots in Bandung and Jakarta in 1973 and 1974 led to some legal measures aimed at increasing native economic participation, but they were largely ineffectual (Robison 1986:275).

rates of poverty and the devastating effects of Chinese and foreign capital flight (Forrester 1999: 69).⁵

About this Dissertation

This dissertation is a historical and comparative analysis of the political economies of Korea and Indonesia shaped by these two historical moments. First, there is an analysis of post-democratic Korea at a time of rapid economic growth, wherein the easing of labor restrictions and higher wages eventually led to the transnational movement of capital and labor to other countries, including Indonesia. In turn, the dissertation then focuses on Indonesia in transition after decades of authoritarian rule, with widespread industrial strife in the very factories that were relocated from Korean to Indonesian industrial zones.

Student and worker protests and eventually the murder of student protesters so enraged the Indonesian middle class that they joined the calls for the dictatorship's end. This was reminiscent of my last days in Seoul in 1987. A significant difference, however, was that whereas Korea was enjoying record breaking growth of its GDP in 1987, Indonesia was at its lowest, as the so-called "Asian Financial Crisis" had ravaged key domestic sectors and the Indonesian currency, leading to skyrocketing prices for basic essentials such as staple foods, fuel and electricity. Whereas Koreans were basking in the glory of the global media stage of the Olympic Games, Indonesians were struggling for basic survival during the worst economic crisis in the country's history.

By virtue of being a comparative and historical study, this ethnographic account of the period 1997-2000 in these two countries will illustrate the similarities and differences of the two nations' political economic

⁵ In a conference held in Seoul in 2000 that I attended, Mari Pangestu noted the following trends: "In 1998 the contraction in growth was close to 14 percent, hyperinflation fears were rampant with food prices doubling, the exchange rate was very volatile with the rupiah depreciating from Rp. 2500/US\$ pre-crisis to Rp. 15,000/US\$ at its worst, and interest rates skyrocketing to 70 percent" (Pangestu 2000).

trajectories, with a focus on the socio-cultural dynamics and political economy of Korea-Indonesian industry and industrial relations.

I initially set out to conduct research on the question whether there is a distinctively Korean style of management as was depicted in the popular press. I planned to investigate whether this management style was characterized solely by inhumane and unfair treatment, or if there were other cultural, political, and economic factors that played a role in management-labor relations.

Instead, I decided that a better understanding of these dynamics could only come from a broader historical and political-economic view of Korean-Indonesian management-labor relations. These questions and perspectives might then provide a starting point for understanding larger forces of economic globalization and integration. As an ethnography of particular historical moments in Indonesia and Korea, this dissertation does not seek to provide a retroactive reassessment of political or economic events, which would not be analytically or theoretically useful in any case.⁶

There are many ways to analyze and compare the political economies of the two countries. Up until recently, the vast majority of economic and business literature on this topic was based on neo-classical or neoliberal views of economic development.⁷ Korea's successful development model based on export-based growth was considered a model example of a country on the path of positive Rostowian economic development (Rostow 1952; 1959). In fact, when Rostow joined the Kennedy administration in 1961, one of his first initiatives was to get Korea on its export-led development model with Japanese assistance (Cumings 1998). These positive reviews of Korean development, however, often

⁶ As Taleb argues in *Black Swan* (2007), retroactive reviews only serve to reveal the contingent and unpredictable nature of economic activity.

⁷ Anthropologist David Harvey ” (2005:2) defines neoliberalism as “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. See also David Graeber "Neoliberalism" from the Besteman and Gusterson 2009; and Harvey 2005]

conveniently overlooked the role of the strong state and the state-controlled monopolies that were anything but free market oriented, as historical studies had thoroughly documented (Chow 1985, Cumings 1987, Hart-Landsberg 1993, Kim 1997, Koo and Kim 1992). They also often left out the social and environmental costs of economic development (Hart-Landsberg 1993, Eder 1996), factors which played key roles in the events that played out during dissertation research.

Instead, observers and experts drew attention to the cultural facets of Korea's economic success (Kearney 1991, Clifford 1998, Chung and Yi 1989). As early as 1977, Fortune magazine expressed the following:

What positively delights American business men in Korea is the Confucian work ethic. ...Work, as Koreans see it, is not hardship. It is a heaven-sent opportunity to help family and nation. The fact that filial piety extends to the boss-worker relationship comes as a further surprise to Americans accustomed to labor wrangling at home. (Cumings 2007:24)

Many extolled the virtues of the "Warrior Worker" as an intrinsically Korean cultural feature (Kearney 1991).

The "Confucian management and business ethic," some building on Weberian studies of Asia (Chung, et al. 1989) became a topic of considerable debate in the academy and in business circles, as the four East Asian NICs⁸ seemed to draw from the same well of intrinsic cultural values that seemed perfectly suited for successful economic development. The four East-Asian NICS—Korea, Taiwan, Hong Kong and Singapore--were also referred to as "Asian Tigers" in the popular and academic literature (Chang 1998, Cha 2003, Lam 2003, Dollinger 1988). For their part in growing rapidly in the 1980s, Indonesia,

⁸ NICs or Newly Industrializing Countries referred to the fast growing economies of South Korea, Hong Kong, Taiwan, and Singapore. There is an abundance of literature assessing the growth strategies and economic success of NICs, the fastest growing segment of the academic industry in itself (see for instance Appelbaum and Henderson 1992).

Malaysia and Thailand were referred to as “Asian Dragons” or “Little Dragons” (Schlossstein 1991, Hayashida 1995).⁹

However, economic and political observers and analysts later blamed these very same “cultural” factors for the downfall of Korea’s economy during the Asian Economic Crisis of 1998. “Crony capitalism” was a ubiquitous term in the Western press used to describe the corrupting influences of Confucian culture, which valued loyalty and discipline at all costs. Yet Confucianism was also supposedly responsible for the discipline necessary for unprecedented economic growth in previous decades (Kang 2002). Confucianism or Korean culture writ large was therefore portrayed as a double-edged sword; conducive to rampant authoritarianism and corruption but also to positive economic development. It was striking that this corruption and systemic inequity became suddenly visible to the very analysts who had turned a blind eye to Western government and corporate collusion with these very interests.

Often untouched in these analyses were the “invisible hands” of the market, namely the key roles played by Western financial institutions such as the IMF and the World Bank, corporate banks and government policies, which fundamentally shaped and indeed continue to shape a country’s economic fate (Chang 2008, Harvey 2005). Comprehensive analyses might include the US military-industrial complex, regional product cycle and political economy, and the political economy of the West and Japan, which benefited from the cheap and docile labor of the NICs.¹⁰

This ethnographic project was devised in part to contextualize these broader political-economic theories of Indonesian and Korean development by focusing on the daily practices of workers, managers, executives, government and NGO officials in each country. The rest of

⁹ (Taylor and Turton 1988) is an exemplary early volume of critical reviews of Southeast Asian development.

¹⁰ Also missing was the abundant evidence of “crony capitalism” at work in non-Confucian societies: post-soviet Russia, post-ISI neoliberal Mexico and US military-industrial contracts; and of course the United States political system itself (Nader 2000).

this chapter will review the political economy of Korean and Indonesian industrial development separately and then discuss inter-relations therein. The ensuing chapters will provide ethnographic data that highlight the complexities of comparison but more important the complexities of corporate capitalism in the “neoliberal period” of the late 1990s.

Historical Context: Korean Political Economy 1960-2000

“Korea does not have any corruption! Korea has the most optimal business climate for foreign investment. Korea is a mature democratic society.”

- Chairman of Korean Congressional Committee on Finance and Economy (November 1996)¹¹

Some two months after vociferously attempting to make the case that Korean business and society was free of corruption, the former Chair of the Congressional Finance Committee was sentenced to prison for his involvement in a major bribery scandal that led to the downfall of one of the top Korean conglomerates, Hanbo Steel. This case had a domino effect on the Korean economy, which many view as the beginning of the Korean financial crisis of 1997.

After the fall of Hanbo Steel, virtually every company in Korea was affected; many other top 10 corporations went bankrupt, burdened by mountains of debt and unprecedented debt-equity ratios, and were unable to obtain government or bank lifelines as had been the accepted practice for decades past. Corporate reforms initiated during these tumultuous times are still ongoing, as the project of dedicated corporate watchdog groups and civil society organizations such as Citizens Coalition for Economic Justice and People’s Solidarity for Participatory

¹¹ This quote by the former head of the Parliamentary Finance and Economic Committee was made during a formal dinner in October 1996 that I attended, held in the penthouse French restaurant of an early symbol of Korea’s successful modernization, the 63 Building, once the highest skyscraper in Asia.

Democracy, that have since seen three Presidential regimes come and go with varied effects.

Certainly the rise of Korea, Inc. has seen admirers and detractors from all sectors: government, academic, media, and civic. Like the term “Japan, Inc.”, Korea, Inc. was first coined by Western business writers, and rapidly followed by academic studies and conferences, which further buttressed the image of a machine in constant motion (Chang and Shin 2003). And currently, following close to a decade of growth, and global success stories such as Hyundai and Samsung, Korea, Inc. seems on the rebound after the aberration of the 1997 financial crisis.

Indeed, in so much as Japanese economic growth and its dominant consumer product portfolio surprised the world and eventually led to widespread fear and nothing less than media driven hysteria in the United States as “they” began to buy up prime Manhattan real estate in the 1980s, so too has the rise of “Korea, Inc.” become a great revelation to observers in the West, East and South. Once viewed by economists as a “basket case” with far lower expectations than the economies of Africa, the Korean economy has certainly exceeded all expectations for economic growth and technological development (Chang 2003).

The post-World War II and therefore post-Japanese colonization years of economic development have been chronicled in all histories of South Korea, to such an extent that economic history in many instances took the exclusive focus of all histories of Korea. Of course most studies acknowledge the influence of the Japanese colonial period on the development of social and institutional structures that formed the basis of modern South Korean capitalism (Clifford 1998, Shin and Robinson 2001). But only recently have efforts been made to highlight the intricate social histories behind the post-1970s economic growth miracle (Cumings 1997).

Following his coup d'état, President Park Chung Hee's successful economic plans focused on heavy and chemical industries has been

praised by most economic observers as brilliant foresight. More recently, the 30 year memorial of his tragic assassination by his own assistant was highlighted by numerous retrospectives of his economic vision for Korea, and although there were debates about his human rights records and abuses, detractors and supporters alike could not doubt his role in building Korea's economy to where it is today. In fact, he is still the most popular leader in postwar Korea (Cumings 1997:326).

In retrospect, events often seem highly rational and well-planned. But as closer analyses reveal, reality is messy. It is always noted that Korea fit closely into broader geopolitical and political economic structures which it benefited from—namely, *the* major geopolitical and economic power in the world, the United States, and also by virtue of its close relationship with the next biggest economic power, Japan. Korea was positioned betwixt and between these two countries, and benefited from close trade relations, certainly contingencies that were not the result of some grand economic plan.

The so-called “development decades” of the 1970-1980s profoundly shaped not only the content of Korean material development but also the socio-cultural makeup of the ethnically homogenous Koreans, who would suddenly find themselves operating as corporate capitalist owners and managers in various regions of the world, chief among them, Indonesia. A brief review of this historical period is therefore in order.

1970-1987 The Development Decades

In most business literature, President Park Chung-Hee's dictatorship years are mostly remembered for its economic achievements. These achievements are visible today and impossible to deny. During the 5-Year Plans for Economic Development between 1970 and 1980, South Korea's per capita income grew five-fold and exports grew nine-fold. President Park's ambitious “Heavy and Chemical Industrialization” Program (HCI) begun in 1972 led to global market leading companies in chemicals, steel, automobiles, shipbuilding, electronics, machinery, and

other technically advanced industries, many of which even today, are global leaders in their respective industries (Horikane 2005). Samsung, Hyundai, LG (now GS and LG), SK and POSCO are familiar names all over the world.

During and after the Cold War, these economic achievements were celebrated and touted as a model fit for economic development everywhere. In her classic and acclaimed study of Korean economic development *Asia's Next Giant: South Korea and Late Industrialization*, noted economist Alice Amsden (1989) points to Korea's development miracle as a model for Third World economic development, finding that Korea's centralized, state-led corporate development demonstrates "a new way of industrializing that challenges long-held assumptions of a generation of economic thinkers" (Amsden 1989:3).

Economic, business, and development sociology studies praising South Korea's rise to industrial prominence became something of an academic and publishing growth industry in the 1980-1990s (Song 1990). Indeed, even among the "Four Asian Tigers"-- Taiwan, Hong Kong, Singapore-- Korea was held up as "the" model for economic development, whose experience had the solutions that could pull other countries out of poverty and stagnation. The "miracle on the Han" would serve as a role model for countries in Africa, Latin America and indeed the rest of Asia.

These academic and non-academic studies of South Korea's economic miracle became the focus of think-tanks and policy measures touted by South Korean and multilateral institutions in espousing a certain form of national economic development to the rest of the industrializing world, including the other country in this comparative study, Indonesia. Many such enthusiastic studies continue to dominate the business and policy landscape today.

Recently, however, critical overviews of Korean economic development have pointed out the inherent class contradictions in Korea's unequal development which carries with it myriad social problems that continue

to get fought out in government halls and more visibly in the streets of Seoul (Hart-Landsberg 1993, Kim 1997, Koo 2001, Ogle 1990). The rampant social and environmental costs of this exploitative, unequal development, hitherto regarded as “market externalities”, are only recently being assessed in the academic literature and accorded a place for debate in Korean politics and society (Hart-Landsberg 1993, Eder 1996).

Documenting and analyzing the significant social and environmental costs that serve as long-lasting legacies of South Korea’s unequal economic development which continue in many cases unabated today, is certainly very important to formulating policies for Korea and other countries that may be modeling their economic development on Korea. Just as important, however, is a closer understanding of the underlying reasons for Korea’s economic successes.

Most economic and sociological studies such as the work of Amsden are based on the viewpoint of neo-liberal economics, which emphasizes the importance of the free-market formulated by Adam Smith and buttressed by followers such as Milton Friedman. The neoliberal economic platform espouses open and free markets, privatization, minimal government regulation and interference, open international trade and investment and other *laissez faire* policies.

A cursory review of South Korea’s development experience reveals, however, the polar opposite of the neo-liberal agenda. As noted above, President Park’s regime formulated, institutionalized and executed its carefully planned economic plans. The central government tightly controlled economic activities in all sectors with exclusive free or low-interest state loans and bailouts whenever necessary to either state controlled or handpicked corporations in each sector. Many Latin American countries were also following similar trajectories during this time (Chang 2006).

Foreign investment was banned or severely restricted.¹² The government provided tariff protections to ward off foreign competition up until, remarkably enough, the economic crisis of 1997, when the IMF, as conditions for its bailout package, enforced neoliberal policy changes reversed the closely controlled policies of the Korean government. This protectionist centralized state policy continued through the administration of the successor dictator Chun Doo-Hwan. Aside from the scale of the massive economic and political corruption of his regime which was documented after the end of his dictatorial reign and led to his death sentence which was eventually pardoned, Chun's regime's policies followed along the same protectionist, centralized lines of his predecessor Park.

As development economist Ha-Joon Chang (2008:15) states, "The Korean economic miracle was the result of a clever and pragmatic mixture of market incentives and state direction. The Korean government did not vanquish the market as the communist states did. However, it did not have blind faith in the market either. While it took markets seriously, the Korean strategy recognized that they often needed to be corrected through policy intervention."

The policy interventions included the nurturing and protection of strategically important corporations. The legacy of this practice is evident today, as shareholders of these publicly held companies continue to battle over shareholder rights and accountability. The South Korean experience is certainly not indicative of neo-liberal laissez-faire policy. Indeed the repercussions of the IMF imposed neoliberal policies in 1997 are subject to intense debate today. We will return to these issues as they form serve as the key political-economic and historical backdrop of this dissertation research.

Neoliberal Economic Policy in Korea

¹² These policies are similar to the restrictive policies of classic import substitution development models that were carried out in Mexico in the 1950s-1980s, Argentina under Peron, and which mostly follows the US model of industrial development in the 1800s (Chang 2006).

As mentioned earlier, 1987 heralded the opening up of Korea's political democracy with the introduction of direct elections. Economic policies were slower to follow, as entrenched interests held on to their centralized controls on capital that were developed over the previous 17 years of successive military dictatorships. Family dynasties enmeshed with government and military elites could not be unraveled overnight, much less reformed by the very politicians who were feeding from the same trough.

This was a period in which civil society movements grew in number, and in some cases, size. Many organizations focused on economic reform as the necessary tools to achieve meaningful political reform. Organizations such as the Citizens Coalition for Economic Justice and People's Solidarity for Participatory Democracy were started by a range of scholar activists, lawyers, journalists and student activists from the dictatorship years, who converged on the idea that political democracy was meaningless without economic democracy.

Out of these groups came the small shareholder movement, which tried to break up the monopolies of the Korean chaebol multinational corporations, and to make management and majority shareholders accountable and transparent in their practices. This was a battle that took place in courtrooms, shareholders meetings, and as the world has seen, on the streets (Hart-Landsberg 1993).

It was precisely at this time of the political and economic aperture that United States and Western corporate pressures to open up the Korean markets grew. This was the era of fierce debates over protectionism and liberalism of markets. The WTO and GATT were Western instruments to pry open the markets of the world, and Korea, as a country guilty of a consistently strong balance of payments with the United States, became the next big target after Japan.

To face the challenges of the neoliberal economic globalization trends and pressures, the Korean government under President Kim Young-Sam

in 1994 promoted the internationalization of commerce and business with bold plans for corporate and government “Segyehwa” or “Globalization” (Shin 2006:212). These proposals included initiatives across various sectors including education, finance, business, and trade. Globalization became a mantra proliferated by media, pundits, and official government organs (Kim 2000).

This was also the time when the inherent contradictions of Korea’s unequal state-led monopolistic, corporate capitalist growth began to radically affect the economy. Inflation rose, real estate prices skyrocketed, and labor costs grew, albeit at a much lower rate than inflation. The average citizen had to save for decades in order to buy a reasonable dwelling, and in due time housing in Seoul became a privilege of the upper economic strata.

Beset by such rising costs, companies large and small began to look outward for sites of production. Much like U.S. and Japanese corporations had done in the 1970s-1980s, Korean corporations began to look to lesser industrialized countries to invest in manufacturing production. With a history of extraction of natural resources since the 1960s, Indonesia became the natural target of Korea industrial investment. It possessed rich natural resources, strategically sound shipping lines, cheap labor, and a relatively stable, repressive military regime that had a strong hold on its citizenry. It seemed and indeed was the perfect fit for Korean industrial capital in many ways.

Historical Context II: Indonesian Economic Development

Political economist of Indonesia Richard Robison (1986) has outlined four major time periods of Indonesian political economy:

1. 1870-1940 Enclave export commodity production
2. 1941-1958 Weakening of Dutch investment and Dutch control of the state, decline of export production due to these internal changes and global political economy.

3. 1958-1965 Nationalization of colonial economy, and victory of capitalists over socialists.
4. 1965-1981 Suharto's New Order consolidation of power and control based on alliance of Chinese, indigenous and foreign capital, US and Japanese investment in energy and resource extraction, and industrial production for export and import-substitution.

Academic studies of Indonesia's development experience begin with the legacies of the Dutch colonial period and the activities of the VOC (*Vereenigde Oost-Indische Compagnie*), the Dutch East Indies Company. As in the case of Korea, where Japanese influence continued in many ways through continuity of organizational and legal structures and continuous contact and influence through trade, Dutch systems of resource extraction and political administration during the colonial period left some legacies to contemporary Indonesian society.

In Indonesia, there was indeed a radical break from past relations of productions and administration, especially as Indonesia entered the New Order period under the dictatorship of President Suharto. New relations of production and the creation of a bourgeois, proletarian and peasant class emerged in the 1960-1990s (Robison 1986).

Although the military and the bureaucracy are where formal power is located, the social and economic forces of capital have emerged as a major influence upon the state and its policies. Indeed, the government and capital continue to form the basis of the ruling class in Indonesia, even in post-democratic Indonesian society (Robison 1986). State and corporate development in agriculture, industry, energy and resources and the service sector, have all contributed to Indonesia's relative success in raising income levels and social support systems, albeit with fundamental inequalities throughout the society.

Since the mid 1960s, Indonesia has fared well on accepted economic indicators of progress: education levels have risen, infant mortality has declined, relative poverty has decreased, rice self-sufficiency was

achieved and of course GDP and per capita have increased (Hill 1996). Critics, however, point out that given the resource and population rich abundance of Indonesia, there should be much less poverty and greater social equality (La Botz 2001, Chomsky 1999).

As in the case of Korea, much of Indonesia's industrial manufacturing was at a standstill in the 1960s. The government embarked on ambitious programs to elevate key industrial sectors such as wood, oil, gas, steel, aluminum, and other natural resources (Robison 1986). Much like the Korean case, the legacies of state-nurtured capitalism are evident today: state-nurtured Krakatau Steel is one of the top steel manufacturers in the world; state-owned Pertamina is among the largest energy conglomerates in the world. Beginning in the 1980s, these major industries remained constant in growth while there was a rapid growth in labor-intensive industries such as textiles and electronics (Hill 1996).

The Neoliberal Era in Indonesia

In 1967, Suharto officially became acting president of Indonesia and immediately initiated an open door policy for foreign investment. His Berkeley trained team of economists, referred to as the Berkeley mafia, wrote the 1967 Foreign Investment Law which included investment safety guarantee measures, tax incentives, and guarantees for repatriation of corporate profits. Some sectors were closed to foreign investment, but this investment law essentially ran counter to the 1945 Constitution, which makes clear that foreign investments should not dominate the local economy (Robison 1986).

The 1970s-mid 1980s witnessed some restrictive measures on foreign investment such as closing of more sectors, reduced tax incentives, and a general policy of "Indonesianization" of the workforce. In addition, increased oil revenues "allowed the government to pursue a government driven strategy, firstly through state owned enterprises or use of oil revenues to target certain sectors such as agriculture, strategic industries such as steel, fertilizer, petrochemicals and cement. The development

strategy was the typical one of an increasingly inward and import substitution incentive regime with all the classic characteristics of high effective protection rates, anti export bias, and various distortions” (Pangestu 2000:4).

Declining oil prices and increased pressure for market liberalization from global financial institutions and companies led once again to the opening up of the Indonesian economy to foreign direct investment. In 1986, a free trade zone was established in Jakarta, and with it, there were favorable changes in tariff structures and liberalized ownership regulations to again increase foreign investment. Various sectors were deregulated in the late 1980s including finance and banking, agriculture and manufacturing industries. Free trade zones sprouted up in other regions, including East, West and Central Java, Sumatra, and Sulawesi.

The APEC meetings held in Indonesia in 1994 coincided with full-scale liberalization of the economy to Foreign Direct Investment (FDI), as the government allowed 100% ownership, dropped minimum investment requirements, and opened up many key sectors for FDI including water, utilities, telecommunications and transportation. As a result, FDI grew from \$1.5b in 1987 to \$27b in 1994. In contrast FDI dropped to \$10b in 1998 during the economic crisis (Pangestu 2000:5).

This deregulation trend had immediate effects on the manufacturing sector. Manufacturing grew at higher than 10% rates, while the oil sector only grew at 2% rates. Whereas most manufactured products were sold on the domestic market up through the 1970s, manufacturing exports grew at an annual average of 20-30% between 1980-1992 (Hill 1996:161). The mid 1980s-1990s witness tremendous growth in FDI manufactured goods such as textiles, shoes, garments, electronics, and machinery.

This manufacturing growth translated directly into the growth of exports. This was due to comparative advantage and international economic trends, as Indonesian labor costs were much lower than those

in other industrializing nations. Moreover, the labor force was tightly controlled by the Suharto dictatorship, much like the case of Korea under the Park and Chun dictatorships.

Although Korean FDI only began in the 1990s, Korean manufacturing investments were second only to the United States in 1994. This was due not only to the favorable investment climate in Jakarta, but also due to a stronger currency following the 1984 Plaza Agreement, and the Korean government's push to globalize production.

Perhaps most importantly, due to the increase of recently legalized labor union activity and rising inflation and labor costs in Korea, the timing was ripe for Korean industries to enter the low cost Indonesian market, where labor was suppressed and labor costs were at least fifteen times lower than that of Korea. The confluence of interests secured through bilateral and multilateral trade agreements, it was only a matter of time that most low-skilled, labor-intensive manufacturing industries were moved from Korea to Indonesia, much as this capital had fled the West before.

Historical Context III: Korea-Indonesia Bilateralism

In 1966, diplomatic relations between Korea and Indonesia was established. In 1969 Nambang Development Corporation's \$2.85m logging and wood product processing plant in Kalimantan heralded the first ever Korean FDI investment in its history. In 1973, seasoning producer Miwon set up a factory producing *miwon*, or MSG in Surabaya, which grew to be a mainstay in the Indonesian and food sector to this day. Throughout the 1970s, Korean investment was mainly in forestry, fisheries and food. Korean FDI in Indonesia, as elsewhere in the world, was facilitated by the Korea Trade and Investment Promotion Body, which was established in 1962 with offices in some eighty countries.

The opening of FDI regulations in the late 1980s saw a precipitous increase in Korean manufacturing investment in Indonesia. In 1990, two thirds of all shoe production and one fourth of all apparel production investments were made by Korean corporations. The chaebol Cheil set up a \$40m wool plant in Java, and another chaebol SK invested \$65m in a polyester fiber plant also in Java. Kedoco set up a \$500m palm oil and wood processing plant in Borneo. Korean steel giant POSCO entered a joint venture with Krakatau Steel to establish two steel plants worth \$675m. Samsung and LG both established electronics plants in Java geared towards the domestic and export markets. And as every Indonesian knows, Korean automakers Kia and Hyundai both entered the auto market with two of Suharto's sons, with both projects leading to sensational failure.

By 1997, these export oriented manufacturing investments accounted for at eighty percent of total Korean FDI in Indonesia. In addition, Indonesia was Korea's third largest FDI recipient, after the United States and China. At the time, there were some three to four hundred Korean enterprises in Indonesia, the majority centered around West Java, reflecting the trend in the 1980-1990s for over three quarters of total Indonesian industrial development. There were more industrial workers coming from the countryside than from the city, as will be discussed in later chapters.

Contradiction, Conflict, and Crisis

In both the Korean and Indonesian cases, state-led and indeed state controlled economic development was vital in protecting and nurturing local industries in the 1960-1980s, many of which have now become dominant global players such as Samsung Electronics and Krakatau Steel. Starting in the late 1980s, with the onset of forced neoliberal economic policies and the rapid, unprecedented growth and onslaught of the Western financial industries in both countries, however, conflicts and contradictions between labor and capital became more complex and difficult to control by any state entity. Labor strife became a daily

occurrence; spilling over into major cities and leading to daily global media coverage which we may all be familiar with.

The unprecedented opening up of various key sectors of the Korean market to FDI 1998 due to IMF pressure, which happened decades earlier in Indonesia, heralded the much celebrated modern age of globalization and for many, the beginnings of a particular style of Western corporate capitalism run amok. This was the beginning of an era in which state controlled and protected corporations were now under greater pressure to compete against larger, more powerful Western corporations and banks.

Under neoliberal reforms, much power was ceded to the “invisible hand of the market”, planned and controlled in financial centers and boardrooms far off from the factory enclaves of Jakarta or Seoul. Many scholars and critics have noted that contrary to being an economic crisis originating in and limited to Asia, this was indeed a global economic crisis resulting and originating from the neoliberal economic policies and practices of Western financial institutions and governing bodies now dotted around the globe, but originating in the major financial centers of the West (Crotty and Lee 2009).

The following chapters provide an ethnographic analysis of this complex process in motion in two countries. In the next chapter, I provide a review of Korean industries in Indonesia followed by an ethnography of the Korean business community in West Java with a focus on factory management. In Chapter 3, I introduce the Korean industrial trainee program started in 1994, and provide an ethnographic account of Indonesian workers participating in the program in 1998-1999. In Chapter 4, I provide an ethnographic overview of NGO, government, and businesses involved in labor and management in multinational corporations. I conclude the dissertation with a discussion of management, economic crises, and socio-cultural contradictions and their relation to business, labor, government and civil society organizations in Korea and Indonesia.

Ethnographic fieldwork was conducted vertically across corporations, factories, government offices, civil society organizations, universities and on the streets of both countries. This project is theoretically informed by the anthropology of controlling processes, which places methodological and theoretical primacy on the dynamics of political and economic power in social and cultural practices and meanings.

Chapter 2

Ethnography of Korean Management in Indonesia

The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must wrestle everywhere, settle everywhere, establish connections everywhere.

-Karl Marx and Friedrich Engels
Manifesto of the Communist Party
(Marx and Engels 1955:13)

In the late 1980s there was much academic discussion and debate centered on the notion of a “Korean management style.” It was part of a larger growth industry of studies and conferences touting the success of East Asian business models. Indeed, seminars and books were published on the topic of a “Confucian Management” style (Dollinger 1988, Chang 1998, Cha 2003, Lam 2003) which purportedly differed from Western and even Japanese management styles (Taira 1970, Taka and Foglia 1994, Bhappu 2000, Boardman and Kato 2003).

Touted as the efficient motor driving Korea’s miraculous economic growth, Korean management and economy were the focus of a plethora of studies by business management experts, economists and development sociologists, most of them in great adoration (Lee and Yamazawa 1990, Ungson, et al. 1997, Chung, et al. 1997). These were the boom years for Korea Studies through the early 1990s, a reflection of Korea’s rise to economic prowess and its openness as a new political democracy. Korea Studies was well funded across the major universities of the West by Korean corporations and government and much of the research therein was glowing in its assessment of Korean business.¹³

Approaching the mid-1990s, however, as Korea’s economy began to stutter with high inflation and decreased export sales, critical reviews of

¹³ My graduate studies benefited from this wave of Korean government funds and corporate philanthropy, as I received generous funding from the Korea Foundation for one year of studies.

Korean economic development focused on the “dark sides” of Korean economic development and management also began to surface. Previously suppressed research and publications grew in abundance. Underground scholarship by leftist and feminist students and scholars were published, as new NGOs were created out of the vibrant democracy movement of the 1980s. The brutal, oppressive, sexist development apparatus of Korea, Inc. has been critiqued by Korean and non-Korean scholars alike (Hart-Landsberg 1993, Ogle 1990, Kim and Koo 1992, Kim 1997, Koo 1993, Koo 2001) and by NGOs such as PSPD and AMRC.

In Korea, the 1990s heralded the beginning of the oftentimes fiery debates over ownership and management control of Korea’s top corporations, such as Hyundai, Samsung, and LG, that are still ongoing today. Civic groups and scholars held to task the government and corporations for taxpayer subsidized bailouts and handouts without equal benefits to Korean citizens. Economist Chang Ha-sung, with the civic group People’s Solidarity for Participatory Democracy, led the way with their small shareholder movement, which grew into a public debate of the legitimacy and productivity of current conglomerate ownership and management practices.

Conservative and the left media debated the larger question of Korea’s economic competitiveness in lieu of the rise of Southeast Asian countries such as Indonesia, Vietnam, and China, which exhibited greater comparative advantage in labor and resources over Korea. These countries’ cheap, docile labor forces were no match for Korea, with its increased labor and other production costs and rapid inflation since democratization in 1987. Korean policymakers, industrialists, and pundits began to publicly assess the country’s standing amongst the world’s economic powers, and many wondered whether it would be able to join the hallowed ranks of the OECD.

The economic crisis of 1997 further exacerbated such concerns. In exchange for mostly US-bank backed bailout funds, the IMF imposed

severe austerity measures, including the obliteration of previously taken for granted government social supports in welfare, healthcare and employment. Lifetime employment was gone, and with it followed round and round of mass layoffs. Horrific stories of “sacrificial suicides” became sensational front page news, and families struggled to make ends meet in this brave, new era of neoliberal doctrine. It was during this historical moment that I began my fieldwork in Seoul and West Java.

Korean Management: Images

“You bitch! What is the meaning of this?” This was the first embarrassing question that I encountered during the start of my interview recently in September in Jakarta in a labor organization with a local woman working in a Korean company.

- Serapina Cha, Asia Monitor Resource Center

So read the first lines of the 1997 report “A Proposal for Human Rights Friendly Korean Corporations-Rational industrial relations for Korean companies aiming for localization”, written by a Korean representative for the Hong Kong-based NGO Asia Monitor Resource Center’s program on Korean Companies Abroad. I had received this report just before I embarked on my research in West Java.

In the mid-1990s, as I was formulating this research project, Korean management made headlines in major Western media for having the worst record of abuse in the world. In particular, Korean factories in Indonesia were targeted. In July 18, 1997, the Asian Wall Street Journal ran a front page article entitled “Korea’s Tough Labour Practices Draw Fire” and proceeded to cite Korea as *the* representative country for repressive labor practices. Korean corporations, according to Neil Kearney, Secretary-General of the International Garment Unions, “are the most cruel to the local workers.”

A 1995 report by the Committee on Human Rights in Korean Companies Abroad again confirmed these images. Replete with cases of abuses small and large, the report written by Sogang University political scientist Shin Youn-Hwan for the Korean NGO People's Solidarity for Participatory Democracy, outlined problems with wages, working hours and conditions, and welfare and working environment. The report found that Indonesian workers ranked Korean companies last and Japanese companies first in workplace desirability. In addition, Shin, a former Yale University graduate student of political scientist James Scott, observed that the image of a certain "Korean Management System" was spread widely by the workers and suggests that this tactic may be considered a "weapon of the weak" (Shin 2006).

In September 1996, San Francisco based Global Exchange organized an emergency delegation which included Berkeley anthropologist Aihwa Ong, to investigate the human rights situation in Indonesia in the wake of the Suharto government's ouster of Megawati Sukarnoputri from the Indonesian Democratic Party (PDI) in July 1996. Perhaps due to the high-profile nature of American sports apparel companies, site visits and reports on labor relations from the delegation focused on Nike subcontractor shoe factories run by Koreans, where workers were reported to suffer from low wages, forced overtime, and management's abusive treatment including harassment of labor organizers.

Korean factories and their managers seemed to be casted as the "bad guys" of Asia, if not the world as NGOs charted violations across the globe, from Indonesian shoe factories to sweatshops in Central America. Of course human and labor rights violations existed in factories managed by people of other nationalities but the focus of sensationalized media attention seemed to be on Koreans. In these reports, Korean management was no longer the success story as depicted in earlier academic and media portrayals; rather they seemed to symbolize the dark sides of economic globalization (Gereffi 1998).

Based on these reports, my field research was formulated around Korean management in Indonesia. I sought to explore the reasons why Korean management was perceived as rigid and inhumane, and to provide an ethnographic look at the life of Korean managers in West Java. I wanted to learn as much as I could about so-called Korean management in practice, from the participant's point of view. I sought to learn how it was that the much celebrated success of Korean style management could become a target of international media and public criticism seemingly overnight.

Korean Management: Ideologies

The first internationally recognized review of Korea's economic success was Alice Amsden's *Asia's Next Giant: South Korea and Late Industrialization*. This publication by a leading MIT economist announced to the world that Korea, Inc. had arrived on the global scene. Its positive treatment of Korean development instantly became a topic of Korean media, as it was touted as a viable business model for other developing countries. Other publications such as *Korean Managerial Dynamics* (Chung and Yi 1989), *The Chaebol: Korea's New Industrial Might* (Steers, et al. 1989) and *Korean Enterprise: the Quest for Globalization* (Ungson, et al. 1997) focused on the successful policies and practices of Korean management, with prospects for their roles in the newly globalizing economy.

The Korean Management System: Cultural, Political and Economic Foundations (Chang and Chang 1994) delved further into the political and economic structure of Korean management to highlight the successful strategies and mechanisms behind the "miracle on the Han." Korea's Confucian heritage is an underlying theme in these and other works, especially with regard to notions of family loyalty, hierarchy and discipline—all hallmarks of Confucian thought as practiced in Korean society (Kendall 2002, Kim 1992).

Another body of scholarly work drew comparisons between Korea's Confucian heritage and management to so-called "Confucian Management in Asia." Confucian management became a topic of interest as the rapidly growing economies of Korea were linked to those of Hong Kong, Taiwan and Singapore (Dai 1989, Tu 1996). These studies were largely uncritical of the deployment of Confucianism by the managerial and elite classes; rather they were celebrated as strong managerial traits that could partly explain the success of Korean corporations in the global economy (Chung and Yi 1989).

In addition to this literature mainly written from business, economics, and psychological perspectives, ethnographic studies of Korea's chaebol businesses in the 1980s were conducted by anthropologists during this time of Korea's rapid economic growth.¹⁴ Folklorist Roger Janelli's *Making Capitalism* (1993) and Choong-Soon Kim's *The Culture of Korean Industry* (1992) in their own ways discuss the "local constitution" of Korean corporations and their rise in the global economy. They were both critical ethnographic analyses of two major Korean conglomerates based on participant observation as white collar office workers. Their analyses shows the ways in which even in the office setting, workers and managers grappled with and contested the deployment of Confucian family ideologies by the owner-manager elite classes. These themes would recur in my own fieldwork experiences.

Fieldwork in a Time of Crisis and Revolution 1998

Fieldwork plans are often changed by historical events. The so-called Asian Economic Crisis began in Thailand with the radical devaluation of the baht in July 1997 as I made final preparations to go to the field. I arrived in Korea just in time for the dramatic devaluation of the Korean won and the beginning of the so-called "IMF era" in Korea, so named due to the neoliberal economic restructuring imposed by the IMF and Western financial institutions in exchange for a \$57 billion loan bailout

¹⁴ There have been earlier anthropological studies of Korean business such as Donald Christie's *Seoul's Organization Men: The Ethnography of a Businessmen's Association in Industrializing Korea* (1972).

of the Korean economy (Clifford and Engardio 2000; Pempel 1999). The IMF-imposed “austerity” conditions included a massive cut in social spending and corporate and financial regulations and practices. Thousands of companies large and small went bankrupt overnight.

At the same time, conditions in Indonesia were deteriorating by the day. The devaluation of the Indonesian rupiah from Rp. 2000/US\$ to Rp. 15,000/US\$ and sharp increases in the cost of basic necessities such as food and fuel led to rampant social instability and chaos. Dissent erupted in most areas of the country as people struggled to make ends meet. Industrial areas became the sites of massive demonstrations and strikes. In October 1997 and January 1998, Suharto twice accepted then reneged on IMF bailout packages, because he did not want to carry out reforms that would affect his family business monopolies. Instead, he used violence to clamp down on social dissent (Tiwon and Chin 2002, Parry 2005). In February early 1998, as I conducted what was planned to be follow-up fieldwork in Korea first, while waiting for the violence to subside, I read media reports of violence against Chinese Indonesian.

Journalist contacts in Java warned me not to go to Indonesia, fearing that I too would be a target of the violence due to my Korean ethnicity. A Korean that I knew in West Java confirmed these warnings by recounting how their fellow countrymen and women were indeed being attacked on the streets by mass mobs. A US-based academic colleague who had just returned from Java warned me that a national uprising was imminent, and that when it did occur, it would target Chinese and people who look Chinese. Indeed, media reports confirmed that Chinese Indonesians and East Asian businessmen were starting to leave the country out of fear of violent reprisals.

The Setting: West Java

It was against this backdrop that I began my fieldwork in Indonesia. In spring 1998, I arrived in Jakarta expecting riots and chaos. I found an eerie quiet on the streets the night of my arrival--business as usual in

contrast to the media reports of daily strikes and protests. The next morning, my view changed immediately as I started to witness random and not so random acts of violence during my sojourns around the city for meetings. Protesters threw bricks in our direction as we drove by angry mobs of people gathered in various parts of town indiscriminately it seemed.

The regency of Tangerang in which I planned to conduct my fieldwork was the site of thousands of factories, both foreign and locally owned, and of all manner of scale and production. A part of what is now referred officially to as Jabodetabek—to denote the cities of Jakarta, Bogor, Depok, Tangerang, Bekasi—Tangerang had the largest growing population in the region. After Jakarta's eight million people, Tangerang followed behind with three million and growing. The entire population of this region was close to twenty million at the time, making it the sixth largest metropolitan area in the world.

Although always the center of concentrated population as the capital of Indonesia, this area grew greater in significance as Indonesia's manufacturing output grew consistently at rate of 10% or more in the 1990s. Manufacturing grew from 13% to 25% of GDP between 1980 and 1994. By the early 1990s, manufacturing grew to be the largest sector in the economy, a 100% growth in less than ten years. Illustrating the significance of the region, 75% of the manufacturing growth in 1980s Indonesia occurred in West Java, 50% of which was in the Jabotabek area (Robison 1986).¹⁵

This growth began in earnest following the 1970s Indonesian oil boom and amidst successful U.S. and IMF pressure to deregulate the economy in the 1980s (Winters 1996). Liberalization of bank and investment regulations led to incentives for corporate growth. Foreign investment was encouraged through the relaxation of ownership requirements, infrastructure and tax subsidies and access to cheap resources including

¹⁵ Refers to the greater Jakarta area including Jakarta, Bogor, Tangerang, Depok and Bekasi (La Botz 2001).

labor. Foreign direct investment grew from \$1.5 billion to over \$10 billion between the five year period 1987-1992. Almost all Indonesian conglomerates were owned by Chinese-Indonesians or in collusion with *pribumi*, or native military and government leaders, including President Suharto and his family (Robison 1986).

Foreign investment was dominated by the Japanese with some 75%, followed by Hong Kong, Taiwan, and the US. South Korea ranked seventh in total foreign investment during this time, and was growing just as rapidly as the Korean economy had grown in the 1970-1990s. Given the country's relatively lowly rank of number seven in investment, how was it, I wondered, that Korean firms came to be considered the worst companies to work for, and Japanese the first? At first glance, it was perhaps because Korean industries happened to be in the second wave of foreign investment, which was concentrated on labor-intensive factory work. Yet still, Japan, a country that was just forty years before universally despised all over Asia for its colonial past had seemingly made amends and were catapulted to the number one slot even over the Americans (Myers and Peattie 1987). Fieldwork would have to explain this dramatic change.

Karawaci, West Java: A Korean Suburb

Located within Tangerang regency, the national airport Sukarno-Hatta was just a 20 minute ride to my first place of residence. My first impression was that Karawaci resembled a neat suburban development in the US. Rows upon rows of familiar looking gated housing communities greeted us as we entered the confines of Karawaci. An imposing shopping mall, the Lippo Supermal stood boldly at the entrance to the area as if to show that the entire development of Lippo Karawaci was in fact built to resemble a modern US suburban development. High rises followed, and golf greens quickly ensued, and we abruptly entered a compound of houses that were largely the residence of Korean and Japanese white collar workers, including factory managers.

I had finally arrived at my destination: the source of the media and NGO uproar, the heart of corporate capitalist darkness. My first impressions were tame. It was a seemingly idyllic world full of suburban tract houses with laundry hanging outside and some children playing on the immaculately manicured lawns. Late-model Japanese and Korean cars lined the driveways and filled the garages as nighttime came upon us.

Originally a swamp, Lippo Karawaci was a planned development built by the Chinese Indonesian owned Lippo Group in 1993. At the time of fieldwork, the complex consisted of a mall, office buildings for Lippo group affiliates and foreign companies, high rise condominiums, hospital, high school, university, golf course and fitness facility, and numerous housing compounds. Here is how journalists Mark Clifford and Pete Engardio (2000) described Lippo Karawaci:

Here, laid out in an area larger than New York's Central Park, is a private city built by Indonesia's Lippo Group. In a country that is struggling to transform itself from a nation of farmers to one of factories and office workers, Lippo Karawaci is an oasis of affluence. Some of its instant neighborhoods mimic those of Europe. Rows of townhouses with colonnaded facades and cobbled streets evoke London on one block and an ersatz Paris on the next. Wealthier residents live in marble-floored houses that overlook a golf course. The enclave's children go to an international school that boasts three swimming pools and a stable of horses. Wal-Mart chose to locate its first Southeast Asian superstore in Lippo's sprawling shopping mall. One of Indonesia's best hospitals provides convenient health care.

The Korean population in the area was estimated to be close to 2,000, the largest concentration of Koreans outside of the Kebayoran Baru neighborhood in Jakarta at the time. The population size was telling in another way, it told a story of Korean business strategy and development

in Indonesia. The first wave of Korean investment (and indeed foreign investment more generally) in the 1960-1970s was in the natural resource sector for the extraction of timber, petroleum, and coal. The second wave in the 1970s-1980s was in construction and trade. Korean conglomerates such as Hyundai obtained huge construction concessions such as the 60 km Jagorawi Toll Road, the first and longest toll road that connects Jakarta to the West Javanese cities of Bogor and Cawi (hence the name Jogorawi). Other large conglomerates began to export Korean products to the growing Indonesian consumer market.

The population growth in Tangerang coincided with the third wave of Korean investment in the manufacturing industries in West Java. In this instance, small and medium sized businesses sprouted up all over the area attracted by the liberalized investment climate for manufacturing, coupled with cheap and highly disciplined labor force, much like Korea was throughout the 1970-1980s. Of the 380 or so Korean businesses registered in Indonesia in 1996, 50 were run by Korean conglomerates such as Hyundai, Samsung, LG, and Daewoo. Of the rest, a majority were based in West Java in the industrial sector. Among them, there were some 70 textile factories, 20 shoe factories, 15 clothes factories, 10 wig factories and dozens of labor intensive machinery and chemical-based factories.¹⁶

For Korean companies and managers accustomed to Korea's rapid development decades 1970-1980, West Java seemed the perfect location for rational production in the global marketplace (Gereffi 1998). It seemed a natural evolution from agricultural to industrial, much like Korea had experienced in their lifetimes as a form of "compressed modernity" (Chang 1999b). Yet the design and construction of the area resembled suburban developments found all over the US. Karawaci seemed very much like a Korean occupied suburb in West Java.

Koreans in West Java

¹⁶ This data was from the Korean Embassy in Jakarta in 1997.

In the compound that I stayed at—true to my first impressions—roughly two-thirds of the houses were occupied by families, with an average of one child. All households owned at least one car, and employed a driver and at least one person for household help. The compound was eighty percent Korean and the rest were Chinese or Japanese. From discussions with Koreans I learned that there were much more expensive homes in neighboring compounds, especially the ones next to the golf course.

Among the managers that I met during my fieldwork, only the men were employed while in West Java. They had all come to Java because of company order in the past five years at the most. Aside from those who were still adjusting, most men were content with their lives. Indonesia was a difficult climate and culture to get used to, but they were mainly concerned with the long term planning for their family.

Although all of them harbored doubts about their position in their company due to the economic crisis, they were able to save money by living in Indonesia. Living expenses were much lower, and in many cases there were perks provided. Even with a driver and household help, which they would not be able to afford in Korea, they were able to save a considerable amount that was needed for the high costs of education in Korea.

During the worst times of the economic crisis, everyone felt very fortunate to have a job, and dreaded returning to Korea where they would again have to face competition and greater pressures of the workplace. After an initial adjustment period, most had gotten used to the slower pace of life in Indonesia, and were enjoying all of the things they were able to do that they not be able to do in Korea.

Chief among these was golf. There was not a week that I counted in my field journal, including during the worst periods of violence in Jakarta, where there was no golf involved. Whether it was the driving range or

the golf course, there was always something related to golf. I was told that in Korea, it would be unheard of for people of their economic strata to be able to play on such nice golf courses, much less every week, so they wanted to take full advantage of the opportunity.

Unlike life in Seoul, almost all of their weekends and weeknights were spent with family, so they were able to justify a few hours of golf each weekend. The women that I was able to speak with echoed these sentiments. However, this may be because I was always together with men when we talked about these issues.

Women also played golf, and perhaps more than the men, or at least that is what I was told. They frequented the fitness center and golf courses that were all in the area. Food shopping for the families was done mostly in Jakarta. Weekend excursions for shopping in the malls and in Korean groceries, followed by dinner at a Korean restaurant in Jakarta were near weekly rituals.

The biggest concerns were the safety of their families during the tense periods—the local supermarket was burned down at the time of my fieldwork and a military tank was parked in front of its charred remains during one of my visits--and the education of their children. Many women and children were sent to Korea during the time of the major riots, whereas men stayed to keep the factories going. Some families did not return even after the worst of the riots out of fear, but at the time of research many had returned.

Those who had school aged children were worried about their children being able to adjust to the competitive schooling of Korea upon return. It was extremely difficult to enter good kindergarten programs much less primary schools, so all families paid special attention to supplemental education at home, so that their children would not fall behind. I did hear and, of course, sense some of the problems that women in the community faced, but not enough to provide meaningful analysis here.

Korean Management: Practice

Training the Mind, Training the Body

Corporate training in Korea for global production management highlights Rostowian evolutionary model of global industrial development. Company manuals and workshops for employees being trained for foreign manufacturing outposts such as Indonesia reflect this vision. Southeast Asia and the rest of the global south are commonly referred to as being in “need of development” or on its “natural course to development.” In company manuals, Korean industrial investments are presented as one method for these countries to achieve these goals, because technology and operational know-how are being lent to Indonesians, and relatively higher paying jobs are being provided. There is no semblance of moralizing in tone or content; rational statements are made as matters of fact.¹⁷

For example, in H chaebol company’s training manual “Introduction to Global Production Division,” Indonesia’s geographical and cultural attributes are summarized with key points, followed by a brief historical overview of Indonesian economic development with charts of significant historical markers of production of resources and goods and services. These statistics are juxtaposed with Korean data, followed by a brief overview of the production division’s significance for the corporation. Rational economic production in the factory is presented in lockstep with global industrial development.

H company was consistently in the top ten rankings of Korean conglomerates¹⁸ for the past ten years at least, and working there was a source of pride for Mr. Lee. Lee, who had graduated from a top tier four-year university and possessed strong English language skills. Although he was not a business major, corporate headquarters deemed

¹⁷ The irony of history of course is that Korea was colonized and developed by the Japanese from 1910-1945 precisely for its resources and cheap labor. The crucial benefits received by Japan from this colonial arrangement are outlined in many studies (Cumings 1997; Hart-Landsberg 1993). They also detail the post-independence years of development, where Japanese and US corporations gained economic benefits from Korea’s labor, resources, and market for products and technology.

¹⁸ As outlined in Chapter 1, these large conglomerates in Korea are referred to as “chaebol.” Chaebol rank, ownership and even professional management personnel are common knowledge to most educated Koreans.

him suitable enough to join the global production division. He noted that he did particularly well in the interview session, articulate and confident of his potential contributions to the company.

Lee recounted his experiences at the corporate training center in Korea. “During the training, we had a lot of team building exercises. Like any top company in Korea, we were made very proud to belong to the company. Our training materials always emphasized this. And in our team building exercises as well, we were constantly reminded that we were working for the bigger goal of company sales. Our production division was considered to be a key part of this goal, since without quality products on time, our company would not exist.”

I asked Lee several times if there were any memorable moments from the training experience, to which he responded that it just felt like going to school again, or in some ways going through basic military training again. This was a common theme that recurred in field encounters with other Korean chaebol managerial staff. Korea’s mandatory two year military conscription affected every person that I interviewed or met during my fieldwork. It seemed to be the prevailing connection made when discussing training and in many cases factory work. School analogies were made as well, but the military analogy was the most consistent and common and many times in subtle ways.

Anthropologist Roger Janelli, in his ethnography of Korean chaebol white collar workers, discusses similarities to military conscription when discussing corporate training sessions.

Some of the strategies used to instill habits of subordination were a bit more subtle but equally suggestive of military training. Lodged together in facilities that the company owned or rented, the new employees were required to rise at 6 a.m. run two kilometers by 7 a.m., eat breakfast during the next hour, and be in their place of training promptly at 8 a.m.

Sometime in those two hours they were also expected to have straightened up their rooms. The company provided all the trainees with the same athletic uniform, which was imprinted with the conglomerate's name and logo. In the classroom each new employee sat in an assigned seat designated by a name tag and was expected to stand up, identify himself, and articulate clearly when called upon or when volunteering to speak. Sometimes the trainees were required to respond in unison; when their responses appeared to lack enthusiasm, their instructors made them repeat the answers more loudly. One new recruit who appeared to doze off during a lecture was prodded awake by a member of the training staff. And during the outdoor training exercises, lunch was served from military-style, olive-drab containers. (Janelli 1993:142)

Janelli's research preceded my fieldwork by over ten years and was at a different conglomerate, but the above description is similar to reports I heard from Korean managers in Indonesia about their corporate training. If anything, Janelli's account seemed like a tamer version, with others reporting physical punishments and overall harsher treatment much more akin to military training. The training depends of course on changing company policies and practices, and the significance lies in the common training experience in Korean corporations.

According to another of my informants,

C Company took us on a chartered bus to the chaebol training center in the eastern mountains for three weeks of training. We were all nervous but very happy to have been given the privilege to work in a top company like C Company. On the first day, we learned all about C Company: the culture, values, strengths, strategy, history and detailed business divisions all over the

world. C Company's strategy for globalization was stressed the most. During the training we exercised together every day, and went hiking in the afternoons on some days, but always in our groups. We had many group sessions, where we would compete against other small groups of 3-4. We would compete in role playing scenarios where we would be competing companies in some kind of crisis. The winning groups would advance and play other groups until there was a winning group which won a small company prize. In our groups, we had to organize choose a leader and assistant leader. It felt like an economic battlefield. The trainers stressed that in the globalized world, we are in economic war with other countries like Japan and the United States. At the end of our training, we were given a test in aptitude that covered mathematics, logic, business skills, geography and English.

In "Militarized Modernity and Gendered Citizenship in South Korea," sociologist Seungsook Moon (2005) explores the changing cultural meanings of military conscription and its relationship to South Korean citizenship. Moon argues that military conscription effectively impeded Korean men from fully developing their agency as citizens. "Men's subjectivity as nationals entrenched in the practices of military service rather hampers the emergence of men as citizens." Rather the experience trained Korean men to be obedient and subservient to the state. She further argues that civic movements in Korea opened the discourse on citizenship and in a way freed men's vision from the totality and subservient mode of militarized modernity.¹⁹

¹⁹ Although most Koreans encountered during and after fieldwork commented that military service was a waste of time, most of them implicitly acknowledged the positive attributes nonetheless. This included discipline and responsibility, and in many cases, strengthened emotions toward the country. A common saying leveled at persons exhibiting bad behavioral tendencies and who had yet to undergo military service, was "he needs to go to the military to be a better man."

In my research, military experiences were often used as metaphors for certain economic activities, but it did not seem to have a totalizing effect on behavior by any means. There were of course certain individuals who exhibited military-like discipline more than others, and these were highly individual specific cases that exist in other societies. It seems more important to analyze the specific moments in which the military analogy was deployed by the different actors in this field study.²⁰

Morning exercises were one way in which the body and mind were disciplined at the factory. 15 minutes before the workday started, a team leader would begin the daily ritual complete with corporate drill music. The actual exercise was light stretching with some light cardiovascular activities such as jumping jacks and arm raises. This was all very familiar to me not just as a former football player, but much earlier in life, when I took martial arts classes as a child. I was struck at how the exercises were exactly the same as the ones we used to do during those classes in 1980. Then I realized that I had experienced a more professional version of the same exercises during my time as a representative player for the national Korea football tournament in 1996.

These exercises were ostensibly to create a sense of unity among managers and workers. Puzzled Indonesian workers were instructed that the exercise would serve to prevent injuries by loosening muscles and joints that would have to undergo tremendous strain during the course of the workday. It also seemed a way in which to give the sense of a level playing field between managers and workers, and to again stress company unity, a theme that would recur time and again in managers' lives.

²⁰ One common saying among Korean women and men on the topic of military and male behavior was “The top three things that Korean men like to talk about: military, football, and playing football in the military.” Military is mandatory, football is a highly nationalized sport, and of course playing football in the military has an ironic message. Namely, mandatory military service is considered by most people as boring, drab and therefore a waste of time; the times playing football during military service is often the highlight of one's experience. Of course, it is not considered the highlight of dinner conversation or a date.

In addition to the numerous “Safety First” banners scattered throughout the factories I visited, slogans such as “Healthy Body, Healthy Mind” or “Disciplined Mind and Body” were also commonly seen. Managers often stressed that company health was directly linked to employee’s health. To the managers that I spoke with, mind and body belonged to the company, and by extension, to the nation. I found that this metaphor was very strong amongst Korean managers in Java, much more so than in my discussions with their counterparts in Seoul.

Four year factory manager Mr. Chung offered his explanation “When we Koreans leave our homeland, we miss our home very much. And as you know, we are always doing everything together. All of our friends are Koreans just like in Korea. We go to Korean church, the Korean market and we watch Korean TV at home on the weekends. I think my answer is that when we are in another country like Indonesia, we get more lonely and we miss our homeland. We really do start to feel that we are working for our country, for raising dollars, and that we are at a war with other countries.”

When I asked him if he thought that his feelings might have to do with his military service and growing up in Korea under constant threat of war with North Korea, he looked at me after a long silence, and then replied “Of course, there is no difference between war with North Korea and war with the United States. It’s all an economic war for survival. Especially now in the IMF era, we have to try even harder to get our country back up. The Krismon (financial crisis) is helpful for us, because the rupiah is now weak. Still, we have to give all that we can, whether it’s our smart minds or our strong bodies. Here in Indonesia, we are trying to do both, as we are making things in an intelligent profitable way. We have to remember that always. Once we joined the company, we are obligated to do all that we can to make the company succeed. We were sent here for a reason and we have to do our best always.”

The themes of sacrifice, duty, and responsibility came up time and again in the official setting of factory management. Observed behaviors over time reflected more ambiguity about one's role and goals in life. At a company dinner one night, an eight year veteran of H Company confided in me "I am not sure where my life is headed. The economic situation because of the IMF era is the worst ever, and we do not know when we will lose our jobs. We live in a different world now than when I started at this company. I believed in everything that I learned before, and I felt that Korea would only get better and stronger. I still believe in my country, and will always fight for my country. But I am always worried now about my future."

Following the austerity measures imposed by the IMF in exchange for bailout funds, Koreans referred to the time period as the "IMF era." On the streets in Seoul and even in Korean restaurants, there were discounted menu specials that were advertised as "IMF meal" suggesting a helping hand to customers during the tough economic times. IMF became a part of the common lexicon immediately. All discounts, whether in apparels or electronics were advertised as "IMF specials." IMF became signifier and signified, as troubling economic figures appeared month after month. This atmosphere carried over into the Korean workplace in Java, as Korean managers were informed not only by company news, but by national news services via print, network and internet media. Korean managers were also aware of the Indonesian term for the financial or monetary crisis "Kris-mon" and sometimes used it interchangeably with IMF era.

A junior employee at C Company Park seemed to sum it up best after a round of golf at the driving range. "In the IMF era, we have to work harder to raise foreign currency so that we can pay off the loans to the Western Banks. We have to be healthier and we have to be stronger in spirit, in our hearts (pounding his chest) in order to do this. Whether Jakarta or New York or Pusan, Koreans have to work together and give all of our minds and bodies to get out of our current situation."

During the course of fieldwork, I was struck by the meticulous organizational planning of all aspects of production management. There were forms for every aspect of operations, and each material form had a matching digital counterpart. I learned through further research in Indonesia and Korea that the operations systems and the technologies had been imported from Japan, Europe or the US and had been adapted by Korean engineers and managers. Accompanying the tools and machines, then was a highly planned and regimented training system for all operations which Korean managers imparted onto their Indonesian counterparts. According to company decree from Seoul, then the well-trained mind moved in harmony, and lockstep with the well-trained body. In fact, an ideology of harmony pervaded every activity from factory to golf course, oftentimes in a very coercive manner that was visible only to a fellow Korean (Nader 1990). I noticed numerous instances when people would grudgingly accept a decision or an invitation by a fellow Korean colleague, simply to maintain face and harmony. With the tightly harmonious community, then, only the challenge of cross-cultural communication with Indonesian workers seemed to remain.

Localized Management

“Apa kabar? Sudah lama di sini? Sudah makan?” When I first met Lee at the Karawaci complex, he greeted me in Indonesian “How are you? Have you waited long? Have you eaten?”

It was a very common Korean style greeting. Common knowledge is that after the devastating civil war in which at least an estimated one million Korean were killed, majority of forests denuded, and infrastructure destroyed (Cumings 2004, Feffer 2003), both Koreas were extremely poor and citizens lacked basic necessities including food and shelter. Thus a common greeting came to be “Have you taken your meal yet?” in polite form. Oftentimes during my fieldwork, this was the only greeting given by people, without the “How are you doing?” There is certainly no discussion about the weather or sports games.

My informant also spoke to me in Indonesian, a common code-switching I observed amongst Korean managers. In places where the majority were local Indonesians, as in the Lippo Supermal in this occasion, I observed that managers would speak in rudimentary Indonesian for simple things, and then switch to Korean for more detailed conversation amongst themselves. This practice of speaking Indonesian in public became more pronounced as the economic and political situation worsened, ostensibly due to fears of violence by the local population.

Lee's place of employment in a polyester manufacturing factory had a total of three hundred male Indonesian employees, ranging in age from 20-45. He had seven colleagues from Korea, ranging in age from 25-55. He had worked there for close to two years and was planning to stay as long as the company needed him in Indonesia. For Lee, it was an ideal job, since he could make and save money, as things were much cheaper than in Korea. He also considered it an honor to work for such a large and great company as H Company.

He was assistant manager of production for two lines in the factory. But he also supervised Indonesian managers and made sure that all aspects of production were on schedule. Due to his English skills he was also the de-facto translator of the factory. Although all Koreans spoke and understood basic Indonesian, and all Indonesians understood basic Korean, there were of course times when his linguistic ability was needed.

When I first mentioned my research to him, he immediately claimed to understand why I was in Java. "You are here to ask about the problems that Koreans have with local workers I think. I know that it was a big problem at the clothes and shoes factories that are run by Koreans. This is very different from us, since we are a large chaebol company. We have a very different organization and training from our headquarters in Korea."

When I pressed him further on this differentiation between the policies and practices of a chaebol company and that of a small and medium sized shoe or apparel manufacturer, he replied: “Our training and even our education standards are higher here. It is first of all much more difficult to enter our company than theirs, and their company is just based on years of hard labor during Korea’s difficult development period. Our company is based on high technology and strategy for globalization.”

Just as every year, thousands of Korean high school seniors take the same university entrance examinations on the same day and time, every spring, new university graduates compete amongst each other for a high profile job in one of the chaebol companies in Korea. At the time of research, a job in a chaebol company meant near permanent employment, status, and the highest pay in the country for Korean companies.

All chaebol companies, including Hyundai, Samsung, Daewoo, LG, SK, Miwon, Hyosung, Kolon, CJ, had some presence in Indonesia. Out of some 380 registered Korean businesses in Indonesia in 1997, over 50 were from chaebols. They invested in natural resources, agriculture and food systems, chemicals and petroleum, construction, electronics, heavy machinery and equipment. These industries were centered mostly in Java—some 90%--but also in other islands such as Kalimantan and Sumatra for natural resource projects.

Korean companies employed at least 165,000 workers, which included several thousand Korean workers. There were over 100 companies with less than 100 employees; and only 40 or so with more than 1000 employees. Tellingly, the top ten companies were in textile and shoe production and employed over 45,000 workers; the majority of them were in West Java, in or around Tangerang (Lindblad 2000:12).

These small and medium size industries involved in labor-intensive sectors also produced wigs, leather and other consumer goods. In 1997,

there were some 70 Korean textile factories, twenty shoe factories and fifteen clothing factories, all in the vicinity of Tangerang, West Java.²¹ The average workforce in textile, apparel and footwear industries numbered around 2000 workers. In addition, most of the workers were female; with this recent growth, women comprised some 37% of the manufacturing sector in Indonesia by 1990. This follows a similar pattern to Korean factories in Korea, as in fact the majority of shoe manufacturers in Indonesia were Korean owned and managed.

The sweatshop debates that boiled over on US university campuses in the mid 1990s were focused largely on the small and medium sized shoe and apparel subcontracting companies for Nike. They in fact employed the largest numbers of people, one to eight thousand workers per factory, comprised of mostly young women, and had the lowest wages among Korean businesses in Indonesia. These workplaces became infamous in the U.S. due to media attention, and Korean press and NGOs were beginning to cover the issues as well. Most Korean finished goods from apparel, textile and shoe manufacturers were exported to the US market.

Another word that I heard from managers across the industry spectrum was the term “localization.” Chaebol managers showed me training manuals that explain the unique historical and cultural factors of Indonesian workers, and they explained that they received education before their trip to Indonesia as well. In contrast, they note that small and medium size companies did not institutionalize this training until recently. They noted that things were getting better, not necessarily because of media criticism in the West, but because the efforts of their own managers and the Korean community in Jakarta.

Lee observed that while most Korean managers first see Indonesians as “slow but nice” after time, the managers themselves become accustomed to the pace of life, and understand and accept the concept of “pelan

²¹ Korean Embassy Jakarta 1997.

pelan.”²² On prayer breaks, he noted that they did feel Indonesians have “too many prayers during work” but that over time it became “acceptable because it is their religion.” He added that most Koreans in Indonesia go to the Korean Protestant church and there, the pastor always encourages Koreans to understand the local customs and practices so that there will be no conflict. This to him was localization in action.

One manager of a medium sized apparel manufacturer relayed his view of labor conflict and localization. He noted that Korean managers who had worked in apparel or shoe industries in Korea were accustomed to the harsh discipline of the development years in Korea, where there was no day off in many cases, where hours were long, and there was no concept of overtime. He stated “We did not have the luxury of any regular breaks or overtime pay or any of the things that these labor unions are demanding. We did not have labor unions. It is shocking to us that Indonesians are already asking for labor unions and short working hours. We wish they would know that this is not the time to relax. We wish they would know that this is one of the biggest problems that we had in Korea. Even in Korea, we had developed to a much higher level than Indonesia now but we still did not talk about labor unions or overtime. It seems very early and foolish to demand this now in Indonesia, especially with the IMF and Kris-mon period.”

Labor unions were legal in Indonesia in 1997, and all government employees including employees of state owned companies were required to join the official government sponsored SPSI (All-Indonesia Worker’s Union). This union operated within the Suharto decreed theory of labor relations, Hubungan Perburuhan Pancasila, or Pancasila Labor Relations, which was later renamed Pancasila Industrial Relations (HIP). The theory argued that workers and employers “worked in service of God and humankind, striving for a just and civilized humanity, and

²² “Pelan-pelan translates as “Slow, slow” which is the exact opposite of a common Korean phrase that grew into everyday lexicon and in fact embodies the Korean work and social ethos, which is “Bbali bbali” meaning “Fast fast.” Conflict was inevitable.

should reach consensus through consultation between management and workers” (La Botz 2001;123). This fit right in line with the Rostowian assumptions and goals of Korean managers.

It was essentially a highly coercive doctrine and mechanism of controlling the labor force and effectively prohibiting them from organizing into other labor unions that may fight for worker’s rights or higher wages. The Ministry of Manpower or labor created a tripartite labor council comprised of government, employer and SPSI representatives to handle disputes but the process was so bureaucratically inefficient and ineffective that very few sought legal redress through this government institution.

When I pressed him about the reports over bad working conditions and low wages, he replied nonchalantly that “There will always be argument over wages but that is not all in our control. We make OEM products for the big American companies and they make us keep the costs down as much as possible. This was always the case, even when we were making shoes and clothes in Korea in the 1980s. In order to survive as a business, we have to match the labor cost with the overall production and sales costs. We have had observers come into our factories and we are working with all the rules that are required. We are operating just as we did during our development nation years in Korea, and we expect to do the same here in Indonesia, which is at a lower standard than our country now.”

Labor strife occurred in Tangerang and neighboring industrial areas all throughout my research period, with a brief lull during some tense moments in May 1998. The biggest points of contention were working conditions and wages. In 1996, government regulation for minimum wage, increased from 4500 Rp./day for 25 working day standard to 5200 Rp./day for 30 working day standards. After some legal and other battles between labor and management, most Korean companies were in

compliance by year's end.²³ However, workers disapproved of Korean companies' practice of including meals, transportation and other expenses into their overall wages, and not including overtime pay. They were also discontent with labor conditions, including the amount of break times and overall environmental concerns in the factories. Indeed, one complaint that was raised by labor NGOs was that workers belonging to non-government unions were not paid as much as fellow workers, and in some cases were explicitly told that their wages would only increase once they left their unions.²⁴

This manager's comments clearly illustrate the evolutionary model of development that I heard countless times from other managers during my fieldwork. This is common knowledge amongst Koreans as the path to development—agricultural labor to labor intensive industries to high tech industries, the apex of modern civilization. Korea was clearly edging its way up to the highest level, and therefore, like Korea in the 1970-1980s Indonesia was on its own path to developmental growth.

In this view of economic development, Indonesian workers should not be concerned with unions at the present moment. As in Korea during the development decades, the government sponsored union was the most rational choice since it had the nation's self interest in mind. Deviation from this path to the self-interested agenda of radical unions would only hurt the country's economy in the long run. This was why Korea's manufacturing sector became uncompetitive and this was why Korean

²³ The Indonesian rupiah plummeted wildly during the economic crisis of 1997-1998. It first dropped from around 2000 to 3000 Rp./US\$, then dropped precipitously starting at the end of 1997, bottoming out at 14680Rp./US\$ in June 1998, and ended the year at 7900Rp./US\$. The exchange rate at time of writing in 2010 is around 9000Rp./US\$.

²⁴ In addition to wage calculations and overtime pay, prayer breaks, and bathroom breaks, workers complained most often about the working atmosphere that they thought was peculiar to Korean factory culture. This included what they perceived to be excessive focus on time management and impolite and rude management behaviors. Korean and Indonesian NGO's together with Korean embassy and companies themselves were in the process of alleviating these problems, some of which were deeply rooted culturally. During the development decades in Korea, there was a great push for productivity which led to 6-7 day workweeks, daily overtime without extra pay, and verbally and physically abusive management practices. Critiques of this era from activists and scholars in the 1970-19980s ring eerily true with current debates in the Indonesian labor arena. Many managers that I met recognized these differences in culture, but they also felt that Indonesia had to go through rapid development as well to get out of its current economic situation.

companies and workers such as themselves found themselves in West Java.

Korean Managers' Worldview

Korean managers' notions of development, localization, and nationalism guided their views of Indonesian workers, and also their own community, society and family. Their bounded communities contributed to these ideologies being reproduced and reinforced over time and through current economic crises. To my informants, this worldview seemed logical based on their experiences as a developing country. Korea had not yet reached the upper elite, since it was not yet a part of the OECD and certainly not a part of the G-7. Most managers saw this as the next step in a natural evolution.

Korean social structures appeared more resilient and oftentimes exaggerated in the managerial community in West Java than those typically found in contemporary Korea. During my research period, the community was very tightly bound. All H Company and C Company Korean managers went to a Korean Protestant church, dined and socialized with other Koreans at Korean restaurants and nearby golf courses and driving ranges. On weekends, children were sent to Korean churches for Korean language classes. As this was really the beginning of the establishment of the second wave Korean community, Koreans seemed to be highly alert to the necessity of building strong community bonds. There was a need, and immense pressure to maintain harmony with other community members.

In spite of the general mood of harmony, however, I did observe some fundamental differences along class lines. Some chaebol managers commented rather negatively on their managerial counterparts in labor-intensive factories. "Some of these guys would not qualify as workers much less managers in my company back home. Why do you think they were sent to Indonesia? They obviously had no role to play in Korea

and are here to do the dirty work. Most of them are undereducated or went to bad schools, if at all!”

I inquired to this manager if this might explain some of the labor strife that was so common in the media and in NGO reports from the Korea and the USA. He replied quite matter of fact, “Yes, in many ways this is the only natural outcome for these people. They are used to the tough experiences in Korean sweatshops. They transformed from a snakefish to a dragon overnight! Of course they will abuse their power. They will take out all the bad things that happened to them in Korea onto the local workers. And being uneducated only makes this worse.”²⁵

I then asked if he had acquaintances who were in this profession now in West Java, to which he then replied, “Yes, I do, but they are not close friends.” We come from different backgrounds. Here in Indonesia we get along because it’s a small community, but in Korea, we would not have much in common. Our education levels are different, our friends and family come from different backgrounds, and we would live in different social worlds in Korea.”

I spoke with Lee about this issue towards the end of my fieldwork and he was a bit more philosophical about the class issue. He suggested that maybe it’s a generational difference, because he himself was from a middle class background, but did not feel that other Koreans were below him because of their family or educational background. He then qualified these comments by stating that he does think that may be the conventional way that Koreans think, but that it is changing now. He stated that the IMF period is showing everyone that we are all vulnerable. “Rich people became bankrupt overnight. In this world, we do not know what will happen. We have to be more humble and

²⁵ This is a well-known proverb in Korea. It alludes to the metaphorical transformation of a snakefish to a dragon; thus a small fish to a larger, vicious beast. This usage of the proverb suggest that former workers from labor intensive industries in Korea suddenly become powerful in Indonesia, like a snakefish turning into a dragon, and do not know how to control their newfound status.

respectful and find common solutions together. Like we are doing here in Indonesia.”

I asked him further if this view of class differences could work across cultures, such as they way Korean view Indonesians as being on a lower level of social development. I suggested that given his views, perhaps Indonesians and Koreans are just separated by different language and customs, and that our material experiences are similarly not of our making. I asked him if then, we should view Indonesians in a different light as well. He quipped that I was an idealist, and the world needs idealists. Still, he warned me that reality is what is most important, and oftentimes very scary.

I also observed that some employees of chaebol came from economically challenged family backgrounds. They had worked hard to get into a top university and also to get into a top company. They did not necessarily side with Lee’s views of social evolution across cultures. They felt that the economic standing of a country was due to historical and political factors, much like that of an individual. They always noted that the most important thing was for the country’s leaders to make the right plans, and even then, that sometimes success was down to luck.

Indonesian Workers’ Views

In the factory in which fieldwork was conducted, it was difficult to achieve rapport with Indonesian workers to a level in which they would confide in me, as I was obviously considered to be on the side of Korean management. Still, I was able to have some enlightening conversations about how they viewed Koreans and their own position in Indonesian society during the difficult times.

First, I was somewhat surprised that most of the workers I spoke with were measured in their overall critique of Korean management. The ones who had just started could not get used to the fast pace and pressure

of work, but were quickly taught by their peers that this was how Korea developed in a very militaristic way in a compressed period of time. Therefore, they were encouraged to withstand it and even to learn from it so that local enterprises could also develop fast for the betterment of the country.

The biggest criticism and perhaps in a rather condescending way, was that Korean managers lacked patience, which is considered a virtue in Javanese society, as it once was in Korean society. Nothing disturbed, and entertained in some ways, the Javanese workers more than seeing a Korean manager lose his temper in a matter of seconds over something seemingly trivial, or at least something that he had no control over in such a short period of time. Problems that will be resolved in due time need not be such a source of stress that gives discomfort to all around him.

In addition, local workers were most unhappy with the added work times without pay. This was common across the industry sectors, as it was indeed common practice in Korea for workers to start early and end later. This was expected as was a seven day work week without overtime if necessary for the company. Indonesians sought recourse for what they thought was a violation of an official agreement.

For Koreans accustomed to the continuation of practices from the development decades, this was the only natural way to do business. In fact, many Korean managers were now worried with IMF measures that would eventually cut the work week to five days. They strongly believed that in order to keep up with the advanced countries, lesser industrialized countries simply could not afford to rest more. This was indeed, a prime example of “prematurely opening the champagne bottle.”

Management in a Time of Crisis

The time in which I conducted my fieldwork was a particularly unique time in that riots were ongoing on the major streets of Jakarta and in fact in Tangerang and Karawaci as well. There was a fair level of anxiety among Indonesian workers and Korean managers, mostly out of fear of the unknown future of Indonesian society, but also due to more immediate concerns such as rumors of imminent mob violence.

Fieldwork experiences in the factories after the fall of Suharto did not differ much by way of employee practices or behaviors. There were the constant worries about the economy and continued safety of the factory itself and its employees. We held nighttime vigils at the factory in case of looters who threatened to steal valuable machines or tools as they had done to other operations within the past year. We also held a nighttime watch around our housing compound for the same reason. I did not sense any real fear once the fall of Suharto was confirmed, more a sense of duty to families in the compound and to company property at the factory.

Among Korean managers, there were more doubts about the ability of the company to survive the economic crisis. Although the operations in Indonesia were in some ways boosted by the devalued Indonesian currency, the economic situation of the chaebol's overall global operations was not clearly known. Moreover, IMF austerity measures included the ending of lifetime employment and big cutbacks in social spending. Many were worried that if they lost their jobs, they would be in severely difficult economic situations. They often commented that being workers for another company, whether of managerial status or not, meant that they could lose their jobs overnight and nothing could be done about it.

Still others were philosophical about the changes. Above all, they shared in the joy of their Indonesian colleagues at the end of Suharto's reign. It was as if they were reliving the beginning of the democratic era in Korea. Many of my colleagues, grown men with families, shared tears when watching the proceedings on television in a restaurant one

night. They raised one, no two or three glasses of the working-class alcoholic spirit soju to cheer on the beginning of the democratic era in Indonesia.

Yet they warned Indonesians to be cautious, as in the Korean case, and “not to open the champagne just yet”—a common critical saying in Korea over the changes in economic policies after the end of the dictatorship years. They wanted Indonesians to appreciate the moment in a prudent manner, so as not to repeat the mistakes of their own country. To fellow workers in the factories, they gave examples from the Korean experience to apply to their respective country.

This research project began with an interest in analyzing the negative image of Korean managers in Indonesia. Ethnographic fieldwork revealed a tightly knit community centered in Jakarta, but with differences in character and practice of managers based on industrial sector, company culture, and individual backgrounds. The notion of a monolithic Korean management style seems to oversimplify and indeed over determine a complex demographic group.

Certain patterns of Korean management style and structure were discernible, as the critics of Korean management pointed out. This included extended working hours without overtime, militaristic company discipline, and prejudice and sexism in the workplace. The largely ethnically homogenous population in Korea, together with the highly nationalistic, militaristic education that most men of these generations received, may be conducive to a prejudiced way of viewing other cultures, particularly those with lower GDPs. This in no way absolves racism or sexism, but it puts some of the views towards other cultures into context. Just as importantly however, there were no instances that I witnessed where such views were institutionalized in policy or practice.

In many light manufacturing sectors, Korean management exhibited many of the same characteristics from Korean factories during the 1970-1980s development decades. To this day in fact, there are scores of

“sweatshops” in the garment districts of Seoul and Pusan, where workers and owners alike work long hours without overtime and under extreme conditions of discipline (Chun 2003). Many of these small subcontractor systems were moved intact to Indonesia, China and other countries that possess the cheap labor that Korea once had.

In this light, Mr. Lee believed that systematic labor violations in subcontracting factories should be punished and management should be held accountable. In addition, he thought that investigations should include scrutiny of the roles and responsibilities corporations who contract out the factories in Indonesia. Mr. Lee and other Korean managers felt that it would be difficult if not impossible for subcontracting factories to survive if they had to raise wages given the cheap prices that the Nikes and the Reeboks are imposing onto them. They also pointed out the added costs of doing business in Indonesia which included bribes and extortion. These costs were always absorbed by the Korean companies.

In the case of the chaebol factories in heavy manufacturing that I researched, Korean management practices and styles were heavily influenced by corporate training in Korea. Business was done by the manual to a fault in many cases, and Indonesian workers were trained with the same practices, and arguably could potentially utilize such experiences in setting up local enterprises (González 1996). This kind of technology or knowledge transfer is a form of national development that development economists quantify and only after the fact.

As I learned through the course of this research, there are common traits of Korean chaebol management. There was a strong sense of nationalistic duty, linked to loyalty to the Korean corporation. But during this time of economic and political crisis, Korean managers realized that they too were just as vulnerable as the workers that they managed. They too realized that they were just workers in the global capitalist web. Previously held securities such as a lifetime jobs guarantee and social safety nets were gone almost overnight with the

measures taken due to IMF and US government pressure. Therefore, Korean management has to be seen dialectically with the growth and involvement of corporate finance capitalism into every part of economic and political life in Asia in the late 1990s. Indonesia and Korea were key centers of this finance capital revolution in Asia. This was the hidden force, the invisible hand, which was both directing and destroying entire companies and threatened to destroy entire national economies overnight.

My research unwittingly stumbled upon these sectors as well, but first I will review the planned second leg of this dissertation project: Indonesian workers in Korea.

Chapter 3

Ethnography of Indonesian Migrant Labor in Korea

The popular element feels but does not always know or understand; the intellectual element knows but does not always understand and in particular does not always feel.

-Antonio Gramsci (1971)

A Hard Winter in Seoul: Fieldwork during the IMF era

In economic terms, the 1997 winter in Seoul was one of the worst ever in Korea's recorded history. The country was on the brink of default on its loans to international banks and other corporate creditors. The currency was losing ground, and fast: it lost half its value versus the US dollar in a matter of weeks. Employees of top corporations, once thought to have lifetime secured employment, became nervous amid rumors that widespread layoffs were imminent.

Korea was unprepared for the shock treatment of the IMF. Since political democracy was restored in 1987, Koreans were for the most part enjoying the fruits of the development decades. Modern housing developments sprouted up everywhere. Increasing numbers of students went abroad to study or travel. Korean golfers and other tourists became a common sight in Southeast Asia and beyond.

Despite faltering exports and lower GDP, most citizens expected full recovery once Korea's economy moved on to the next stage of value added manufacturing. Samsung's position as the number three global producer of computer SDRAM chips²⁶ was a promising sign of more ingenuity to come. Koreans still ranked the highest in math and science education in the world. Indeed, Korea had just been accepted membership into the OECD, a symbolic act that showed that Korea had finally arrived amongst the global elite.

²⁶ SDRAM, or Synchronous Dynamic Random Access Memory, chips were key components in most computers at the time.

Economic news dominated the daily headlines. IMF Managing Director Michel Camdessus became a familiar figure on the evening news. Alongside him and his coterie of bankers and officials, Western pundits and academics achieved notoriety overnight. The nation was obsessed with what might unfold in the coming days. Network channels all had economy focused news shows with different panels of experts every night.

Would Korea--could Korea--the shining beacon of the NICs and the industrializing world, actually default on its loans, lose its international credit ratings and thereby lose what remained of international investments? Could it possibly lose its hard fought economic status in the world? Could the globally renowned producer of high tech electronics sold in retail outlets the world over, the number two producer of steel, the maker of automobiles and SDRAM chips, suddenly go bankrupt?

It was humanly impossible to avoid these discussions in the southern part of the Korean peninsula when I began my fieldwork in Seoul in the winter of 1997. Even on my trips to an ancient and extremely remote Buddhist temple Haeinsa in the Southwestern mountains, a UN World Heritage site where the Tripitaka Koreana²⁷ was crafted in 1300 AD, I overheard monks talking animatedly about the state of the Korean economy. Everyone felt the impact of the economy even those seemingly not connected to it. Economics had always been headline news in Korea since the advent of television during the development decades, but these were surely unique times. It was indeed other-worldly.

Buddhist temples were not the only sites of IMF discourse. Protestant churches overflowed with worried congregations who listened to sermons that reassured wary souls that like all bad things, the IMF era

²⁷ The Tripitaka Koreana is the world's most comprehensive and oldest collection of wooden printing blocks of Buddhist canonical scriptures in Chinese script. It was deemed a UNESCO World Heritage artifact and site.

would come to an end given hard work and belief. Suddenly overnight, once coveted jobs with corporations fell down the list of desirable places to work. Instead, the security of government jobs and pensions shot up to number one. In a very interesting portrait of the human psyche during times of relative deprivation, according to one survey, owning a large restaurant was the second most desired occupation.²⁸

Following austerity measures imposed by the IMF, hundreds of businesses closed, as sales plummeted and credit relief from banks was cut off. The bankruptcy of major chaebols such as then number two Daewoo Group had a domino effect—thousands of businesses relying on Daewoo were forced to close en masse. My monthly lunch visits to the Daewoo cafeteria changed in aura from lively, spirited chatter to the morbidity of a mortuary.

It was a traumatic and desperate time for most Koreans. The lack of a government social safety net up to that time gave the middle class and the lower economic classes nothing to fall back on. Family and friends were the only immediate sources of support, but everyone was in the same situation. Phone calls went unanswered; kinship underwent further tests and strains. One person noted to me that family gatherings were abruptly canceled out of fear or embarrassment of their economic situation.

During the boom years of the late 1980s-early 1990s, the government had expected Koreans to save, and save they did, marking the highest personal savings rate in the world. But savings were nary a nibble to survive in an economy hit by consecutive years of inflation. For a majority of Koreans, savings would only last two years following the unemployment of the household head (Chang 1999a:61). Households in the bottom economic strata had of course little to no savings. Homelessness became a social problem during this time. Seoul's central station became the residence of hundreds of recently unemployed, as the

²⁸ Another surprising occupation was foreign currency dealer, which came in at tenth above judges and TV producers (Chang 1999a:69).

country did not have any systems set up for homelessness to date. The more fortunate salary-men in suits carried their briefcases and sat on park benches all day, as they could not burden their families with the news that they were fired.²⁹ Subway stations and parks were littered with garbage and empty bottles of alcoholic soju spirits.³⁰

Dramatic stories of suicides and violence made headline news. Some hopeless farmers, burdened with debt and the loss of subsidies, ingested chemical pesticides. In the saddest cases, mothers or fathers would leap from their high-rise flats together with their children, perhaps hoping for better circumstances in the afterlife. TV news reported insurance scams in which, individuals would dismember their own limbs, or worse those of their children, in order to collect on their policies.

It was not the same story for the privileged few in the top 1% of the Korean economic strata, as IMF mandated inflationary measures led to increased interest rates and higher property prices. This translated into greater wealth accrual by the top economic strata who possessed more assets at the time (Chang 1999a:58). Whereas average households had to cut down on consumption due to lowered incomes, wealthy Koreans were not as affected due to the overall increase in assets. The conspicuous consumption patterns of the super-rich—reminiscent in many ways of Thorstein Veblen’s observations of the US “leisure class” in the early 1900s (Veblen 1998[1899])--became focus of public and media debate (Chang 1999a:59).³¹

²⁹ There were many labor rallies held in parks during this time, and I noticed on a number of occasions the unusual sight of seeing many businessmen in suits in the audience rather than union members in the requisite working class uniforms and red headbands. PC rooms were also a common daytime escape for salarymen: congested, smoke-filled rooms where computers with internet access were rented by the minute. They came to be called “IMF rooms” due to the large number of laid off workers lounging around in them during this time.

³⁰ Soju, cheaper and much more alcoholic than beer, was the drink of choice during the IMF crisis because it was cheap and much more alcoholic than beer. Needless to say, soju manufacturers did very well, unleashing waves of sales forces to restaurants and drinking establishments across the country that catered largely to men.

³¹ Conspicuous consumption of luxury goods, leisure travel, and golf became targets of media coverage during these difficult economic times. In one sensational case, reporters interviewed members of the so-called “orange tribe”—a term used to denote particular group of young wealthy people usually in their 20s who show off their wealth through conspicuous consumption--who professed to carrying around tens of thousands of dollars in cash in their backpacks to use for shopping and leisure activities, daily. Other reports followed, including one person who recounted a car accident with a member of the “orange tribe” wherein the latter just gave a check for \$10,000 and drove away, after

Korea's chaebols, already well practiced in raising money through the international bond market following financial liberalization in the early 1990s, responded to government threats to cut off bank loans, by seeking more capital through bonds. Between 1997-1999, Korean corporate bond issues more than tripled, a clear shift towards integration into the global financial markets. It coincided with further IMF-imposed liberalization of the financial sector, which led to a large influx of Western banks and insurance companies.

It was also election year. The progressive and now rapid downturn of Korea, Inc. became the central focus of debate in the Presidential elections. Fingers were obviously pointed at the current Kim Young Sam regime, albeit carefully for fear of retaliation. The obvious focus of debate for the candidates was the economy, economy and the economy.

In November 1997, as the full-blown financial crisis hit Korea like a typhoon, I landed in Seoul's Gimpo International Airport for planned 18 months of fieldwork in Korea and Indonesia.

First Encounters

As I walked out of the arrivals hall at Gimpo International Airport, I could not help but notice a familiar language being spoken by a group of around 50 young men. They were all dressed in matching bright yellow polo shirts, oversized for their small frames compared to Korean bystanders. Upon closer inspection I realized they were all speaking Indonesian in rapid succession. Their excited dialogues pointed out brand names, snack bar menus, and just about everything that caught their eyes it seemed. From the looks of it, they were distinctly from Java. I had just arrived from Berkeley, and my field subjects had found me.

stating that it should cover repairs easily. I encountered some of these people during my fieldwork, and found that all of them were oblivious to the economic crisis to say the least.

I was in Seoul on my way to Indonesia and had not originally planned to begin my fieldwork in Korea. Instead, I had planned to begin the multi-sited fieldwork in the factory towns of West Java, Indonesia, then continue by following industrial trainees to Korea. However, due to widespread economic and political strife in Indonesia, I decided to conduct research in Korea first while watching events unfold in Indonesia.

These Indonesians were obviously not tourists, as I could see that they were led by at least four Korean men, each wearing what looked like factory uniform jackets. I could not make out a logo or a badge, so I assumed they did not belong to a major corporation. Most major corporations required the use of corporate pin or badge if a uniform was not worn, during work hours. I assumed then that they were part of the Korean industrial trainee system, which I had planned to analyze for my research. Suddenly, all of my years of planning for this moment filled my mind. Where would they be going next? How would they get trained? What sort of experiences would they have in Korea? What were their first impressions of Korea, and how would this change during their stay?

Under the Koreans' guidance, they formed a straight line and walked out to an awaiting bus that whisked them away. Before I could decide whether it was appropriate to approach the Koreans for more information, they were gone.

The Industrial Technical Trainee Program

Following democratic labor reforms in 1987 and increasing inflation, wages began to increase steadily in Korea. With increased economic prosperity and jobs, fewer Koreans were willing to work in the so-called 3-D (dirty, dangerous and difficult) job sector for low wages. With changes in visitor visa policies in 1990, foreign laborers began to work in Korea illegally as there was no provision for foreign laborers at the time. During a voluntary self-report period in 1992, over 60,000 undocumented workers at some 11,000 companies reported their status

(Seol 2005:2). This government measure did not decrease the number of migrant workers, since deportation was never exercised due to the demand for workers, legal or illegal. In fact, lack of government action prompted ever greater numbers of illegal sojourners to Korea and their numbers tripled to 148,000 during the period 1993-1997 (Seok 1998: 145).

During this time, to purportedly monitor the new influx of foreign labor and also to assuage the opposition of unions to the importation of foreign labor, the government established the Industrial Technical Training Program in 1991. Although the stated goal of the program was to facilitate training of laborers for Korean companies with overseas investments, the first group of industrial trainees was placed in companies that did not fit these requirements. Critics pointed out that the ITTP was therefore a cheap labor scheme in government guise. The guise was that the trainees would receive technical training that would one day be useful to their home country's industrial development. In reality, industrial trainees mostly started with low educational backgrounds, and did not fare much better afterwards since their actual work was in hard manual labor, with little or no technical training.

In practice, the main reason for the establishment of the ITTP was to continue to provide cheap unskilled and semi-skilled labor to small and medium sized Korean companies,--that cited a lack of Korean workers willing to work in 3D industries. Most of these businesses were in the construction and light manufacturing industries (Seol 2005:3). The Korea Federation of Small and Medium Businesses (KFSB), Construction Association of Korea (CAK), National Federation of Fisheries Cooperatives (NFFC), and the National Agricultural Cooperative Federation (NACF) were the four designated agencies chosen to implement the ITTP. They were thus responsible for all aspects of recruitment, training and placement of industrial trainees. In 1993, the previous six month renewable contract period was lengthened to a one year extendable contract term. Over the years, critics of the

ITTP have pointed to the lack of legal recourse, social services, below market wages, and lack of oversight of participating companies.

In 1997, according to government reports, there were some 236,000 migrant workers in Korea, with 70,000 industrial trainees, 150,000 illegal workers, and only 16,000 legal workers. Some 7000 of the ITTP trainees were Indonesians. There were several reasons cited for the large numbers of Indonesians in the ITTP in the mid-1990s. Korea had the most manufacturing FDI in Indonesia and therefore there was a natural business route for labor migration. The large numbers of Indonesian workers in Korean factories in Java allowed meant that they were familiar with Korean industry and culture to some extent. Secondly, after Japan, Korea offered the highest pay and had the most labor demand amongst the NICs. Finally there was a snowball effect, as Indonesian trainees in Korea invited their contacts in Indonesia to join them.

According to the Korean Embassy in Jakarta, there were over 8000 Indonesian workers in over 300 factories in Korea in 1995. The Korean embassy in Jakarta was the main source of contact for Indonesian labor agencies that served as labor brokers between the workers and the Korean government. At this time, labor brokers were extremely busy and active on this front. They kept the Korean embassy staff very busy with proposals and streams of eligible workers. These industrial trainee jobs were high in demand because wages were much higher in Korea. In 1997, the worsening economic situation in Indonesia only increased interest, although the drop in Korea's fortunes would soon follow. As we will see, this eventually affected the influx of Indonesian trainees in Korea, but only temporarily.

Fieldwork, "Ass-Backwards"³²

³²I had once heard through "corridor talk" that renowned anthropologist Clyde Kluckhohn had once used this term to describe one of his top students. As I pondered and worried about my precarious fieldwork prospects with the economic and imminent political collapse of *both* of my fieldsites, I could not help but think of this episode to try to gain some inspiration and courage.

Impressed that my field subjects had shown up in front of my eyes without any effort on my part, I arranged for an appointment with the person in charge of relations with industrial trainees at the Indonesian embassy located conveniently enough in Youido, where I happened to be staying.³³ As it turned out, there was nobody specifically overseeing just the workers, and I had an appointment with Richard, the public liaison officer, a young civil servant in his early 40s.

After I told Richard that I was a Ph.D. researcher from Berkeley, he immediately asked me if I knew of the so-called Berkeley Mafia, a common ice-breaker that I had grown accustomed to in previous encounters with university educated Indonesians. He gave me a brief overview of the industrial trainee system, but unfortunately regretted that he did not have any detailed information or contacts. I realized later that his tone had changed from excitement to disinterest once I had explained my research project to him.

As I was leaving, however, I noticed outside the embassy some young Indonesian men who fit the profile of the industrial trainees that I had encountered at the airport. Without hesitation I struck up a conversation with them and learned to my excitement that they were indeed industrial laborers. But each of them had a different story to tell, and one of them had just met the others at the embassy. Remembering my days of language study in Central Java, I invited the three of them for some tea at a small restaurant next door.

At first, they were curious as to how a Korean would study Indonesian, much less at a university in the United States. I explained that I was interested in Korean companies in Indonesia because of their bad

³³ A reclamation project by former President Park Chung-Hee, Youido is a quasi-island district located in the western part of Seoul. It is where the Korean National Assembly is located, as well as most major broadcasting networks. The Indonesian Embassy was located directly across from Korea Broadcasting System, the biggest and arguably most important Korean network station. I was staying about five hundred meters away, with the family of a former civil servant. Many of them elected to live in Youido because it was the seat of government for many years. It was therefore also the site of many protests.

reputation, which got them even more puzzled. They were not sure of my nationality or even who I was, especially after they saw me being escorted out by an official of their embassy. I just imagined that they thought I was some spy for a company or the Indonesian government, or who knows? Aside from the brief brush with the trainees at the airport, it was my first time to meet Indonesians in Korea as well, so I too did not know exactly how to approach them.

It was only after we discussed my past studies at the University of Gadjah Mada in Yogyakarta, Central Java that they began to talk more. And once I mentioned my brief exploits as a foreign player with the professional football team in Yogyakarta, they were incredulous. When I mentioned who my coach was—Iswadi Idris, the legendary Acehnese football star from Indonesia football's glory days in the 1970s when the Indonesian team used to routinely beat Asian powerhouses such as Korea, as Coach Idris always reminded me during my playing days—they became more interested.

Three dishes of spicy chicken later, I had three very different accounts of Indonesian workers' experiences in Korea.

The youngest and coincidentally most spirited of the three, Agustin was 28, and had worked in Tangerang in a Chinese owned machinery factory for several years before hearing about the opportunity to come to Korea. He became interested when he learned that wages were at least ten times what he was earning in Indonesia. He was also told that there was a good Korean government sponsored program, which would guarantee his pay and living expenses for one year, with the opportunity to renew for another year. He signed up with three of his coworkers and two of them had come to Korea less than one year before. Agustin was happy with his job and had visited the embassy to look into renewing his stay. A graduate of secondary school in Central Java, he was very happy to meet someone who had studied in Yogyakarta, even moreso since I had played football under Iswadi Idris.

The other two were visibly upset when we first met at the embassy. It turned out that one of them, Bambang, 32 years old and from the Jakarta area, had hurt his back badly in an industrial accident. The factory where he worked fired him and would not pay his back wages or his hospital bills. He was at the embassy to find out a way to recover the money so that he could return home to rest his injury. One big problem was that he had left his sponsoring company where he was a trainee a year ago, and was now technically an illegal worker. It seemed that the company had taken advantage of his tenuous legal status by not helping him in his time of need.

His friend Tommy, 30 had come together with him from Jakarta on the same trainee program, and was employed illegally at a different factory. He was just there to help his friend find a solution. I mentioned to him that there were NGO's that help out migrant workers such as himself but he replied that he did not trust any outside groups. He was, however, more or less content with his current job, because of the salary, and was sending remittances home as the other two were. That said, he also worried that he might share a similar fate as Bambang.

Once we got the introductions out of the way, we spent the rest of our time talking more about Indonesia than Korea. They were clearly homesick, and complained about the cold weather, especially now that winter was in full swing. I did not want to push them too much with questions during our first meeting, and it seemed they were comfortable with just sharing what they had told me by way of introduction. They also had to rush to catch the subway back to the industrial area of Ansan before it got too late. They still did not feel comfortable being outside, especially with the recent government pledge to deport illegal workers. Before we parted, I gave them my pager number just in case they wanted to contact me. I would never hear or see them again.

The "IMF Crisis" and Migrant Workers

Just a few weeks after the chance encounter with the three Indonesian workers, the Korean government announced a special amnesty program for illegal workers. If they would leave the country by the end April of 1998, illegal workers would not have to go through mandatory detention nor pay the requisite monetary penalty. A total of 53,389 migrant workers left for their home countries (Seok 1999:147). This constituted only approximately one third of the total number of illegal workers. This was considerably more than the less than ten percent of illegal migrant workers that left when amnesty measures were offered in 1992.

But this was surely a different time. Korea had just barely escaped defaulting on its loan obligations. It was forced to accept the IMF's extreme austerity measures to cut already low social spending, liberalize corporate and government markets, and institute a host of other neoliberal reforms that led to mass layoffs and mass closures. Reports revealed hundreds of companies going bankrupt daily. Attendant social tragedies ensued.

Pressured by various interest groups in these hard economic times, the government extended the amnesty to July, and then to August 1998. By this time, there were still 168,690 migrant workers, including 92,686 illegal sojourners, an actual increase of illegal sojourners from April (Seok 1999:147). It was not a sign that the economy was recovering by any means. Rather, it may imply that those illegal workers who had wanted to leave had left in April. They could not leave before then because of the negative repercussions and saw the amnesty as a good opportunity to leave, especially with the tumultuous period of the IMF crisis.³⁴ For every cash positive returnee, I learned through my research that there were also many like Bambang, who had to return with a net loss to pocketbook and to health.

³⁴ In a report co-sponsored by UNESCO-MOST, the Korean National Commission for UNESCO, sociologist Seok Hyun-Ho (1999:147) observes that most amnesty returnees left on the last day of April, suggesting the possibility that they stayed as long as they could to earn more money before returning. It does seem probable in hindsight that most returnees felt that there would be greater economic benefit in leaving. Many illegal workers interviewed for this dissertation revealed that they stayed so that they could at least recover the broker fees and other expenses incurred in getting to Korea and returning to their home country.

Curiously, during the same time, industrial trainees increased in number to 76,000 from 69,000 in December 1997 (Seok 1999:146). According to the statistics, then, workers in the Industrial Technical Trainee Program were the least affected by the IMF Crisis. There could be many reasons for this, but the chief among them might be that industrial trainees, like Agustin, remained under government backed contracts, and given the dour economic climate in Korea and in their home countries, would prefer to stay put. For them, there was no economic benefit of returning, but perhaps more risks awaiting them at home.

Ansan Industrial Complex: Little Indonesia

Most of my field research in Korean factories was conducted where ITTP sponsored employees were working. According to one survey study, most companies with industrial trainees on the workforce were small in capital assets and workforce size, with about \$4.8 million in capital assets and an average of 69 total workforce, six of them migrant trainees. They were mostly in the textile, metal, rubber and chemical sector. Among these companies, the smaller ones on average employed more migrant workers. The two most cited reasons for hiring migrant workers are “failure to recruit native workers” and “cheaper wages for the migrants” (Seok 1999:151).

Although I traveled as far south as Changwon and Pusan for site visits, most of my research was conducted in the Ansan Industrial Complex. Located just 10 kilometers southwest from Seoul, the coastal city of Ansan belongs to Gyeonggi province and the Greater Seoul Metropolitan Area. With close to half a million people, Ansan was home to several universities, a well-known Korean Christian football club Ansan Hallelujah, dozens of new and rising apartment complexes and shopping centers, and the Danweol Industrial Complex, also referred to as Ansan Industrial Complex.

Ansan Industrial Complex was home to hundreds of factories ranging in size from large chaebol owned chemical plants to small plastic bottle subcontractors. Like all industrial complexes in Korea, Ansan had factories clustered in a large area, with adjacent areas full of alley upon alley of shops and small apartments and houses. Ansan station was located at the northern edge of the industrial complex; a nonstop trip to the southernmost part of Seoul on the Seoul Metro line 4 would take a mere thirty minutes. A ride to Itaewon, where the Masjid was located would require a change of train in Seoul, and would add another thirty minutes to the ride.

There were large supermarkets, shopping centers, movie theaters, churches, and banks all over the greater Ansan area. More importantly for the Indonesian workers, directly across the front of the train station, there was a small grocery store that sold Indonesian processed food products, clove cigarettes, and calling cards. We came to call this area “Little Indonesia” affectionately, as it was where many industrial workers lived and worked. To my informants, it was their temporary home, the center of their social world in the strange new country they were living in. The majority of my time with Indonesian workers were spent between Ansan and the Masjid in Seoul. It was Indonesia to me as well. Because of the factory complex, it also became the Tangerang of Korea for me.

During the tense economic times, factory visits without official business were obviously not welcomed, so I managed my research creatively through contacts and family friends. As in Indonesia, many of the memorable moments of fieldwork were conducted off factory grounds, as migrant workers allowed me to take a look into their lives in Korea.

Indonesian Industrial Trainees in Korea

Labor rights and migrant worker advocacy groups in Korea have denounced the ITTP program since its inception, citing corruption, low wages, and lack of worker protection. Before I began my fieldwork, I

read labor rights NGO reports of unethical labor brokers, physically and verbally abusive employers and managers, lower than expected pay or non-pay, forced overtime, and horrific industrial accidents without compensation. They sounded much like the NGO reports from West Java, so I expected the worst.

During the course of my fieldwork, I conducted a survey sample of one hundred current and former male Indonesian ITTP participants. Close to a third of them reported conflicts with broker agencies in Indonesia. Most of the conflicts involved higher than agreed upon fees, with an average fee of \$1100. Although this amount could be recovered in Korea in less than a year, it was a sizeable amount for Indonesian workers, and was roughly equivalent to 3-4 years of industrial labor in West Java. Still, the prospect of making more money in a more industrially advanced economy drove these workers to take a big risk and arrive in Korea.

As I learned during my research, the program name “industrial trainee” could be considered a euphemism in some ways. Although participants all worked in industrial settings, most of the work involved was low-skilled manual labor. In almost all cases, there was no comprehensive training involved, whether as a collective or in individual factories. By law, all workers had to receive mandatory safety training before starting work, and again on an annual basis. In most cases, the safety training usually lasted an hour or less, and there was not much else except for the rare occasions that they would be entrusted with larger machine tools.

In another sense, they were being trained to become one part of the contemporary industrial labor force. From the moment they arrived, they were individually dispatched to their factories, and made to work straight away. They were given wages that although much higher than their wages at home, were paltry sums that very few if any, Korean would do such 3D jobs for; this made them part of the global factory, where labor was just a line item that could be moved on the global balance sheet.

In this sense, they could be considered trainees. It all depended on how one defined “trainee.” If by industrial training program, we mean a systematic program of training in industrial operations which would provide long-term benefits to the nations and industries involved, this was far from it. It was more like temporary contract work, on a global scale. It certainly deviated from my expectations, but it was fascinating nonetheless.

From Bekasi, West Java, Bob was 26 and was just starting his fourth month working in a small machine tool factory in Ansan. He had two years work experience in Bekasi with eight years of schooling. He liked talking about Korean music and was quite fascinated by the Korean way of life.

“When I first arrived in Seoul, I had many expectation of a very modern city. It was even more modern and different than I thought. There was exciting music and shopping on the streets everywhere. It was such a big city, but we could walk everywhere so I liked it. I listen to the music on my own and also at the factory sometimes.”

Bob did not understand the language well enough to communicate outside of simple things such as work commands and food. After his arrival, he had heard many negative reports about the economy and politics in Indonesia, so that IMF era Korea felt safer. Bob was very impressed with how Koreans were handling the economic downturn. Although people were always complaining about it, they all worked harder it seemed so that they could make things better. He was especially surprised at how people seemed to be able to get united like a team, what he called the never give up, “eushya” spirit.³⁵

Although sometimes upset at his managers for scolding him or making him work too fast, Bob thought there was much to learn from what he

³⁵ “Eushya” is an expression used when physically exerting force to accomplish a task. It was used often in the factory floor, but it was also used symbolically, as in “eushya” let’s go! It was to achieve inspirational affect.

considered to be the strengths of Korean work discipline. This was something that he had heard about when he was working in Indonesia.

“Koreans always say bballi, bballi (fast, fast). Sometimes it’s not good. I want to make sure that I get every part right so I can learn better. They want me to go too fast. They do it with everything, even eating!”

The biggest difficulties for Bob were being homesick, and food was one of the major reasons for this. He missed Indonesian spices and flavors, and the atmosphere of roadside stalls that he took for granted when he was living there. Food and homesickness were the most common difficulties among other workers, but I found that those who stayed longer had of course adapted and found ways to cook in the dorms or add flavors to meals taken outside as well.

In my survey sample, industrial trainees who had been in Korea a year or more had the most complaints and recounted negative experiences. As they learned more Korean, they were better able to understand not only the verbal language but also the kinesics and kinetics of Korean workplace culture. This was on the whole a positive development, as it made daily life at work and home easier. However, in some cases, they were able to pick up on negative aspects that they previously could not recognize.

Some of them, like James, were disturbed when they realized that their Korean colleagues were always speaking to him and three other migrant workers in the impolite form. When James brought it up with his manager, he was told that it was only natural, because the foreigners did not understand Korean anyways and therefore it was more convenient to speak in the impolite form when referring to them. Moreover, he was told, Koreans assumed that the polite form did not apply to other cultures as it did in Korea and Japan.

“When I learned the difference with polite and non-polite, I started to feel differently when people talked to me. I thought that it was not the right way.”

James was 32 and from Surabaya in East Java, and felt that he knew when somebody was purposely being insulting to him. He felt strongly that Koreans in general looked down on not only Indonesians, but on all Southeast Asians. He also thought Koreans felt this way about most other ethnic groups—even their own, such as the Korean-Chinese workers in his factory.

“Koreans are only used to living with other Koreans who all look and act the same way. It is difficult for them to understand the other cultures. And when it is bad, they look down on other people, like Bangladeshi, Nepalese, Chinese, and even Koreans from China.”

James realized that discrimination rather than work ability was keeping able migrant laborers in lower positions with lower pay. He thought that Korean managers’ discriminatory views were based on Korea’s superior economy, and felt that this attitude should change, since all societies were different in their own way, no matter the economic differences.

“I know that the Korean economy is very modern and developed. I think that is why maybe our managers think we are from very poor countries. We have big cities in Indonesia too, like Jakarta or Surabaya even. I wish they would understand where we come from too.”

James had also encountered problems with his previous employer, who refused to pay wages on time. Finally when he was not paid for two months consecutively, he promptly left without a second thought. This way of leaving a company was very common. The two most common ways of leaving was either running away or telling their managers that they would have to return to Indonesia for a family emergency.

Another common complaint by trainees was the lack of transparency in working hours. Many of them felt that Koreans overworked them without overtime pay. There were no opportunities to even discuss their work hours. The managers excused these actions by citing the poor economy and the need for companies to work extra hard to survive. In addition, they were frequently told that precise calculation of work hours and pay was something that only fully advanced countries could afford to do. When things were very bad, they would have a unilateral salary cut or not get paid at all. That is when they would run away or find other work. The IMF period was one where many businesses closed to this common story.

The majority of my research subjects who quit their initial companies did so because of low pay and long hours. This is a problem with all migrant workers, especially once they adjust to Korean life, form social networks, and learn of better opportunities in other companies. The mosque was a common place to share information about other places to work, and was frequented by most workers that I met. Some of the workers who had been in Korea longer were familiar with migrant labor centers that helped them when they had problems in the workplace. It was also a place to meet workers of different nationalities who could provide helpful work information.

Almost every person recounted an incident involving religion, whether it was a violation of their need to pray during the workday, which was most common, or cultural differences based on religious beliefs. These cultural differences often arose during mealtimes. Since most of the trainees took their meals at the factory or dormitory three times a day, this was a very important part of their experience in Korea.

James recounts some of the different experiences he had during his stay in Korea.

In the beginning nobody could believe that *halal* was so important to me. They thought it was just lifestyle, like

for some Christians here, they just go to church when they want to and because their friends go. They don't think that every time I eat, I cannot eat the pork. In the beginning, they just ignored it, but then they sometimes tried to give me different food. I still don't think they will understand and maybe never will.

The difficulty of eating meals was an issue that every Indonesian I met experienced. It always took a few weeks or months for the majority of their colleagues to realize that dietary restrictions were indispensable to them. Even the few workers who did not practice these restrictions thought that most Koreans did not know how to think of anything but Korean food. Most of them did however recall some instance where a Korean person went out of their way to cater to their dietary needs, such as ordering chicken at a company outing just for them. These were small moments that had significant meaning for them.

These accounts illustrate some of the difficulties endured while adjusting to life in Korea. In addition, the nature of their work being strenuous physical labor in a fast moving environment was the first hurdle that most of them faced. The pace of the work and life took time getting used to. Many who stayed for over a year still had difficulties adjusting to this aspect of everyday life. They felt that it was an assault on their character to always get scolded to work faster. As mentioned before, they found the manner in which they were treated very dehumanizing at times. Even without direct physical violence, they recognized what seemed to them as aggressive demeaning body gestures.

Many also felt that religious practices like praying and dietary restrictions were not respected or understood by Koreans. They understood that Koreans did not have Islam like Indonesia, but they oftentimes felt that they were looked down upon because of their practices. Adhering to prayer during the day, for instance, was something that they felt Koreans could never understand. They heard many times that only Buddhist monks in Korea pray all the time, and

that was only in temples not in everyday life. They felt that they were not taken seriously because of the ritual prayers, as if it made them seem superstitious or not modern. To their Korean managers, religious practices were to be kept personal so as not to affect professional life.

Worker Livelihood and Strategies

All of the industrial trainees that I met for my research belonged demographically to the rural poor, mostly from West and East Java. Most of them had industrial work experience in West Java, and had heard about this program from their workplace colleagues or friends. They had chosen Korea because of previous exposure to Korean factories, whether or not they had actually worked in one.

Their main reason for coming to Korea was because of higher wages. Most workers planned to stay for two to three years, and return with their savings. A small minority who had stayed for more than two years were considering staying for a longer period of time to save up enough money to start a small business when they returned.

Some reports from labor NGOs noted that Indonesian trainees not only comprised the majority of the workers, but also had the lowest job turnover rate = among all other nationalities. My survey found that most workers left before their first year was up. Half reported that they moved to another company as a trainee. Their motivations were ostensibly to seek better working conditions with higher pay. Illegal work yielded much better pay, at least double that of a trainee.

Depending on age, about one third of the workers surveyed had family in Java, a wife and one or two children. The priority for married men seemed to be to make as much money as possible and quickly return to their families in Java. They reported more feelings of homesickness but they also were more resilient and practical with their life in Korea. All workers claimed to send remittances, usually once every two or more months to save on fees. Married men sent at least two thirds of their pay

to their spouses, whereas unmarried men reported to send half to their parents or other family.

Married or unmarried, the workers did not spend much at all. Their lives were very regimented since they lived in or near the factory compound. They took most meals at the workplace to save money, and did not have many daily expenditures except calling cards and cigarettes. The city of Ansan was quite large and had everything needed for daily life. They only went to Seoul to visit the mosque and usually combined those trips with other activities such as shopping. Most of them enjoyed going to the electronics market, where there were hundreds of stores selling every manner of consumer electronics. They rarely bought anything except when they were planning to return to Indonesia.

I met three employees of a PVC pipe manufacturer at a small convenience store near the Ansan train station that sold various Indonesian merchandise. They, like most Indonesians working in the area, came to this shop to buy Indonesian clove cigarettes and various spices and sauces to add to their meals. They stated that while they were saving a lot of money by eating and staying at the factory housing facilities, they missed Indonesian food, and regretted that it was very costly to get. They also recounted that when they first started, there were many things on the menu that they could not eat because of the Islamic prohibition on pork, but when they explained it to the manager, the menus were changed. However, they still cited food as one of their biggest challenges outside of work. Anthropologists have written about the link between diasporic communities and food as a way to cope with displacement and reform community (Sutton 2000, Sutton 2001).

In fact, figuring into the average budget of Indonesian workers legal and illegal, were food products. Sometimes they were able to get foods shipped from Indonesia, but in many cases they did not bother with potential customs regulations and chose to purchase from outlets like the Ansan store. On average, food products comprised approximately \$5 of their average monthly salary of \$250. Their other two major

expenditures were calling cards, \$10, and cigarettes, \$7. These monthly expenditures were a common source of complaint, especially given the exchange rate with the Indonesian rupiah.

In addition to these regular expenditures, Indonesian workers spent money on transportation to Seoul. Many of them reported going to or wanting to go to football matches. At anywhere from \$10-100, this was a big purchase for them. I obliged on several occasions when I received tickets from friends and contacts.

During the course of my research in 1998-1999, the economic situation did get better, but it bottomed out before it recovered. Research findings reflected the dip and rise of the economy. More than three quarters of the survey participants reported loss of job or imminent loss of job. They then used their networks and the migrant worker help centers to find other places to work. When they did not have jobs for extended periods of time, they would stay at a friend's place.

Many respondents described tense work conditions with stressed and angry managers pressuring workers with oftentimes, inhumane treatment. Those that reported this occurrence felt that it was partly due to cultural differences. Koreans seemed to be more hot-tempered and stressed out than Indonesians. Indonesians, on the other hand, and especially the Javanese, considered patience and calmness to be virtues; anger was to be controlled at all costs.

Aside from complaints about management and overall work environment, wages were area of contention for industrial trainees. As mentioned before, one of the first things they learned when starting the industrial trainee program is that although high in comparison to Indonesia, their wages were half that or less than their Korean counterparts who oftentimes worked less hours and almost always the easier and less dangerous jobs than them. They felt that they were always targeted to do the jobs that nobody else wanted to do at the factories, and especially the dangerous jobs.

Indonesian Illegal Migrant Workers: Cost-Benefit Analysts

During times of economic downturn, the Korean government announced policies that would decrease the population of illegal workers. These measures were most pronounced at the outset of the IMF crisis, as daily reports spread doom about the economic future, and as company closures and the ensuing social disarray confirmed the forecasts. In reality, it did not take long for laid off illegal workers to find other places to work. The biggest problem during this time was they would not get paid enough and in some cases, nothing at all.

Almost all Koreans willingly accepted pay cuts during this time, in acknowledgement of their shared duty to the country's economic well-being. This was expected from everyone, from corporate executive to new employees. At the same time, there were many reported cases daily of company owners running away without paying several months of employee wages. There were even more companies that simply went bankrupt after barely surviving without the ability to pay salaries for months.³⁶

Trainee and illegal status did not necessarily make a difference in the probability of losing one's job or having problems with pay. Although companies involved in trainee programs were on average economically stronger and in fact bigger in size than those that were not, it was difficult to predict which companies would go bankrupt and which would stay afloat. In any case, from the workers point of view, it was difficult if not impossible to assess which businesses would survive, so they made rational economic decisions based on their own limited information.

³⁶ In fact, one common take on the acronym IMF was "I M Fired." The word IMF became part of the Korean lexicon, so if somebody got IMF'd, they were laid off, there were IMF menus in restaurants, which signified cheap, paltry meals. It was impossible to go through a day in Korea without seeing and hearing the word IMF on the streets and on every form of broadcast media.

At the time of research, the average wages of illegal workers was at least double that of the average industrial trainee. Therefore, unless the risks of being caught and getting deported were high, most workers thought there was no reason to stay as a trainee. Companies sometimes threatened illegal workers, but once the worker was reported, the companies would face unwanted repercussions as well, so there was a balance of power. In some cases, companies were so fed up with trainees or illegal workers leaving that they illegally confiscated passports and flight tickets as insurance. There was legal recourse to this, but again, the worker would have to know how to get help if in fact it was desirable.

Indonesian workers had to navigate quickly to secure jobs and also evade the occasional government raids searching for illegal workers. Roger, 27, worked for a valve manufacturing company in Gwangju, just outside of Seoul. He left his trainee job because of low pay, abusive managers, and a workplace accident he witnessed in which a fellow migrant worker was severely injured and did not get proper treatment. He claimed that he ran away because he could not handle the abuse. He did not feel any remorse and in fact felt a sense of justice because he hoped that his sudden departure would at least disrupt operations for a day or more.

Thirty-year old Ahmed shared a similar story with me. He came up with strategies to deal with abusive managers, such as pretending not to understand instructions given to him in Korean. He said that it was a way to maintain his sanity amidst the high pressure and abusive atmosphere at the on the factory floor. He recounted that the final straw came when a migrant worker colleague was taken away by police for arguing with one of the foremen about an incident in which he was clearly not at fault. The argument led to a fight in which some equipment was damaged, and his colleague got the blame for it and had to be taken away for questioning. He lied and told his employers that he had to return to Indonesia for an emergency, and instead found another better paying job.

I found that Indonesian workers left their trainee programs most frequently by lying about their reasons for quitting or escaping without warning. Towards the end of my research, I learned that there was a growing network of Indonesian workers. They shared information about jobs, and also met for social occasions to compare ideas about basic strategies of making a living in Korea.

All workers I met, married and single, were sending remittances back to their families in Indonesia. The annual average sent was approximately \$2000 in 1990 but I suspect they sent or took back more since they made close to \$1000/month and did not have many expenditures at all. The nonprofit Medical Mutual Aid Union, together with hospitals and private donations, provided cheap healthcare coverage to all migrant workers, legal and illegal, at rates competitive with government health insurance.

In October 1998, the Labor Standard Act revisions was passed guaranteeing migrant workers more rights such as healthcare, minimum wage guarantees, overtime pay, paid monthly holidays and annual vacations, workplace safety, and government insured wage payment guarantees. It would take some time, as well as the dedicated full-time effort of the plethora of NGOs and voluntary labor organizations set up in the wake of the IMF crisis, for trainees to learn of these new rights. Employers were certainly not going out of their way to inform them.

In fact, NGOs and labor organizations across the country started the campaigns to enact these labor laws. Now that it was codified into law, it would take even more time to inform trainees, and more important, to get companies to comply with these regulations. There were continued criticisms of loopholes and lack of compliance measures in the law.

The legal change did nothing to stop the flow of illegal immigrants because of the continuing issue of low pay for trainees. In the worldview of migrant workers, their chief goal in coming to Korea was to save up money and return to their homes, so they prudently calculated

all possible costs and benefits in making decisions on work and home. As the means of information exchange grew with mobile tools such as the mobile phone and Internet, I noticed that Indonesian migrant laborers became better organized and well-connected. These became helpful tools in building their communities.

“Globalization” and its Ironies

During my research, we frequently met at the Indonesian goods store in Ansan or at the station plaza, whereupon we would go to a nearby convenience store to sit outside and talk about the latest developments during the trying economic times. On occasion, and at some times as often as once a week, we would take the train to go to the one and only mosque in Seoul, in the former US military “camptown” of Itaewon.

When I was growing up in the 1980s, Itaewon during the daytime was a different world from Itaewon at night. While during the day, my schoolmates and I would sometimes go to Itaewon to buy pirated music and “fake” name-brand clothes and shoes that were in fashion, at night it became the center of nightlife for drunken US soldiers on leave from their duties for the night.³⁷

Located just outside the Yongsan United States Eighth Army Base—former Japanese Imperial Army barracks and now the largest US military base to be located inside a major metropolitan city in the world—Itaewon was a neighborhood that developed most recently out of United States military occupation, for better or worse. Criticized by many for taking up prime real estate in the center of the city of Seoul, Yongsan Army base covers a wide expanse of 10,000 square meters and is home to some 10,000 US troops at any given time.

³⁷ Filmmakers Grace Lee and Diana Lee produced an incisive documentary “Camp Arirang” about these camptowns surrounding US military bases in Korea, providing a provocative and depressing look at the continuing legacy of US military imperialism.

Base facilities include suburban tract housing for officers, bunkers for soldiers, several basketball courts and gym facilities, soccer and football fields, swimming pools, movie theaters, concert halls, separate schools for K-12, two universities, Burger King, Taco Bell, Pizza Hut, a luxury hotel, a military airport, ammunition arsenals, and various other military facilities. Due to public outrage, the 18-hole golf course enjoyed by higher-ranking military officers was closed in 1995 and the land was returned back to Korea. The National Museum and family park were built in its place; one can still see the outlines of the greens, bunkers and ponds when taking a walk in the park.

The Yongsan Army Base, as it is often called, is nestled at the foot of Namsan Mountain, which is a vista point in the middle of Seoul. The peak of Namsan mountain, a ten minute drive from Yongsan, is the location of the aptly named Namsan Tower—recently bought by privatized news network YTN and renamed YTN Tower then changed to N Tower due to public outrage. Nam means South and San is mountain, connoting “Mountain in the South.”³⁸ Due to Seoul’s urban sprawl south, west and east of Yongsan, it is now a central location in metropolitan Seoul.

In the daytime, the major thoroughfare in Yongsan was bustling with clothing, luggage and Korean gift shops, many of which had only undergone minor cosmetic changes since the days of my childhood. The majority of the goods sold were apparel and footwear, a throwback to the development years, when most of the brand-name and non-brand name clothes and shoes sold in the United States were manufactured in Korean factories and sweatshops. Itaewon thus became the site where foreigners shopped for surplus or in many cases “creatively redirected” inventory from Korean OEM factories for US brands.³⁹

³⁸ Yong means dragon, so Yongsan can be translated as Dragon Mountain, although it is more of a hill when compared to Namsan.

³⁹ Dongdaemun and Namdaemun (East Gate and South Gate Market respectively) were the areas where Korean consumers and retailers shopped for apparel and textiles. Some sweatshops from the development years still exist to this day, with workers and small family owners now in their 60s.

The Indonesian workers I came to know liked to walk around Itaewon to look for bargains, especially for Nike and Adidas counterfeits. This was especially ironic since most of these items were now manufactured in their own country in some cases by friends and family members, but were prohibitively expensive for an average Indonesian to even consider purchasing. As I learned later in my research, West Java factories kept extremely tight guard over inventory so that it would not leak out into the black market. Not so in Korea, where only foreigners bought “fake” Nike since Koreans could now afford the “real” Nike and more important needed to wear the “real” Nike both for quality and status.⁴⁰

During the time of my research, as the foreign population grew in Seoul with the liberalization of the market to foreign investors, Itaewon grew together. Restaurants sprouted up everywhere, Asian cuisine for the working class from South and Southeast Asia and Continental and American fare for the Euro-American white collar class. Asian groceries offered spices and ingredients not found anywhere else in Korea. The Asian stores were concentrated not coincidentally in the less expensive parts of Itaewon, near the entertainment establishments for US GIs.

They were also located in this area because the side road led up to the Itaewon Masjid, perched atop a small hill in Itaewon. Although Islam was one of the first outside religions to reach Korean shores around 700AD, it never gained a foothold in the “hermit kingdom” that was closed off to outsiders save for marauding Japanese, Chinese and Mongolians over the past two millennia.⁴¹ The Central Masjid and Islamic Center was established in 1976 by the Korea Islam Foundation

⁴⁰ There was a clearly a class difference in how these goods were perceived, since in many cases they were made in the same factories, albeit with tags missing or cut. The views of Koreans on this changed over time, and in fact, changed in a time compressed manner during the IMF period when name brands were suddenly shunned by the public, then exalted again in a manner of months. But this is topic for another study, the “political economy of luxury goods in Asia in the late 1990s.

⁴¹ Arab traders frequented Korea in the 800s and the Kingdom of Shilla is mentioned in some Arab records. Although some of these early traders stayed in Korea, Islam never gained a permanent foothold in Korea, but is now rapidly growing due to the influx of South and Southeast Asian citizens. There was however a period of time during the Koryo dynasty (918-1392), when there was a Muslim community in the capital of Kaesong. In fact, some members of the Toksu Chang clan claim that their clan founder was a Muslim that came to Korea during this period.

and since then has been the focal point for Islam in Korea.⁴² Islamic academic conferences and all manner of religious ceremonies are held in the Masjid and Islam Center

During the time of my research it became one focal point for Indonesian workers. Indonesians workers withstood a nearly two-hour ride from Ansan in many cases weekly in order to attend Masjid services on the weekend. Friday Jumu'ah prayers were of course very important to my informants, but the Seoul Masjid was too far to attend on a workday.⁴³ As there was a smaller mosque that was closer, the weekend trip was made not just for the prayer service, but also in order to meet and network with other Indonesians as well as other Muslim migrant workers, mostly from South Asia, at the Islam Center inside the Masjid compound.

All of my informants frequented the mosque, most as soon as they arrived in Indonesia. Newcomer Bob and veteran James both pointed out that they liked coming out to the mosque to ward off their homesickness, if only for an hour or two. They usually spent the better part of a day, using the opportunity to walk around the shops of Itaewon and the nearby Yongsan Electronics market, and also to purchase some food items and cigarettes, which were a bit cheaper than that found in Ansan.

The Masjid and Islamic Center was a center for organizing of migrant workers, where information was exchanged amongst workers of different nationalities. NGO workers could be found here, giving out information about various issues related to migrant worker welfare and health. Roger and Ahmed were just two of dozens of currently illegal migrant workers that I met who learned about their current jobs by hanging out at the mosque and exchanging information.

⁴² Created by two Korean Muslims, the Korea Islam Foundation was approved by the Korean Ministry of Culture and Information in 1967. The Itaewon land for the Central Masjid was provided by the government in 1974.

⁴³ Those who could make it to the Friday prayers filled the Masjid with hundreds of worshippers. It actually became a well-known site for Koreans to visit to learn about Islam in Korea.

In our numerous casual conversations over tea or a meal, we would discuss the ironies of living in today's globalized world, in which a Korean-American from Seoul who studied in Indonesia and the United States would be researching the lives of Indonesians who were in Korea to make a living that they could not find at home. We were all men of relatively young age, in our 20-30s, and these were moments where we would discuss our personal dreams and goals.

I found that my goals in life were in many ways a lot simpler than theirs. My only goal was to keep learning about the changing world and the past, in order to plan a better future, and to go about this through teaching at a university. Many of their goals were much more complex, not necessarily involving just economic development, but definite qualitative changes to their local communities in Indonesia. They felt that something was fundamentally wrong in their country, and of course the legacy of Suharto and economic corruption in Indonesia was a common topic of the day.⁴⁴ As the economic crisis continued unabated in their country as in Korea, so did our spirits go up and down with each passing day of news about the latest economic setback or faint signs of recovery.

Company Solidarity: Training, Meals and Sports Days

There are several rituals that most Korean companies big or small abide by. First, there is always some version of new employee welcoming ritual. These range from month long company training programs mentioned in Chapter 2, to a simple company dinner where all section members are present. All of my informants recalled at least a simple dinner for their welcoming rite.

In cases where more than one migrant worker joined or with other Korean workers, the company President called for a group trip to a

⁴⁴ These conversations oftentimes brought to mind Gramsci's notion of the "organic intellectual" (Gramsci 1991:18).

nearby mountain or outdoor camping ground for the day. Whether meals or day trips, my informants found that these were useful moments to learn early on about cultural differences and similarities. Most of them noted that they got to know the “human side” of their bosses and coworkers through these events, which was in many cases the polar opposite to how they acted in the workplace.

Most of my informants did not drink alcohol, and were all surprised at the amount of drinking ensued in company events. It was also a way for them to observe people’s behaviors change as they consumed alcohol. They noted that boundaries between workers of different age and status were oftentimes temporarily erased, especially when the group would go to “second stage” which usually was the case and involved karaoke.

One of my informants, Thomas, learned early on about karaoke. “My first company dinner was at a chicken restaurant in Ansan, which became more of a drinking party than a dinner. I was surprised at how people changed their attitude so fast. They were very friendly to me, and we all went to sing songs at a karaoke nearby. The next day, people did not seem very happy, and probably because of the night before. Since then, I do enjoy going to these events because of the food and happy conversation, but I wish it was like that at work as well.”

There are two other days in which most companies have official ceremonial meals. They fall at the end of the year and the beginning of the year, in many cases in the beginning of the lunar New Year. These events were more festive, but due to the economic crisis, the past year’s events were not memorable for most of my informants. They noted that the tone was very serious unlike their welcoming dinner, and that they felt greater pressure from everyone that they may lose their jobs at any time in the coming months. They did appreciate the monetary bonus received for New Year’s, as they did during Korean thanksgiving, or Chusok in the fall.

Most companies also fielded an annual sports day, where all employees had to attend an afternoon of some physical activity, in most cases football or hiking, followed and preceded by eating and drinking. Ahmed recounted his first sports day. “We took a shuttle together to a football pitch by a stream near the factory. The managers thought it would be fun to have a mini-world cup, Korea against the rest of the world. Of course they wanted to bet something, so we decided to bet on a nice lunch of our choice. We were younger than them and although they were bigger than us, we won the game 9-3. It was a lot of fun and the lunch was even better!”

Everyday Life

As I have found in most of the world besides the United States and Canada, soccer was a recurring topic of discussion with my informants. We talked often about the English Premier League, which was just starting to get extremely popular in Indonesia. They had their favorite players and teams, mostly Manchester United and David Beckham for the obvious reasons of visibility and star status. “Beckham of course! He is the best and most popular in the world!” This was a common refrain.

Moreover 1998 was a World Cup year, so we naturally talked about the controversial and exciting moments of the games. Their attitude was markedly different from Koreans, who tuned out entirely from the World Cup as soon as Korea bowed out in the first round after humiliating defeats to European powerhouses. Most of my informants complained that Korean media stopped covering the games after this moment of national trauma.

When we talked about Indonesian football, they were less enthusiastic and did not have much hope for their country to qualify for a major international tournament in the near future. I always told them that I thought that Indonesia had great players, and just needed international experience—and the wise use of players from Irian Jaya, whom I

remembered from my playing days resembled and played like a mix of African and Brazilian players. As in my first encounter at the Indonesian Embassy, relaying my experiences with Indonesian football was always a good conversation starter.

When they found time, they gathered together with other workers in Ansan to play in a local park or school, but nothing was organized. We learned that some migrant workers including the Nepalese and Chinese had formed teams and played matches against one another. My informants wanted to organize something themselves, but time and of course logistics were the big barriers.

Most workers stayed in their company dorms which were on average 15 square meters including the bathroom, and usually had small bed, refrigerator, and television. Illegal workers also mostly stayed in company provided housing, but also rented rooms with other workers to save money. The rooms were small and the dorms often seemed dilapidated for modern Korean standards, as most of their dwellings were in the industrial zone area.

Ansan was much cheaper than Seoul, and offered a range of options as the foreign labor population continued to grow in the late 1990s. There were more affluent areas of Ansan where the department stores and shops were concentrated. On occasion we would meet in these neighborhoods and their neighboring parks as well for a change of scenery. By and large, daily life was centered around the Ansan industrial area.

When faced with difficult problems at the workplace that could not be solved through their personal networks, Indonesians sought assistance first from the Indonesia Embassy. Although the embassy did not have anybody who handled migrant worker issues, it did provide practical assistance to workers, such as visa, health and bank issues. Considering the large numbers of Indonesian workers, I was surprised that the embassy did not have a specialist that deals with these issues. Following

subsequent meetings with embassy staff, I was told that once there were larger numbers of workers and recurring issues, they may have someone specializing specifically on worker issues.

Workers also sought assistance from NGOs such as the Joint Committee on Migrants in Korea, (JCMK), an advocacy and assistance organization for foreign migrant workers. JCMK was established in 1995 with the explicit goal of advocating for policies that would protect the rights of migrant laborers. During the time of my fieldwork, JCMK was also beginning to be a center for organizing migrant worker leaders. They had very proactive strategies for changing migrant worker policies, and also organized measures to stop forced deportations and rights violations.

Workers also sought help from migrant worker centers that were set up in most of Korea's industrial areas starting in the 1980s. These centers were mostly founded by Protestant church groups, but they had a non-religious agenda in practice. They provided health and legal services for workers who were mistreated, as well as practical help, such as setting up bank and phone accounts, which were not altogether easy to do, even for myself as a foreigner.

In sum, although Indonesian workers' experiences were not monolithic, there were some discernible patterns in their experiences based on common ethnicity, age range, and class background.

Because industrial trainees are split up into different factories upon arrival, and start work right away, it usually takes weeks or months before they began to network with other workers. During this initial period, most workers were too busy and too new to the country to systematically analyze or compare work practices within the Korean context.

Once they learned more about the culture and social structure of Korea and the workplace, they formed critical opinions of their workplace.

Then depending on their range of social network, they would be aware of their options to work with more desirable conditions. This network allowed them to seek assistance if there were some problems at work or outside of work.

The biggest obstacle for all workers, regardless of experience was adjusting to societal differences. The frenetic pace of not just factory work but of Seoul in general was difficult for most of my informants to adjust to. Even once they learned the language enough to comprehend most behaviors, they still found some practices reprehensible and upsetting.

Religious practice was another area where there were the most conflicts. Although there were mosques available for prayer, they did not feel comfortable and in many cases did not have the time in their workplace to practice freely. Food was also a problem in this respect and perhaps compounded to their homesickness.

Once they developed their network and community, they were able to navigate and strategize rationally to achieve their goals. Even in the difficult IMF era, and with the vast majority losing their job at least once, or fearing the loss of job, they were all optimistic about surviving. This was because the worst that could happen was they would be sent back to Indonesia. That said, deportation was not desirable because of the penalty and airfare they would have to pay.

By far the most common complaint was about the cold weather; not just winter weather, but much of the fall and spring as well.

Chapter 4

Ethnography of Social Institutions during the Global Economic Crisis

So far, this dissertation has examined the lives and world views of Korean factory managers and Indonesian migrant laborers. This chapter continues my “vertical slice” approach to ethnographic fieldwork. In order to better understand the agency and structure of the lives of Korean managers and Indonesian workers, this chapter explores various institutional dynamics of the global economic crisis of 1997-1999 that framed our lives during this time. I analyze various social institutions, including non-governmental organizations, labor unions, multinational corporations, and other bureaucratic entities with operations that span national borders.

Most recently, Doukas’s ethnography of the impact of industrial interests on communities in the Mohawk River Valley illustrates the importance of integrative ethnographic fieldwork (Doukas 2003). Earlier work by anthropologists taking a comparative and cross-cutting approach, including the work of Laura Nader (1990), Elizabeth Colson (1971), and June Nash (1979, 1986), were all exemplary models that guided my fieldwork. I will discuss these in greater detail in the concluding chapter.

Korean Labor Movements

In 1970, 22-year old worker Chun Tae-Il immolated himself in Seoul’s Peace Market as he cried, “Obey the Labor Standards Act. Don’t mistreat the young girls. We are not machines!” Angry at the lack of action taken by the government Office of Labor Affairs to address grave violations of the country’s labor law in the Peace Market sweatshops, Chun took his life with the light of a match, while reassuring his watching mother Lee So Sun: “Mother! Now you are the mother to all the workers.”

Chun's act galvanized the Korean labor movement into action, with his mother and sister Chun Soon Ok leading at the forefront. Women workers--aged 16-25, coming mostly from the countryside--made up a considerable segment of the workforce at the time. In 1970, 600,000 women employees made up 30% of the entire manufacturing workforce; by 1980, that figure rose to 1.5 million women and 50% respectively. Women workers produced crucial goods for export—textiles, garments, electronics and chemicals. Among these sectors, textiles were the “central engine for creating exports” (Ogle 1990:80), and women made up 84% of this workforce.

The Peace Market where Chun Tae-II, his mother and sister worked, employed 20,000 women workers and just a few young men. Like other sweatshops in the country, Peace Market had a dangerous and unhealthy working environment, with tuberculosis rampant. Working conditions were deplorable, as most laborers worked an average of 16 hours a day with only 2 days off per month (Chun 2003: 9). They made an average of \$30/month toiling inside a four story building crammed with a labyrinth of cubicles. Overworked, tired laborers were routinely forced to inject amphetamines to stay awake.

Exports from Korea's garment and textile sweatshops like the Peace Market made a formative contribution to South Korea's early years of economic development, as it earned precious foreign currency needed to launch larger industrial projects such as steel, automobiles, and electronics. The story of the success of Korea, Inc. is well-known internationally, but the story of the laborers who built the foundations of Korea, Inc. was largely suppressed in Korea until the 1990s (Bello 1992, Hart-Landsberg 1993, Kim and Koo 1992 , Kim 1997, Koo 1987).

In a 2003 seminar promoting a book about her late labor activist brother, Chun Tae-II, labor historian. Dr Chun Soon Ok solemnly noted that conditions had not changed much in the very garment factories in which her family used to work in the 1970s. “Many middle-aged women who have been working all their lives in the garment industry have nothing to

show for it. They still work 12- to 14-hour days."⁴⁵ The only changes, she pointed out, were that the women were now mostly older migrant workers and the remaining factories were spread out all over Korea.

Dr. Chun, who runs a nonprofit women workers' center in Seoul, also pointed out the deleterious effects of the IMF imposed policies, including the increase in temporary positions, which now constitute 57% of the entire Korean workforce. She concluded her remarks with a call for international solidarity given the encroachment of neoliberal economic policies and institutions.

“Workers in America have the same problem: we are all workers and we are all exploited by world capital. The reason I wanted to share my brother's life and the Korean workers' struggle with the workers of England and America is that we need inspiration and international solidarity to overcome all the workers' problems and to fight exploitation.”⁴⁶

Since 1970, the successive authoritarian dictatorships of President Park Chung-Hee and President Chun Doo-Hwan continued the brutal suppression of labor and dissent. Labor unions were outlawed and organizers and agitators were promptly imprisoned without trial. Despite this repression, the contribution of the labor movement to political democracy in Korea is significant.

The head of the Korean CIA Kim Jae Kyu confessed that he assassinated his childhood friend President Park on October 26, 1979 because he wanted to prevent Park's imminent massacre of women labor protesters in the industrial zones of Masan and Pusan (Hart-Landsberg 1993:213). In 1987, labor strikes at major Korean companies played crucial roles in bringing an end to the dictatorship of President Chun.

⁴⁵ May 8, 2003, Workers World Newspaper

⁴⁶ May 8, 2003, Workers World Newspaper

Ensuing changes in labor policies and economic changes led to gradual increases in wages, though not enough to keep up with inflation. Increased wages and legalized union activity prompted labor-intensive manufacturers to move operations to countries with cheaper, docile labor and favorable investment conditions. Indonesia became an attractive destination because Suharto's military dictatorship suppressed labor in much the same way that Korea's dictators had done for several decades. The Indonesian government also offered very attractive investment incentives and conditions for relocation.

Labor-intensive, light manufacturing industries such as textile, apparel and shoe factories were moved en masse in the late 1980s-early 1990s to the industrial zones of West Java. Most of these factories were set up in Tangerang, and continued to produce products largely for the export market. In due time, Koreans would be buying US products made by Korean subcontractors in Indonesia.

Indonesian Labor Movements

In 1993, 23-year old worker and labor organizer Marsinah was found brutally murdered four days after being kidnapped following a demonstration that she led at her factory in East Java (Hellwig and Tagliacozzo 2009). Like Chun Tae-Il, Marsinah's death galvanized a suppressed labor movement in Indonesia. In Korea, Chun's self-sacrifice led to increased labor organization and movement growth, which played significant, arguably central roles in the downfall of two dictatorships.⁴⁷

One crucial difference from 1970 was that international media attention became focused on the Suharto regime's brutal repression of labor in

⁴⁷Chun Soonok (2003) has published the results of research findings based on previously suppressed government and privately held records which indicates that the Park government's major concern for its legitimacy were the labor protests occurring throughout the peninsula. Moreover, the testimony of Park's assassin suggests that the junta was increasingly losing its control over labor by 1980 and was planning extreme measures. The crucial role of labor activism in bringing down the Chun dictatorship in 1987 was widely acknowledged in the mainstream media, with further detailed studies following (Hart-Landsberg, Koo 1987, Ogle 1990).

Indonesia. Indonesia's labor crisis became headline news once again in 1994, as a wave of strikes in North Sumatra quickly grew into the largest ever in the Suharto era. It culminated in mass riots in Medan in April 1994, where some 20,000-30,000 industrial laborers took to the streets in protest, destroying industrial and commercial properties, leading to the death of a local labor leader as well as a Chinese businessman.⁴⁸

This wave of strikes preceded a call for nationwide strikes in late 1993 by the Indonesia Prosperity Labor Union (SBSI) led by labor lawyer Muchtar Pakpahan.⁴⁹ SBSI's call for nationwide strikes to be held on February 11, 1994 and again in October focused on demands for increase in minimum daily wages from 3,800 Rp. to 7,000 Rp. Pakpahan and other leaders were arrested and the strikes suppressed, leading to public outrage and the eventually explosive strike wave.

SBSI leader Muchtar Pakpahan was subsequently sentenced to three years in prison, leading to worldwide outrage and official condemnations from various international labor and government bodies, including American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), International Confederation of Free Trade Unions (ICFTU), French Confederation of Christian Workers (CFTC), Netherlands Federation of Labor Unions (FNW), International Union of Food Workers (IUF), Amnesty International, U.S. Congressional representatives and many foreign embassies including the United States. Amidst international pressure, Pakpahan was found not guilty and released after ten months.

This incident, along with ongoing human rights violations including the Indonesian military's genocide of the East Timorese, placed greater

⁴⁸ Labor NGOs involved with the strike action accused the military and police of instigating and consequently directing violence towards Chinese businesses in Medan—an accusation that would arise again during the “anti-Chinese riots” during my fieldwork in Jakarta in 1998. The SBSI also pointed to military and policy mishandling which led to greater damages.

⁴⁹ SBSI reportedly had close to 250,000 union members at the time.

scrutiny on the Suharto dictatorship in the United States, and pressured President Bill Clinton to review his policy of supporting the junta through “constructive engagement.” Human rights and labor rights organizations, scholars and religious leaders from around the world roundly condemned the Clinton administration for its continued military assistance to the repressive Suharto regime.⁵⁰

International pressure further intensified following the 1996 violent military crackdown at the Jakarta headquarters of Megawati Sukarnoputri’s Indonesian Democratic Party (PDI). SBSI’s Pakpahan and Dita Sari, the head the People’s Democratic Party (PRD) were sentenced to length prison terms without due process for their alleged involvement in the violence.

Labor organizers and labor unions have tirelessly sought to better Indonesia’s labor situation throughout Suharto’s New Order years at the grassroots and national levels. As in Korea, many NGOs formed during this time to oppose various aspects of the dictatorship, focusing on a variety of consumer, environmental, cultural and development issues to name a few.

Among them, the Indonesian Legal Aid Institute (LBH), founded by attorney Adnan Nasution in 1971, is considered by many to be one of the most important and oldest NGOs in Indonesia. Providing what Nasution broadly refers to as “structural legal aid,” LBH has defended a multitude of cases dealing with labor, environment, and social and other economic and political justice issues (La Botz 2001:132). Its network of human rights lawyers is spread all over the country and were crucial actors in the labor rights struggle of the 1980s-1990s.

⁵⁰ Public debate over Indonesian labor and human rights violations had previously prompted the United States to review its Generalized System of Preferences (GSP) relations—lowered or no tariffs—with Indonesia in 1992. However, US Trade Representative Mickey Kantor suspended the review citing the Suharto administration’s positive steps to bring Indonesian labor law to international standards. This of course was hardly the case, as Indonesia was not yet an ILO signatory and more importantly, continued with its practice of labor suppression and below-subsistence minimum wage standards.

LBH became involved deeply with labor issues when striking workers approached LBH Jakarta offices in 1980 and former University of Indonesia activist Fauzi Abdullah took the initiative to assist them. Abdullah would continue this dedicated activist legal work for the labor division at LBH for the next three decades.⁵¹

The Suharto administration's heavy-handed actions against labor prompted further international condemnation and scrutiny. International labor and human rights organizations sent representatives to monitor developments in Indonesia. One such delegation from U.S. human and labor rights NGO Global Exchange reported on the labor situation in Indonesia, based on meetings with Indonesian unions, labor rights NGOs and a representative for Nike.⁵²

Their report confirmed widespread media reports on the dire political and economic status of labor in Indonesia, including harassment and suppression of non-government labor union activities, corruption in government labor unions and agencies, below subsistence level government minimum wage standards, noncompliance of minimum wage standards by factory owners, substandard factory conditions, and the continued imprisonment of labor leaders and organizers, including Pakpahan and Sari.

As in 1970 Korea, wage, worker welfare, and union rights were the most urgent issues brought up by Indonesian labor unions and NGOs. Their continued pressure through strikes and other means led to the gradual increase of the government mandated minimum wage to 5200Rp./day in 1996.⁵³ Still, this was not enough for subsistence much less savings, and

⁵¹ Succumbing to illness in November 2009, Fauzi Abdullah has left a spirited legacy of relentless organizing and legal strategizing for the labor movement. He was awarded the prestigious Yap Thiam Hien Lifetime Achievement Award for human rights defenders for 2009.

⁵² Immediately following the crackdown, San-Francisco based NGO Global Exchange, which had been monitoring labor violations in Indonesia, sent an emergency delegation composed of human rights activists, labor leaders, journalists, academics and members of the religious community to review the human rights situation in Indonesia, including political process and elections, NGOs, labor relations and human rights, freedom of expression, and East Timor. University of California at Berkeley anthropologist Aihwa Ong was part of the delegation (Global Exchange internal report 1996).

⁵³ The minimum wage rose 30% in 1994, 18% in 1995 and 10% in 1996, it was 5200 Rp./day in April 1996.

many labor organizations called for it to be increased to at least 7000Rp./day.

The textile, garment and footwear industries in Indonesia employed mainly women workers. They employed one third of all women workers, and 45% of women workers in manufacturing. 75% of the workers in the apparel and footwear industries are women. According to my discussions with labor unions and NGOs, they were mostly young women in their early twenties from rural areas of Java.⁵⁴

Just Do It: Global Corporations and the Global Anti-Sweatshop Movement

The thing that we have learned more than anything else in this process, is that when Nike has gone into a country with its manufacturing operations, wages have increased and poverty has decreased. Nike of course is not solely responsible for that. But we have been a part of that process, and we are proud of it.

-Nike CEO, Phil Knight, in a Nike Workers internal company newsletter, 1998.

In the mid 1990s, as labor rights abuses and violations in Indonesia gained global attention, well-known global brands such as Nike, GAP, Reebok and Adidas became the target of international campaigns against sweatshop labor in these labor-intensive industries. In the United States, United Students Against Sweatshops held nationwide campaigns in universities demanding fair labor standards for all university apparel. Press for Change, started by former AFL-CIO Jakarta head Jeff Ballinger, pressured Nike and other sportswear manufacturers to implement and enforce codes of ethical conduct in its subcontracting factories in Southeast Asia. The Union of Needletrade, Industrial, and Textile Employees (UNITE!) worked closely with these and other

⁵⁴ This demographic fits those of studies of factories conducted by anthropologist Aihwa Ong (1987) in Selangor, Malaysia and sociologist Diane Wolf (1992) in Central Java.

groups internationally to pressure global corporations into accountability by garnering consumer and civic support around the world.

Images of factory workers in toxic and dangerous working environments for sub-subsistence wages and living in deplorable housing conditions were beamed to the living rooms of avid consumers of Nike and GAP in the United States and beyond. My fieldwork coincided with these ongoing debates—many of which continue to this day in Indonesia and now China and Vietnam (O'Rourke 1997)—so I was able to hold meetings and interviews with various parties involved.

Before continuing, a bit of background information can help put things in context. When Nike was first started in 1972, Phil Knight was importing shoes from Hiroshima and Kurume (near Fukuoka), Japan. When costs went up, Nike began its 23 year business relationship with Korean manufacturers in 1977. Korean workers produced the bulk of Nike shoes and later its apparel until the 1980s when labor prices were unfavorable to Nike's bottom line. In 1989 the first Korean Nike subcontractor in West Java commenced operations and close to 40% of all Nike shoes are produced in Indonesia now. By 2000, Korea produced 500 million Nike shoes.

CSR: Calculated Social Responsibility

In Knight's own words:

So when we went into the Southeast Asian countries, we took the managers and owners from Taiwan and Korea with us. It was essentially a new type of manufacturing. It is not a legal partnership; it is an emotional partnership between our factories and us. And it does involve the way we think about the business, including the responsibility that we believe we have for the men and women who manufacture our products—we see them as our employees and our responsibility.

-Speech given to National Press Club on May 12, 1998
(Knight 1998)

When human rights violations in its subcontracting factories in Indonesia made front-page headlines, Nike came together with other apparel manufacturers such as GAP who had factories in the same region and were thus suffering from similar image problems, and together with President Bill Clinton, created the Apparel Industry Partnership in 1996. As Knight describes it in a subsequent press release:

In 1996, when I stood in the White House Rose Garden with President Clinton and a handful of companies to form the President's Apparel Industry Partnership (AIP) Nike welcomed the opportunity to add our experience and expertise to the complex issues surrounding global manufacturing. (Knight 1998)

These leading U.S. business and government leaders were clearly concerned about the continuing negative effects this negative image would have on their businesses. After two years of debate between

government, industry and NGO groups, the AIP came up with a set of recommendations, which included the monitoring of factories and the enforcement of corporate codes of conduct that would uphold basic human and labor rights. The important issues of who would conduct the monitoring and who would enforce the codes of conduct much less how the codes would be adapted to local situations, remained unclear. These critical issues remain unanswered to this day, and in some cases, the audits themselves have had to be audited (O'Rourke 2004).

Knight stated immediately upon reaching this agreement: "Today's agreement certainly validates the old saying 'Good things come to those who wait.' It also speaks volumes about the dedication of the diverse parties who labored day and night to reach an agreement."

Alarmed by continued media and civic pressure, Phil Knight also made two new executive hires: Vada O. Manager, former issues director of Levi-Strauss, as Director of Global Issues Management; and Maria Eitel, former media officer for President George H. Bush, as Director of Corporate Responsibility.

Eager to learn more about Nike's new initiatives, I arranged for appointments with both new executives upon returning from my fieldwork in Asia. The Nike Global Campus, the location of Nike's corporate headquarters in Beaverton, Oregon, is a sprawling 193-acre facility with over 17 buildings named after sports celebrities, such as Michael Jordan and Tiger Woods.

When I entered through the security gates with my visitor's badge that had a red swoosh logo on it, I noticed dozens of young men and women jogging and exercising, and playing various sports including tennis, soccer, and basketball. It had the feel of a big campus for sports. Some friendly employees directed me to the main office where my interviews were to be held.

I received warm welcomes from both executives and received the same media pack from both of them, which outlined Nike's initiatives in global production and economic development. Most of the answers I received were standard ones I had read in the press. Mr. Manager stressed that Nike has always had a corporate philosophy that stressed diversity, and therefore helped in its work as a responsible "global corporate citizen." He mentioned hiring practices that showed this philosophy, which included himself as an African-American.

When discussing female workers in Indonesia, Ms. Eitel stressed that Nike was committed to the goal of empowering women not just in the US, as can be seen in their support of female sports stars such as Mia Hamm, but in other parts of the world, including Indonesia. She wanted to stress that the code of conduct had been instituted at Nike for many years, and that Nike had always been involved with local communities producing Nike to better their lives with education, sports and other programs.

They kindly provided me with referrals to other Nike employees working on global issues management and corporate responsibility. As a result, I was able to meet their senior trainer for labor practices and compliance, an Asian-American woman who was a former diversity trainer. She was very enthusiastic in explaining the various programs Nike had invested in to support community development in third world countries. She had a very busy schedule as well in the United States.

I was most struck by their confidence in tone, especially since they had not themselves personally visited most of the factories in West Java that I had visited and lived near for my fieldwork. Tangerang seemed and truly was a world away from the Nike Global Campus. As busy executives with "demanding jobs," they assured me that Nike had appointed independent auditors who carefully reported back on every significant detail of worker and factory conditions, and politely led me

out of their corner suites with two sets of the same orange Nike press kit.⁵⁵

There was a much friendlier aura to my visit to Nike's corporate headquarters than my experiences at Nike Indonesia. It was a tense political time in Indonesia, and especially for Nike with all of the strikes in Tangerang. It was also an entirely different environment, which undoubtedly has an effect on the human psyche.

A Case Study: Ideologies of Sacrifice in Nike Subcontractor Firms

We have about 530,000 workers working on Nike shoes and clothes on a given day. There are going to be incidents. There have been some in the past, and there certainly will be more in the future. There are too many workers, too many interactions daily; and in Vietnam, too much tension based on nationality to avoid any incidents. That there have been as few as you have read about I think in many ways is remarkable.

-Phil Knight, Nike CEO, Speech given to National Press Club on May 12, 1998

In this part of his speech to the National Press Club on May 12, 1998—to announce a series of new initiatives to “further improve factory working conditions worldwide and to provide increased opportunities for people who manufacture Nike products”—Nike CEO Phil Knight may have been referring to labor violations “incidents” that were widely reported in the Vietnamese press in 1997. These reports focused on widely reported cases of physical harassment and abuse by management in the Tae Kwang Vina (TKV) factory in Vietnam. TKV is a Korean-Vietnam joint venture company that employs some 9,200 workers who

⁵⁵ President Obama appointed Maria Eitel as chief executive officer of the Corporation for National and Community Service in 2009. "Maria is a smart and innovative thinker, and a leader who shares my belief in the power of service," Obama stated.

produce 400,000 pairs of Nike shoes monthly, and the nationality of the problematic managers was Korean.

Media reports of conflicts between Korean factory managers and owners and workers in Indonesian factories began to grow in the mid 1990s. This prompted Korean labor and human rights NGOs to begin programs to monitor Korean companies abroad. One of the first to do so was People's Solidarity for Participatory Democracy, established in 1994 to monitor and report Korean government policies and practices, especially related to political, economic, legal and consumer rights.

An anthropologist turned civil rights activist, was in charge of general affairs during my fieldwork. He introduced me to PSPD's team that monitored Korean companies abroad, including Indonesia. They were called the Korea House for International Solidarity and were planning annual trips to West Java to research working and living conditions of Indonesian workers. I corresponded with this group throughout my research period and helped with English language publications from time to time.

I learned from their reports and from fieldwork that most of the abuses reported regarding Korean managers was focused on subcontractors for Nike. Following the government approved increase in minimum wage, most of the disagreements during my research centered around overtime pay, meal and transportation pay, and break and holiday policies.

Related to the issue of wages was the crucial issue of a subsistence wage. I would prefer to call it a dignified wage rather than subsistence. The living conditions that I saw in Tangerang were squalid to say the least; there is plenty of visual evidence documented by mainstream media and NGOs, even at the time of this writing. The minimum wage during the economic crisis could not properly nourish and sustain a person in a dignified manner, much less comfortably take care of the worker as suggested in Nike's description of the average Nike worker: "The typical young woman who works in a Nike factory is 19-20 years

old, wears neat jeans, and a pressed T-shirt to work, has jewelry, and probably shares a television or radio with her roommates.” I did not ever witness jewelry or a television inside the cement floor boxes with cardboard bedding and open sewers that I saw all over Tangerang during my stay, but maybe that was the lowest on the average curve.

What also interested me was how workers and managers could get over this impasse, since neither of them could change the wage structure themselves. I learned from my interviews with workers and managers that the generally held view was that Nike bore at least half of the responsibility together with the factory owners. A common complaint that I heard from workers during my fieldwork was as follows:

“Nike sells the shoes we make for so much profit. Because of the rupiah they would not have to pay us that much more and still make profit. It is just greed.”

For wages, workers and managers alike knew that although Nike did not set the wages directly, they worked closely with their long-term subcontractors from Korea to determine the overall production and business goals every year. Managers that I met often pointed out that they had no control over what their factory owners decided to pay, and that sometimes sacrifice was needed to make a country develop.

When I pointed out current situation in Indonesia was different from what Korean experienced because the profits from the factories do not stay in Indonesia but go to Korea, they responded that there was nothing that could be done in the current globalized world. The notion of sacrifice came up time and again.

Regarding issues concerning unsafe work conditions such as hazardous chemical adhesives, workers and managers had different opinions. Workers thought that they were using glues that made them sick because they were cheaper. Managers, however, explained that there was no alternative product that would work. Even if solutions existed, Nike

would have to provide the technical ways to alleviate these problems, and they would have to introduce the changes within their budgets.

Workers and managers confirmed to me that every Nike subcontractor had a Code of Conduct displayed inside the factory walls, printed in Indonesian, Korean and English. The only time that its existence was pointed out by management if at all was when workers were first trained. It became decorative, like the safety warning posters on the walls.

Another issue we discussed was the movement of factories to other countries such as Vietnam and China, which Phil Knight describes euphemistically in his press statement. “So when we saw the need for advanced production going to Southeast Asia, one of the most adventurous things we did was to decide to make shoes in Vietnam, an area that has been a lot of observation and criticism over these last couple of years.”

Rather than “advanced production,” manager and workers alike believed that lower wages and better investment conditions were the attractive attributes of moving production to Vietnam. One manager that I met at a Korean community event was moving to Vietnam. He told me that he would miss Indonesia, and especially its people who he thought were kind to him throughout his two year stay. He was especially happy that the dictatorship had fallen, but was worried that Indonesia’s labor movement might create problems as it did in Korea. Indonesia still had to develop, so it needed to be more patient and work harder to become stronger economically.

This notion of rational, linear economic development to higher stages seemed obvious to everyone but me during my fieldwork. In fact, this is how economic development was explained on the front page of the PR kit for global corporate responsibility that I received from the Nike executives on the Nike Global Campus:

Light manufacturing (starting usually with a flannel-short factory, then a T-shirt factory and finally a jeans factory) leads to moderately technical light manufacturing (outerwear and performance sportswear, sports shoes) and then to light technical consumer products (radios, calculators, wristwatches) and finally, to technical durables (automobiles, computers). Sometimes these occur in sequence (Taiwan) and sometimes the country graduates without the final stages and heads directly into the post-industrial service economy (Singapore, Hong Kong).

During my visits to the fitness club in Karawaci with Korean managers, I met a production management employee from Nike's Indonesia office and had this discussion. He adamantly believed that Indonesians would use their experience in the labor-intensive apparel and footwear sector to develop into a stronger economy in the coming years. I was not sure at what point in time the workers would be able to afford something that they made, but it was not part the "big picture" that he was suggesting.

An employee of PT Astra, a Nike subcontractor that is a joint venture with the Suharto family, who I also met at the same fitness club, offered his views. "Democracy and development are tied together, so that when a country has developed to a modern state, then the democracy can happen, and not the other way around. We are here to also teach about democracy like we achieved in our home country."

I encountered these views by expatriates as well. During my fieldwork in Korea, I was once introduced to an expatriate employee based in Pusan, where some Nike subcontracting factories remained. Nike had just established a central logistics hub in Pusan. Finished Nike products from Indonesia, China, and Vietnam would be collected and distributed centrally from Pusan. It would somehow save time and money for Nike. "This project (the hub) in Korea is clear evidence that a country has to achieve a certain level of development and maturity in order to be able

to take on more sophisticated projects.” He did not mention the word intelligence in our conversation, but it seemed to be what he was inferring.

It seemed from my research experiences in Korea, Indonesia, and the United States, that for certain classes in these societies, the global assembly line carried culturally coded meanings, which may be fruitful areas for further research. It would also be interesting to compare how these notions change through time and place.

Conspicuous Consumption in the New Korea

During the IMF era in Korea, many top corporations went bankrupt and were eventually sold off. It was, in the words of many economic observers, a “firesale” for Western financial interests. The liberalization of the financial and many key government sectors led to a flurry of activity from western countries. Investment banks and insurance companies set up offices all over the financial districts of Seoul. Consulting companies like McKinsey worked around the clock to restructure Korean multinational conglomerates that were suddenly deemed to be inefficient and unproductive.

The service sector followed closely behind. Luxury business hotels in Seoul were at maximum occupancy; more were planned, with forecasts of an influx of elite foreign capital that would buy up “unproductive assets” to render them productive again, to sell at higher prices. High-end restaurants and cafes catering to the business elite sprouted up in the ritzy areas of Seoul, leading to media and public criticism that fell on largely deaf ears. One leading Ivy-league trained restaurateur boldly stated in the mainstream media that rich people had a right to spend money and live as they wished.

Gone were the days of hiding conspicuous consumption. Tariffs on luxury goods including cars were lifted. Once rare, German cars became a familiar sight overnight. Italian and French fashion brands could not

keep up with demand, as the rich accrued more wealth with increasing interest rates and its concomitant effects. Luxury real estate projects were launched all over the most expensive locations in Seoul. Seoul would soon have its first multi-million dollar high-rise condominium, built appropriately enough by Samsung (Veblen 1998[1899]).

Perhaps a symbol of times to come, Korea's first Ferrarri was shipped in, appropriately enough, by a former bond salesman who had made his first million or millions in the heydays of the bond market growth in Southeast Asia. As government loans dried up, corporate bond issues, now freed up under financial deregulation, grew. And with that growth, investment banks were busy.

One contact described the state of the economy in simpler terms. "Now in Korea, you have the highest ever sales of the cheapest everyday man's drink, soju and at the same time you have the highest sales ever in the most expensive whiskeys and spirits in the world. Korea is being divided into two classes." In fact, European whiskey and cognac companies would create and launch entirely new prestige brands just for the Korean market, conferring distinction and class for the privileged few that could afford these products.

I was once introduced to some key members of the team of investment bankers who were central to the development of the bond market in Asia. Their big projects were in Indonesia, where the wave of neoliberal financial reforms began much earlier, and where a class of military and economic elite were ready partners waiting for development. They spoke proudly of the huge multibillion dollar deals that they made in the boom years in Indonesia--derivatives, bonds, and leveraged buyouts. Now that the economy had bottomed out in Indonesia and financial "development" was complete, they had come to Korea to ply their trade.

Oftentimes I met these bankers together with industrialists or corporate executives. It was in many ways a very small world. Sometimes I met childhood friends by chance. And some of them knew my friends from

Berkeley or New York, and in some cases were working with them. I would never hear about how to manage a business or grow market share, or build a better and safer product. Instead I heard a lot of numbers, together with the words profit gross and net, IPO, M&A, scalability, EBITDA, and “dude,” in various combinations therein.⁵⁶

When I discussed Korean FDI in Indonesia, many people offered their opinions. Most of them involved a matrix of investment risk versus profitability. One of them even knew the factory that I had studied but did not know that they produced petroleum derivative products. He did know all of their key financial statements to the Rupiah, including investment risk and profitability for the next ten years. I realized then that this ethnographic project would have to connect and disentangle many sectors of society. My friends and informants were all living in the same city during the same IMF crisis period, but in entirely different worlds. I had come of age.

The Anthropological Challenge of Documenting Economic Crisis: Reflections on Fieldwork in Seoul and Jakarta

Julian Steward’s incisive and comprehensive case study of Puerto Rico stands as an exemplary ethnography. It required an entire team of researchers, and even that was purportedly still difficult to handle (Steward 1956). Comparative ethnographic fieldwork in two complex stratified societies posed unique challenges for me. As a fieldworker I had to wear many hats, or rather sets of clothes, to go native as best that I could, since I had to work with people of different economic class backgrounds as well as ethnic backgrounds. In a stratified society like Korea, of which I was a participant, the ethnic differences were easier to cope with.

There were moments of irony, such as the time that I was asked by a Korean labor NGO to translate a critical campaign document. It was

⁵⁶ Initial Public Offerings (IPO), Mergers and Acquisitions, and Earnings before interest, tax, interest and amortization (EBITDA) were common parlance in Korean investment banker “shop talk” as in the US.

condemning the policies of a major business conglomerate owner, who happened to be one of my main contacts for corporate perspectives to the crisis. I was late for our dinner appointment due to this translation. Neither side knew of the other, as it was in many ways unthinkable if not abhorable that I would socialize with the other.

During the difficult times of the “IMF era” in Seoul, nobody was immune to the crisis, all in their own ways. NGO workers were all affected, if not directly, then through family or friends. Some had to quit taking better paying jobs to make ends meet. Others counted the days that they expected to survive before funding dried up. Spirits were down. Drinking cheap liquor only worsened the aura. James Spradley’s work on alcoholics in the US (Spradley 1970) kept coming to mind as I wandered the anxious streets of Seoul. It was a truly harrowing time for everyone.

To get as wide a sample of experiences as possible, I spent part of my fieldwork time in Seoul interviewing and meeting with people from many walks of life. For example, I dined with an owner of a machine parts factory to get his opinion on what might happen to migrant workers. He confessed that he spent almost every minute of the hour checking on the exchange rate, calculating what it would mean for his quarterly balance sheet. He obsessively worried about bank loans, materials costs, and upcoming wage payments. He seemed genuinely concerned about his employees, and did not know if he would be able to keep everyone. He mentioned several friends who went bankrupt. His health was a visible wreck, and he confided that he was worried about what would happen to his family.

I learned more from others, some of whom I had known for many years. For example, a childhood friend of mine who worked for one of the largest chaebols had just been moved to a different division after his division was shut down. He said that there was an eerie calm in the office. Nobody bothered to talk, and everyone just stared at their computer screens, looking at the news for positive signs, which were

short in coming. Several months after our last meeting, the chaebol went bankrupt.

Labor strife continued throughout the IMF era, but the general public did not seem as sympathetic. As everybody was affected by the crisis, it seemed almost self-serving to push for concessions during this period. This was one of the reasons why labor agreed to a three party agreement with the government and industrialists to “reform” labor policies according to IMF dictates. Employment security and social welfare provisions were struck away, and companies could now more easily lay off employees. There were many critics of the compromise agreement, but given the pressure of the IMF and western banks, it was difficult for labor to stem the tide.

My colleagues at the Korean Confederation of Trade Unions (KCTU) were too preoccupied with devising strategies to cope with the IMF era that they found it difficult to commit time or mind to international solidarity issues. They were still reeling from the battle over labor law reform and related national security reforms in 1996 and 1997 when the IMF crisis hit.

An example stands as a vivid illustration of how Korea's economic crisis set back any hope of strengthening international solidarity among labor officials. When Indonesian labor leader Muchtar Pakpahan visited Seoul for a 4-day conference on the economic crisis and labor sponsored by the KCTU, I felt these priorities acutely as I was entrusted with translating and escorting him to his scheduled meetings. He had been freed from jail only in the past year and had a very busy schedule.

Mr. Pakpahan came directly from Europe after receiving a prize in the Nordic countries for his labor activism and sacrifice. He was just on the verge of creating the first labor party in Indonesia. Therefore, I had expected discussions of cooperation with the Korean labor movement or some form of exchange, but none were forthcoming. It was an

extremely difficult time for Korean labor, such that international solidarity took the back seat.

Mr. Pakpahan and I were able to share our views on everything from popular culture and music to the history of legal activism in Asia. For someone who had gone through his experiences with the dictatorship, I found a very compassionate and astute leader who had a very clear sense of vision for his country. I felt some regret that he was not able to develop further dialogue with Korean labor leaders, keeping in mind that there would be other opportunities. It was a very difficult time to be involved in civil or labor rights in Korea, as if there ever was a good time.

In Indonesia, I made similar efforts at reaching out to a wide range of people to get a better understanding of the scale of rapid change. Although worried about the economy during “Krismon” and the politically volatile situation, Indonesian NGOs were very active in planning pro-democracy and pro-labor actions across the board—on university campuses, at Parliament, in shopping malls, on the streets. There were some ironic moments, such as when I found myself using a Korean factory manager’s car to transport labor activists with their signs and pamphlets denouncing the suppression of unions. It was perhaps a creative use of ethnographic resources. It was pragmatic.

Like Jakarta, students were very active when I first went to Yogyakarta in the days leading up to Suharto’s downfall. I was quite surprised to see very strong expressions of opposition to Suharto, such as “Down with Suharto.” This was utterly unimaginable just a few weeks prior; and even moreso when I was a student at the University of Gadjah Mada in 1995—back then, in the rare moments that we criticized Suharto, we looked around first and then whispered.

Coda: The Prospect of Building Bridges Across National Borders

I sensed this excitement and expectation of impending change among students in Jakarta as well. A contact at the University of Indonesia had arranged for me to meet with a famous student leader to discuss the experiences of Korean labor. I heard on numerous occasions from Indonesian students and activists that Korean activists from the 1980s and 1990s were role models to them. They always brought up the images of molotov cocktail-throwing students with handkerchiefs masking their faces to block out tear gas.

Several Indonesia labor human rights activists told me that Korean activists were like beacons of light during the worst years of repression, and that Korea's success in deposing two dictators through struggle gave them hope in their darkest times. They wanted to form bridges once they had overthrown the Suharto dictatorship, because they were aware of the big Korean business presence in Indonesia.

Activists from the outlawed PRD also concurred with these views on the Korean labor movement. One activist who creatively helped me to interview textile workers in Tangerang thought that we should write a book on the lessons learned from the Korean labor experience. He felt that it would be a valuable contribution to the Indonesian labor movement, especially given some of the historical similarities.

There were two major Korean NGOs that focused on labor issues in Korean companies in Korea and abroad. People's Solidarity for Participatory Democracy's program on Korean Companies Abroad, also known as Korea House for International Solidarity (KHIS), was started shortly after the formation of the NGO itself in 1994. The first issue of their newsletter "Global Village Human Rights News" was published in October 1995. It included reports on Korean corporate activity in China, Indonesia, Philippines, and Vietnam; information on global networks for corporate monitoring, including the *Multinational Monitor*; and

interviews with influential labor leaders such as Fauzi Abdullah of the LBH Labor Division, Jakarta.

KHIS also initiated summer research programs on Korean companies abroad, providing students a chance to participate as reality tours of other countries. Academic experts on the regions often led these tours, providing a good educational opportunity for the young students interested in issues of economic globalization.

In the days leading up to Suharto's downfall, PSPD organized a coalition of Korean NGOs and religious organizations calling on Suharto to step down. On May 18, 1998, they held a "Solidarity Rally for Indonesian Democracy" in front of the Indonesian embassy in Youido in front of Korea's largest network channel Korea Broadcast System. The rally speech and brochure, which I translated into English and Indonesian, drew attention to the 18th anniversary of the Kwangju mass uprising and massacre and the 50th anniversary of the United Nations Human Rights Charter. There were television crews present but I did not follow up whether it was covered on KBS evening news. Suharto stepped down three days later.

Among the participants and signatories to the solidarity rally and statement were the Korea Confederation of Trade Unions, Citizen's Coalition for Economic Justice (CCEJ), and the Joint Committee on Migrant Workers in Korea (JCMK). I had met with both groups in 1996 and subsequently participated in various activities throughout my fieldwork.

CCEJ was formed in 1989 to address issues of economic justice in Korea, and work on a range of social justice issues including tax reform, financial reform, regulation of real estate, urban poverty policies, corporate welfare migrant worker rights, an sustainable development. They work closely with other citizens groups and also have their own policy and research division, which has been helpful for my research.

JCMK was started in 1995 by concerned citizens including a significant contingent from the clergy. Reverend Kim Hae Sung, who is sometimes referred to as the “Godfather of migrant workers” has been involved with providing legal and social service assistance to migrant workers for at least thirty years. Subjected to violent harassment and numerous financial and other obstacles, Reverend Kim continues his work and helps maintain a national network of migrant worker aid centers, including a hospital and school for migrant worker families.

JCMK works together with these centers and also works at the national level to advocate for legal reforms and redress for migrant workers. During my fieldwork, I met many migrant workers from different nationalities at JCMK actions including a protest vigil at in a major Catholic church compound in Seoul. In the spirit of Korean student protestors who were provided sanctuary by the church in the 1980 democratic revolution, migrant workers were openly protesting the deportation of illegal migrants during the early years of the IMF era.

During this vigil, I met a young Nepalese illegal migrant worker named Minu who spoke fluent Korean having lived in Korea for seven years. He was a regular JCMK volunteer for many years and played a key role in organizing migrant workers and informing them of their labor rights. He was a leader of a rock band composed of migrant workers when I had met him, and subsequently organized the migrant worker’s film festival, now in its fifth year. Minu was deported in 2009 after 17 years of living in Korea; supporters are petitioning for his visa on artistic grounds. His network of supporters stand as a symbol of what might be possible when solidarity takes shape.

Chapter 5: Steps Towards an Ethnography of Corporate Capitalism

So far, I have provided an ethnographic view of the lives and worldview of Korean managers in Indonesia and Indonesian migrant laborers in Korea. I have also provided a less detailed ethnographic perspective on some social institutions in both societies; namely, nongovernmental organizations, corporations, and government agencies.

I conducted most of my ethnographic fieldwork in two locations: in West Java, and in the Seoul metropolitan area, during 1997-1999 for two years. My proposed research project was entitled “Trans-nationalism and Modernity: The Case of Korean Industrial Investments.” The project was broadly focused on the cultural meanings of Korean and Indonesian industrial development and trans-nationalism.

The theoretical goal was three fold: to provide an integrated view of structure and agency in a political economy framework (Nash 1981, Roseberry 1988) to relate these issues with with broader changes in Korean-Indonesian trade relations; and to examine their implications for future development of the Asia-Pacific region. The research project was to be informed theoretically by anthropological critiques of modernization theory and development (Poggie and Lynch 1974, Ecobar 1995) and of Eurocentric theories of modernity (Kahn 1993, Ong 1996; Ong and Nonini 1997).

Ethnographic fieldwork and writing have covered these issues and more. In this chapter, I first outline my research findings. Then I discuss ways in which this project provides steps toward an ethnography of corporate capitalism. Finally, I suggest future areas for research inspired by this ethnographic project. I end with some comments on the anthropological imagination.

Research Findings: Comparative Anthropology in Indonesia and Korea

This dissertation is a multi-sited ethnography in three countries: Indonesia, Korea and the United States. It focused on specific social groups and organizations: laborers and managers in Korean factories in Indonesia and Korea; and individuals in civil society, government, and corporate organizations based in Indonesia, Korea, and the US. The project takes a "vertical slice" (Nader 1969; 1980) of social organizations in all three countries. By analyzing the linkages connecting these groups, the dissertation examined the dilemmas posed by neoliberal capitalist policies and practices that contributed to the onset of the global economic crisis of 1998--a crisis that differentially affected workers, managers, corporate officials, NGO staff, and public policy makers.

This project was originally planned as follows. The first phase of research was to be conducted in a Korean owned factory in Indonesia. The second phase of research was to be conducted in industrial training centers for Indonesians workers in Korea. In both countries, research was to be conducted in other institutions that deal with industrial management and labor, namely corporate representatives, NGOs and government organizations. This research was successfully carried out.

As in most ethnographic fieldwork, additional research outside of original plans was conducted in both countries. Interview and shorter periods of participant observation research was conducted with: executive management of Korean and US multinational corporations with FDI industrial investments in Indonesia and Korea; executive management of Korean and US finance industry corporations; and with leaders of political parties in Korea and Indonesia. These findings were presented in abbreviated form in Chapter 4.

A change in research plan occurred during the research when it became apparent that there were in reality no "training centers" at all. Industrial trainees were sent straight to their respective factories after an initial briefing. Therefore, due to the fragmented nature of worker distribution, for this part of my project, I conducted my research primarily in the

Ansan Industrial Complex located just south of Seoul, Korea, where there was a high concentration of factories and Indonesian industrial trainees.

This research project was also impacted by the global economic crisis of 1997-1999, coinciding exactly with the time in which I carried out my research. Although some analysts say that the economy recovered by some financial indices as early as the fourth quarter of 1998 in Korea, the effects of the economic crisis on my research area continued for long after 1998, and definitely through 1999. The effects include unemployment rates, labor policies, and wages.

Indonesian Industrial Trainees in Korea and Indonesia

Ethnographic fieldwork with Indonesian industrial trainees resulted in an analysis of their overall experience in the industrial trainee program, as well as their experiences after they leave the program to find work as illegal laborers. Survey and ethnographic research with a core group of Indonesian workers have shown mixed experiences. The majority of workers reported having been impacted by the economic crisis, including sudden unemployment, non-pay of wages, unilateral wage reductions, and fear of deportation.

Regular worker grievances included cultural conflicts stemming from workplace behavior, religious and dietary needs, Korea's homogenous, and oftentimes dominating society, homesickness and the cold weather. Cultural conflicts increased as Indonesians stayed longer and learned the language. Time and language competency allowed the workers to understand better the behavior and conversations of their Korean colleagues. Although it undoubtedly helped in communication, it also allowed them to understand demeaning language or tones which they otherwise would have missed. The non-use of the polite form was the most demeaning act in this category of interaction.

They also did not like being pressured in the workplace with time and extra work without transparency. Stemming from the development years, Korean industrial workplaces are the exemplary theaters of the “bballi, bballi” (“fast, fast”) culture that has become synonymous with Korean business and management culture to many foreigners and to Koreans themselves. Many of my Javanese contacts pointed out that they did not think working at such a fast pace was necessarily productive. They thought that many times, the work done was not of good quality precisely because of this constant time pressure. Of course the issue of non-pay of overtime was a major labor rights violation that workers frequently brought up with employers once they learned their rights through local labor networks.

There were also common complaints about the difficulties of living in a homogenous society without speaking the local language. Most Indonesians learned a rudimentary level of Korean, but not enough to form strong bonds and networks. This made it difficult for them to do very basic things, such as banking, shopping, and traveling. The Seoul and Ansan governments have made concerted efforts to translate and transliterate key signs and infrastructure, but most private establishments do not have English support. Most of the laborers did not have a command of English either, posing further difficulties with practical affairs.

The most positive aspect for Indonesian laborers was the higher relative pay. Their main reason for participating in the program was to accumulate greater monetary earnings than they would in their country. Therefore, their spending was very minimal. Most meals were provided by the companies, and the workers rarely ate out. Minimal expenditures were spent on calling cards, cigarettes, and towards the end of my stay, computer rooms for internet. Every Indonesian worker that I met reported sending remittances back to Indonesia at least once every 3 months. They all shared an implicit ethic of sacrifice for long-term economic betterment. This view was most pronounced when they

discussed their homesickness and difficulties with food and religion/culture.

Their daily practices consisted mostly of work and rest in their accommodations, which were usually in or around their workplace, so it was very enclosed. Exceptions were when they would visit the mosque, shopping areas, and occasionally other cultural activities. Almost all Indonesian workers became involved in intra-ethnic communities through the mosque or personal connections. This allowed them to learn of other job possibilities and also of labor rights in Korea.

This network was complemented by Korean migrant labor support centers. Some Indonesians worked with these centers to help other migrant laborers and to seek their own labor rights advice. Very few of them socialized much with people from other ethnicities outside of the workplace. Language was the biggest barrier, followed by Korean social practices, which are not conducive to spontaneous, informal relationships between different ethnic groups.

My informants were from many different regions in Java so it was difficult to make anything but a generalized demographic analysis. Unlike other anthropological factory studies (Ong 1987, Wolf 1988, Rothstein and Blim 1991), this research was conducted among factories of different industrial sectors. The commonality was that all factories involved low-skilled, intensive labor (Braverman 1974). They were also participants in the same bilateral government-corporate migrant labor program between Korea and Indonesia. Therefore, they were subjected to the same policies and regulations.

Korean Factory Managers in West Java

Like Indonesian industrial trainees in Korea, all of the Korean factory managers that I focused my research on had only lived in Indonesia for five years or less. They all hailed from different parts of Korea although all had lived in Seoul in their most recent years. Most were married with

one or two children on average. Like the trainees, they worked for their company for the economic betterment of their families. And during the IMF crisis, workers and managers alike in both countries were worried about losing their jobs.

Korean managers were nationalistic in their outlook of economic activity. Based on past experiences with Western countries, they understood that Korea now had to compete on a global scale economically. Korea had barely been accepted into the OECD in the past year and were still far from reaching the upper economic elite in the world. Japan had been an OECD member since the 1960s. Japan was a constant competitor, and in fact many commented that Korea was at economic war with the Japanese. Due to the nature of their work, most Korean managers were keenly that Korean companies had been reliant on or at the mercy of Japanese and US technology to date. They knew that hefty royalties continued to be paid for these technologies. They were also sharply critical at the way in which Japanese and US corporations abruptly stopped selling new technologies once Korea became an economic threat in the 1980s. To many managers, this was the true beginning of the economic crisis, coupled with rising labor costs and power.

The IMF crisis clearly showed that the world economic powers did not have any mercy on Korea or Korean companies. It created a sense of nationalistic urgency in the managers. They felt that their work in Indonesia was part of this nationalist goal to build up Korea's dollar reserves through exporting products. Production in Indonesia seemed the natural step for them, because Indonesia needed the development and Korean companies benefited from a cheaper labor force and proximity to cheap materials. Like Korea's POSCO Steel, West Java was home to one of the world's largest steel companies, Krakatau Steel, just 70 km away from Korean factories.

Korean managers shared a Rostowian view of economic development and felt that Korean industrial activities had the effect of providing

Indonesia with modern industrial jobs which would help take the country to the next level of development. They felt that Indonesian workers were fast learners and also very careful in their work. Managers sometimes thought that this attention to detail may be one contributing factor for their relative slow pace at work compared to Koreans. But they also thought that Korean development was an extreme case. Most Koreans had grown accustomed to working 6-7 days a week and 14 or more hours a day during the development years. As an example, meals were taken in less than 5 minutes, cigarettes and instant coffee in 2 minutes, so the average mealtime with break was 10 minutes. This was common not just in the Indonesian factory, but even in the white collar sectors that I visited while in Korea. It was practiced in small and large chaebol companies alike.

This Rostowian view of development was also salient for chaebol managers' views of the more labor-intensive Korean textile, garment and shoe factories. These factories were technologically on a lower level than their more capital intensive factories. Therefore the managers employed in such industries were also from lower educational backgrounds than them. This was one reason cited for the managerial problems at the textile factories. They thought that textile factory managers were lesser educated and from lower economic strata. Relatedly, they pointed out that these small and medium industries in Korea had very harsh management styles, which were brought into Indonesia along with the managers themselves. These managers had little to no systematic training like chaebol managers did, and therefore were not prepared to deal with Indonesian customs and traditions. Chaebol managers in this way distinguished themselves from Korean managers in small and medium businesses. Education was always a key variable in comparison.

All chaebol managers had received university education, unlike Indonesian trainees who had received an average of eight years of formal schooling. Still, all of the managers felt some measure of insecurity about their jobs, especially after the IMF crisis. Due to

measures imposed by the IMF, Korean labor laws changed, and they felt that there would be imminent changes to their own employment terms and contracts. They were of course insecure as to whether they would be able to keep their job in the near future.

Their biggest concern was providing for their families and especially their children's education. They worried about their children being able to adapt once back in the competitive Korean school setting. They also worried about the ever increasing funds it took to educate children in Korea. Even if they were sent to public schools, almost all children of educational and social backgrounds were sent to private academies after school which could cost as much as private school tuition or more in extreme cases. They therefore felt fortunate to have a job at a chaebol and to be able to save money due to lower costs of living and the perks offered by the company for living in Indonesia.

Similarly, all Indonesian industrial trainees that I met were working to better the long-term economic well-being of their families in Indonesia. One third of the workers I surveyed had families with 1-2 children. Like Koreans, they too very often felt lonely, and stuck closely to their community while in Korea. Indonesians were concerned about losing their jobs, but seemed to be more pragmatic about finding solutions if something happened. Many of them navigated the illegal labor market well after some time in Korea, and most of them had been saving much more than they would have if they had worked similar jobs in Java. They also learned of their rights as migrant workers from other workers or from NGOs. Although there were cases of noncompliance to revised labor laws, especially during the IMF crisis, on the whole, the workers seemed to be less concerned about

Koreans in the Jakarta area formed a tightly knit ethnic community, with Protestant churches, schools, stores and restaurants catered to the community. Chaebol managers socialized almost exclusively with other Koreans. Aside from family meetings, the men and women both played golf very often. It was an affordable luxury in Indonesia that was

prohibitively expensive in Korea. It also provided a means to socialize with other Koreans while engaging in some form of exercise. Their chief concern aside from children's education was family safety. Due to the riots, many families were sent back to Korea out of safety concerns. Factories and residences were fortified with extra security around the clock during the worst days of the violence in May 1998.

In time, like Indonesian trainees in Seoul, Korean managers grew accustomed to life in West Java. They adjusted to the pace of life and the different local customs and traditions. Of course the challenge to adjust was arguably greater for Indonesian trainees because basic components of their lives such as food and dwelling were structured and determined largely by their companies. Both groups suffered from homesickness, but it was clear that with time, their outlook on the local community usually changed for the better.

Social Institutions

For different reasons, NGOs in Korea and Indonesia were under duress during the time of my fieldwork. Korean and Indonesian labor NGOs and labor unions were all suffering from the economic downturn. Indonesian organizations finally received many rights previously denied immediately following Suharto's downfall. However, they still faced an uphill battle with enforcement and with bureaucracy, the military and industry.

Korean groups had just fought a major battle with the government and industrial interests in 1996 in which they had to give major concessions, which were required for Korea to enter the OECD in 1996. The economic downturn further increased their misery, as the IMF imposed strict austerity measures, including changes in labor policies. Labor faced the radical transformation of workers into temporary workers, and the concomitant loss of rights and social supports.

Korea's largest independent trade union the KCTU had been at the forefront of opposition in 1996-1998 but had to make concessions both times. During the IMF era, the public did not have sympathy for labor unions, as the entire country was in a state of grave economic crisis. I noted that due to the economic crisis and its effect on labor, labor unions such as KCTU did not appear to place much priority on international solidarity issues.

When I previously conducted research in 1996, KCTU sought out and maintained strong support from international labor organizations, in order to coordinate their opposition to Korea's entry into the OECD. This situation was markedly different after successive defeats. Renowned Indonesian labor activist and labor party founder Muchtar Pakpahan's visit went largely unnoticed, to my surprise. It did, however, offer me an opportunity to learn about labor politics in post-reformasi Indonesia, and also create a link with the labor movement in Indonesia which will be helpful for future projects—one of which is currently ongoing.

Migrant labor NGOs faced difficulties with government deportation drives begun immediately after the economic crisis began in November 1997.⁵⁷ These drives were politically driven due to the large number of company closures. They were followed by amnesty periods offered by the Korean government for illegal workers to leave by April 1998, which was extended to July then August 1998. They faced a big workload to support workers who were unsure of what action to take in the face of these policies. They also began to have greater numbers of migrant labor volunteers towards the end of my research.

I conducted some interview research with government representatives that deal with labor and immigration in both Korea and Indonesia. In Korea, I met with immigration officials to get statistics regarding migrant labor trends in 1997-1999. This data was useful in comparing

⁵⁷ Incidentally this was the month that I arrived in Seoul for fieldwork. In the spirit of the IMF era, my contacts used to joke that I too could be considered a migrant worker and was lucky to have a job.

with the estimates of labor NGOs, who had opposite numbers of legal and illegal workers. NGOs had a higher number of legal workers than both the labor and immigration departments. In Indonesia, I was only able to meet with some representatives from the Ministry of Manpower regarding participants in the Industrial Trainee Program. I had meetings with the Korean Embassy in Jakarta and the Indonesian Embassy in Seoul to receive relevant information and also to learn about the official views of the industrial relationship between Korea and Indonesia.

Research with corporate executives in Korea, Indonesia, and the US allowed me to complete my vertical slice analysis of the global industrial cycle that started with workers in Indonesia and subcontracting factories in Indonesia from Korea, and ended with the corporate multinational that was dictating the market.

Official Nike corporate press kits expounded a Rostowian view of global economic development. Poor undeveloped countries would gradually develop their industrial base, starting with light manufacturing of simple textiles leading to more technical light manufacturing of sports shoes, then to light technical consumer products such as calculators, finally culminating in the heavy industrial production of cars and computers.

This view of development was one shared by many of my contacts during this research, from corporate executives, bankers, factory managers, and even some labor NGO representatives and workers. Aside from its problematic cultural implications, the problem with this view is that it takes the world as a global assembly line without taking into account the local context of development, and class contradictions therein.

Steps Towards an Anthropology of Corporate Capitalism

In *A Brief History of Neoliberalism*, geographer and anthropologist David Harvey starts his critique of corporate capitalism with this statement: “Future historians may well look upon the years 1978-80 as a

revolutionary turning point in the world's social and economic history" (Harvey 2005, 1).

In Harvey's careful historical assessment, he defines neoliberalism as "a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" (Harvey 2005, 2). Significantly, he argues that from its earliest years, this theory has expanded rapidly: "There has everywhere been an emphatic turn towards neoliberalism in political-economic practices and thinking since the 1970s. Deregulation, privatization and the withdrawal of the state from many areas of social provision" (Harvey 2005,2).

In his critique, Harvey outlines the hegemonic ways in which neoliberalism has "pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world." This radical change, according to Harvey, has been made possible by the incremental process of institutionalizing the neoliberal philosophy into government, educational, financial, and international institutions such as the World Bank, International Monetary Fund and the World Trade Organization.⁵⁸ Moreover, this process has left virtually no part of the world economy untouched, and most importantly, it has concentrated power into a few select social and governing institutions in the world.

Although the modern world system of capitalism (Wallerstein 1980) can be traced back to a much longer historical framework, the particular form of corporate capitalism which Harvey outlines became pervasive in the late 20th century. Many institutional elements of this neoliberal global structure were already in place well before 1978. And these

⁵⁸ Henry Giroux's (2008) work on the ways in which these models were institutionalized in academia is worth mentioning here. Milton Friedman's neoliberal economic program went on to influence the so-called "Berkeley mafia" in Suharto's Indonesia and the so-called "Chicago Boys" in Pinochet's Chile.

elements would profoundly affect the structure of Korean and Indonesian societies.

The foundations for global economic integration was established after World War II by the international financial institutions created following the Bretton Woods agreements in 1944: the World Bank, IMF, and the Bank of International Settlements. These institutions played key roles throughout the 20th century in the development of the neoliberal capitalist model. As outlined in this dissertation, they played significant roles in both Korea and Indonesia during the economic crisis of 1998.

Following World War II, the United States rushed to curb the tide of the Soviet Union. The first theater of conflict between the United States and the Soviet Union was played out on the Korean peninsula. This bloody three year war which began on June 25, 1950—which, according to some scholars would have been a much smaller civil war between the predominant union of nationalist, democratic, pro-labor institutions and organizations, and a small United States-backed contingent of former Japanese colonial collaborators and sympathizers (Cumings 1981; Hart Landsberg 1993)—resulted in the death of more than 3 million Korean civilians and over one million soldiers. It ended with an armistice signed on July 27, 1953, and the tragic division of the country along the 38th Parallel that continues to this day (Cumings 2004).⁵⁹

In between the end of the Korean War and the visit of Secretary of State Schultz in 1982, the United States had strong military and economic relations with three successive military dictatorships.⁶⁰ All three dictatorships were brought to an end by uncontrollable popular protests by Korean citizens. Throughout this period, US corporate and military interests usually ran counter to the democratic aspirations of Korea's population.

⁵⁹ This arbitrary division was made hastily in 30 minutes on August 11, 1945, by the U.S. War Department because two thirds of Korea's population lived south of the 38th parallel (Hart-Landsberg 1993:118).

⁶⁰ The United States withdrew support from the first dictator Syngman Rhee only after the South Korean military refused to carry out his orders to kill innocent students protesting his second rigged election in 1960 (Hart-Landsberg 1993:135).

Lacking capital and basic infrastructure after the war, Korean economic development was shaped and controlled largely by United States and Japanese business and military interests. As was their rationale for colonial annexation of Korea in 1910, the Japanese normalized relations with Korea and provided grants and loans for the purpose of exploiting Korea's raw materials and cheap labor. Most of the technology and aid for Korea's development in the 1960-80s was provided by the US and Japanese corporations, at a price. Royalty payments caused negative balance of payments for Korea, and increased its indebtedness to international financial institutions. Korea had to open its markets and change its development policy as a condition for continued assistance (Hart-Landsberg 1993).

Finally, when Korean exports began to take away market share from US and Japanese companies in the 1980s, they were denied access to technology, and thereby faced with a big dilemma. These pressures only exacerbated continued labor and student unrest, leading to the downfall of President Chun. The United States, which had supported Chun's rise to power and his massacre of students in Kwangju (Clark 1988) in 1980, could no longer stem the tide of history. The end of the dictatorship signaled big changes in labor laws and policies. As a result of these changes and other macroeconomic factors, wages increased in the late 1980s, prompting Korean companies to plan overseas manufacturing.

Faced with the prospect of rising wages, US and Japanese manufacturing firms had already begun their capital flight to Indonesia well before the end of Chun's dictatorship. Korean firms quickly followed suit as outlined in Chapter 2. In the case of Korean companies that produced for export to US brands such as Nike and Gap, they worked together with their US clients in moving their manufacturing operations to countries with cheaper labor.

Following the US supported coup d'état by General Suharto, the United States continuously engaged in military and economic trade with

Indonesia. Even after the atrocities committed by Suharto's military in East Timor were well publicized through Senate hearings, the Clinton administration stayed true to course in its "constructive engagement" with Suharto's junta. US military and economic interests were too important to make significant changes. This policy had continued throughout Suharto's brutal New Order junta, through many administrations—Ford, Carter, Reagan, Bush and Clinton.

US corporate and financial interests, together with the greed of Suharto and his economic monopoly partners, eventually led to the collapse of the Indonesian economy. The neoliberal revolution in Indonesia's already open economy in the 1980s led to the hyper development of the financial sector in the 1990s, and burgeoning financial debts that Indonesia could no longer pay back. When global investor confidence was shattered by Indonesia's heavily skewed balance sheet, global investment pulled out and Suharto's regime could no longer control the economy's freefall.

In further illustration of institutionalized personal greed, Suharto reneged twice on IMF bailouts that could have sustained his regime longer, because he did not want to adhere to IMF reform measures that would have meant the potential loss of some family businesses. A third bailout offer was imminent when the economy could no longer sustain itself. Skyrocketing prices in basic commodity prices followed, leading to widespread riots. When Suharto lost control and global media attention scrutinized his military's murder of protesting students, the US finally dropped its 25-year support of the dictator.

In addition to lucrative contracts for the military industrial complex, it is not a surprise that the United States supported these two dictators for so long. Its chief foreign policy architects for many years were neoconservative figures such as Paul Wolfowitz, Richard Holbrook, Dick Cheney and George Schultz, who sit on boards of resource and manufacturing companies with large investments in Indonesia, such as

retail manufacturing giant Hasbro, oil companies such as Exxon, and numerous defense industry interests.

Ethnographic Intersections

In 1981, President Chun Doo-hwan made Korea's first ever presidential visit to Indonesia; in 1982 President Suharto reciprocated with Indonesia's first state visit to Seoul. Their visits were symbolic of the increasing cooperation that the two countries would have in the form of trade and economic cooperation. President Reagan's embrace of both dictators only made the diplomatic relationship stronger.

In an academic conference held between Korean and Indonesian academics at the Institute for Far Eastern Studies in Seoul—the renowned policy and research institute for Korean foreign policy—policymakers, scholars and politicians from both countries outlined plans for continued economic and political cooperation between the two countries.

In the closing address, retired Major General Soedjono Hoemardani summed up the goals of greater economic and political cooperation:

First, Indonesia clearly recognizes South Korea's security concerns and its delicate relations with the major powers in regards to the stability of the Korean peninsula and of Northeast Asia. On the basis of that recognition, Indonesia supports South Korea's efforts and wishes to see greater flexibility in Korea's policies toward the region.

Second, strengthening of bilateral relations between Indonesia and Korea should not be viewed only from an economic perspective by both sides—Indonesia as a source of raw materials only and Korea as a source of capital and technology. In order to broaden this base at

this stage, we need to increase cooperation among mass media in order to enhance mutual understanding about our nations' history, traditions, values and future prospects.

Third, economic complementarity between our two countries, while stages of industrialization differ, may create problems in the future. These problems can be overcome and perhaps even prevented if both sides are sensitive enough about these issues. One important issue relates to that of technology transfer through investments or through training.

Ladies and Gentlemen!

It is my sincere hope that the exchange of views in a frank and open manner as practiced in this dialogue can be exercised in the many contacts between our two countries. When I paid a courtesy call on your President Chun Doo Hwan, we discussed and agreed on the need to publicize the greatest understanding which had been gained through our dialogue to the wider audiences in both countries.

Cemented by the close diplomatic relations forged between Presidents Reagan, Suharto and Chun, these concluding sentiments and plans were actualized with the large number of Korean manufacturing investments in Indonesia in the 1980-90s. These developments were in line with neoliberal policies that opened FDI in Indonesia starting in the early 1980s and encouraged the exploitation of resources and cheap labor. Infrastructure developments for these policies led to Indonesia incurring significant amounts of foreign debt. The opening of financial markets also increased indebtedness substantially, as foreign banks created a large bond market in the 1990s.

When the global economic crisis began in 1997, Korea was the second country to get affected, followed closely by Indonesia. The financial crisis was the result of contradictions inherent in neoliberal economic policies in Asia, which led to unsustainable levels of unproductive debt and assets in Asian countries. When the countries could no longer service the debt brought on by Western financial institutions and banks, their economies threatened to default. The IMF stepped in and offered bailout packages in exchange for further liberalization and privatization. As a result, Korea and Indonesia are facing increasing disparities in income today, and even greater foreign indebtedness--as once national and local firms were bought up by western corporate interests. Rather than decrease, foreign bank indebtedness has resumed its growth again.

Indonesian workers' and Korean managers' lives were therefore shaped by these larger historical forces. This dissertation has tried to identify some of those economic and political forces. Korean managers were sent to Indonesia as a result of the liberalization of the Indonesian economy, and US and Korean industries moved to Indonesia for its resources and cheap labor.

As I have tried to illustrate in my ethnographic account here, the experiences of Indonesian and Korean workers in this global assembly line illustrate the various ways in which individuals forge lives within these broader historical and political-economic structures. Korean factory managers, like Indonesian migrant workers, developed strategies survival in an increasingly harsh economic environment. Faced with loss of job security due to corporate pressures of the IMF, managers and workers alike sought ways to plan for an uncertain future by saving earnings, and investing in their families and children.

Both groups of people also had aspirations beyond their immediate family. Indonesian workers wanted to return to their countries to help forge a stronger economic base for their communities as well as their families. Korean managers, for their part, believed that they were shouldering their part of the nationalist goal to keep Korea safe from

outside economic interference, especially from the Japanese and the Americans, by working to earn foreign currency through exporting products. They also earnestly believed that they were in Indonesia to shoulder a Korean version of the “white man’s burden” by helping them develop on the Rostowian scale of human development.

There is a historical irony here. This eastern version of the “white man’s burden” was also the rationale given by the Japanese for their colonial occupation of Korea during and even after the 35-year colonial period. The Japanese believed that they were helping Korea develop like a modern western state. Of course they did this by extracting resources including the majority of Korea’s agricultural and mineral output, and exploiting cheap, virtually free labor for the three and a half decades of colonial occupation. Korea’s post-independence dependence on Japanese technology and the Japanese use of it as a form of economic control was another historical irony that was not lost on Korean managers that I spoke with. This only fueled their desire to work harder for Korea’s economic independence.

Korea’s political independence was also always on the minds of Korean managers. All of them had experienced the two plus years of mandatory military service, in which they developed a strong sense of political nationalism. The continued US military occupation of prime real estate in Seoul and more important, US hegemonic military control over South Korea, may be painful reminders of the legacy of colonialism and US strategic ambitions on the Korean peninsula. Together with US corporate power in Korea and the world at large, these political currents were also strong determinants of Korean managers’ views of their work. Korean corporate training and Korean nationalistic media pronouncements further bolstered this sense of patriotic calling.

Indonesian workers were all jubilant upon learning of Suharto’s downfall. They shared a strong belief that Suharto and his close network of economic and military elites controlled the vast majority of the country’s economic and natural resources. Now that he was gone, they

looked forward to changes that would make the country more equitable, allowing them to attain better material conditions, much less survive with dignity. Their experiences in Korea sometimes affected their sense of dignity but after time, they started to understand the worldviews of average Koreans.

A mean, inhumane boss was to them like a mean inhumane boss in Java, just with different cultural characteristics. They found ways to avoid such situations by leaving the job, of course at considerable economic and personal costs. Even with the enactment of revised labor policies, there continued to be companies that did not comply with work hour or wage guidelines, citing economic hardships during the IMF era. By the end of my research, most of the workers knew that they had legal recourse if not through their networks, then through me. But recourse was time consuming and not guaranteed. These were the difficulties and risks faced by migrant workers during the economic crisis.

This research allowed me to get a glimpse of the vertical connections in the global economy. I realized, many times during the write-up of this dissertation, that it was impossible to understand the lives of any of my research subjects without understanding these vertical connections. Indonesian and Korean workers lives could not be fully understood without understanding the influence of the neoliberal capitalist project as influenced in varying degrees by global and local finance capitalists, corporations and individual owned businesses, educational institutions, government bureaucrats, and last but not least, the military-industrial complex. The picture would also be incomplete without understanding the history and struggles of the labor movements and civil society movements in both countries.

Contributions to Anthropology and Steps for Future Research

How can an anthropologist hope to untangle the web of relationships, transactions, and institutions that played a part in the economic crisis of 1998? A potentially fruitful approach was suggested nearly 40 years ago

by anthropologist Laura Nader. In her influential article, “Up The Anthropologist: Perspectives Gained from Studying Up,” Nader suggested that more ethnographic research should take a “vertical slice” approach to the critical analysis of contemporary social issues. A vertical slice requires using “the network model vertically rather than horizontally” in order to understand the interconnections between groups of unequal power (Nader 1980:38). Nader also called for ethnographic research on critical contemporary issues, noting that “If one looks at the great social theorists—Karl Marx, Max Weber, Emile Durkheim—their works were inspired by the problems of their day, and we were still working on the problems of *their* day” (Nader 1969: 151).

This dissertation is firmly placed within this tradition of anthropological research that focuses on problems of the contemporary historical moment. (Brandes 1975, Nader 1990; 2002; 2010, Johnston 2007, Wedel 2001; 2009, Graeber 2009, Hertz 1998, González 2004; 2009). A vertical slice is particularly well-suited to understanding global financial crises including the 1997-1999 global financial crisis and the more recent 2008 global financial crisis that is ongoing as this dissertation is written in 2010.

This dissertation also contributes to the sociological and anthropological literature with an ethnographic focus on political economy, world systems theory, modes of production, industrial capitalism, and corporate capitalism (Colson 1971, Rothstein and Blim 1991, Nader 2008, Ong 1987, Roseberry 1988, Nash 1989; 1993, Taussig 1983, Wolf 1982, Mintz 1985, Stoler 1995, Doukas 2003).

Theoretically, this ethnography has analyzed issues of agency and structure (Roseberry 1988) when discussing the lives and worldviews of Korean and Indonesian workers and the dynamic political-economic structures and historical factors which influenced their lives. It has also touched upon theories of ethnic boundaries and social change (Barth 1998), migration and social change (Brandes 1975), development and

change (Colson 1971, Burawoy 1979, Hobben 1982, Price 1989, Burger 1990), and economic anthropology (González 1998).

I realize upon concluding this dissertation that this is only the first step towards a more comprehensive analysis of the social and cultural effects of corporate capitalism in the late 20th and early 21st Centuries. There are several areas for further research related to this dissertation.

First, this dissertation can be complemented by ethnographic research on the retail and consumer end of corporate capitalism. Nike shoes and products made from polyester film are disproportionately consumed by consumers in Western societies, but increasingly so by citizens in the rest of the world. A comparative study of the cultural and political economic significance of these consumption patterns would be part of the larger picture of the global assembly line. Ethnographic studies of consumption would not be complete without analysis of the distribution and retail industries, including logistics, marketing and sales of consumer products.

During the course of research, my Indonesian contacts and I frequently walked along the shopping streets of Itaewon, where the mosque was located. In the 1980s when I was growing up in Seoul, these store lined streets were the center of illicit trade in products from export-oriented factories. Nike, Converse, Members Only, and numerous other retail branded products were sold on store shelves at black market discounts. In most cases, the products had factory defects and were routed miraculously onto the hundreds of stores in Itaewon. In the 1990s, litigation by foreign brands had prompted these stores to stop selling so-called “fake” or “illegal” products.

In 1999, during our numerous walks along this street, we noticed the consistently large crowds of Chinese, Japanese, Western and Korean customers lining up at the big 3 story Nike store. Curious, I met the owner and learned that he was the biggest retailer of Nike in all of Asia for many consecutive years. Upon further investigation, I learned that

Korea, once the exclusive producer of Nike for the US market, was now one of the largest consumers of Nike in the world.

Some years later, I met a Korean-American entrepreneur whose family was the also the largest seller of Nike--in the United States and not Korea. Their business had started small in the 1980s in the inner city of a major metropolitan area. It grew exponentially with the growth of Nike, assisted considerably by the astronomical sales of the Air Jordan basketball shoes. Most of his consumers were African-Americans from the lower economic strata. There are certain to be ethnographic connections to be made with these different consumption chains in the global economy. The role of advertising and media should be included in such analyses, but *not* alone in and of themselves, as some ethnographies seem to do. Studies of media and advertising without their broader political economic connections do not provide complete ethnographic picture.

Related to studies of media, this project did not sufficiently investigate the role of the academic and policy industries that promulgate the neoliberal economic project. The 1984 Korea-Indonesia conference mentioned earlier in this chapter was just the beginning of academic and policy work that set the gears in motion for the development and implementation of myriad neoliberal economic projects including the ones that were studied in this ethnography. This is a crucial area that needs to be investigated in order to better understand the machinations of global political economy from a critical academic and policy standpoint. This work can be informed by ethnographic accounts that highlight the history of industrial and government influence of academic research and the university (Furner 1975, Nader 1997, Noble 1977).

A historical investigation should also be applied to the notion of economic crisis. A “longue duree” (Nader 2008) approach to economic crises and economic catastrophes in each respective region would be a good place to start this investigation. This should be followed by a detailed look at economic crises in industrial societies, of which there

are numerous Marxist studies. Informed by these historical studies, we could then examine the history of economic crises in the neoliberal era and more specifically the connection of the succession of economic crises between 1980-2010. There are certain to be ethnographic links especially between the 1997-1999 crisis and the current 2008-2010 crisis. I have made a small attempt at linking the 1997-1999 crisis to the neoliberal project writ large, but more detailed study would might perhaps illuminate the events of 1997-1999. There are numerous business and economics studies, and a historical, ethnographic examination might yield significant findings on the contemporary human condition.

Finally, follow-up ethnographic research on Indonesian and other ethnic migrant labor in Korea, and Korean industrial investments in Indonesia and other Asian countries should yield valuable comparative perspectives on regional and global political economy. Broader comparisons with similar movements of capital and labor in the world may provide deeper insights into the nature of corporate capitalism and its relation to economic crises.

In a speech given on December 12, 2009, to an association of Koreans involved in Southeast Asian policy, the Honorary Indonesian Ambassador to Korea commented:

There are some success stories of Indonesian migrant workers. With salar[ies] from Korea, they [are] get[ting] a foothold in Indonesia after or plan to have a business with Korean industry after 3 years working in Korea. One success story came from an Indonesian worker, who returned home after six years in Korea, together with several colleagues, and established a private Korean language training center in Indonesia. Students of the center gain the basic knowledge of Korean language related to vocational training.

In “The Sociological Imagination,” C. Wright Mills (1959) once wrote of the shaping of individual lives by global forces:

Nowadays people often feel that their private lives are a series of traps. They sense that within their everyday worlds, they cannot overcome their troubles, and in this feeling, they are often quite correct. What ordinary people are directly aware of and what they try to do are bounded by the private orbits in which they live; their visions and their powers are limited to the close-up scenes of job, family, neighborhood; in other milieux, they move vicariously and remain spectators. And the more aware they become, however vaguely, of ambitions and of threats which transcend their immediate locales, the more trapped they seem to feel.

Underlying this sense of being trapped are seemingly impersonal changes in the very structure of continent-wide societies. The facts of contemporary history are also facts about the success and the failure of individual men and women. When a society is industrialized, a peasant becomes a worker; a feudal lord is liquidated or becomes a businessman. When classes rise or fall, a person is employed or unemployed; when the rate of investment goes up or down, a person takes new heart or goes broke. When wars happen, an insurance salesperson becomes a rocket launcher; a store clerk, a radar operator; a wife or husband lives alone; a child grows up without a parent. Neither the life of an individual nor the history of a society can be understood without understanding both.”

The Anthropological Imagination

Anthropology is the study of culture. There have been four fields within anthropology that differ in their general methodological approach to the study of culture: archaeology, cultural anthropology, linguistic anthropology, and physical anthropology.

Early European anthropological studies were written by explorers, missionaries and scientists, who were interested in recording the customs of other cultures upon their first contact. During the colonial period, anthropologists were often part of colonial missions, sometimes set with the task of discerning social structures and customs to help in colonial projects. Anthropologists have also been interested in and involved in the production of social theories that oftentimes addressed rapid changes in European society such as industrialization and urbanization.

In the 20th century, British anthropologists such as Radcliffe Brown and Malinowski developed theories of social systems, which served as the base for structural-functionalist traditions of anthropological research. French anthropology as exemplified by Levi-Strauss was renowned for structuralism, an anthropological theory and method that elucidates particular structures of thought that maintain order and structure in a society.

American anthropologists also developed influential theories and methods including: Franz Boas advocated the four-fields approach and the historical method; Alfred Kroeber introduced the concept of culture area; Clyde Kluckhohn developed the values orientation method to focus on five central facets of worldview; Ruth Benedict supported theories of culture and personality which supports the notion of culture as a personality that is generated by individual experiences within symbolic structures; and Julian Steward pioneered the field of ecological anthropology.

As material realities changed, anthropologists went from studying bounded societies to societies that were in contact with other societies and traditions. Anthropologists have also taken historical approaches to their subjects of study, as well as comparative approaches through time and space. With the onset of industrialization and urbanization, anthropologists have studied socio-cultural changes brought about by these demographic and material changes.

One of the greatest strengths of anthropology is its comparative method. By virtue of conducting intensive ethnographic fieldwork in a field site and writing ethnography based on the fieldwork, the anthropologist automatically engages in comparative analysis. The anthropologist as fieldworker is engaged in comparison in the field, as she or he is trained as an anthropologist to be self-conscious—referred to as reflexive by anthropologists--about one's own worldview and categories of thought. Therefore, the anthropologist ideally should, like a well-gauged scientific instrument, take field notes aware that her or his own notes invariably contain biases that are the product of her or his own culture and belief system.

The anthropologist also goes into the field prepared with knowledge of the customs and practices of the people she or he will study. The comparative method therefore starts intuitively before one goes into the field, again through space and time. When one returns from the field to write their ethnographies, she or he is then engaged in comparison again, comparing field notes with the existent ethnographic literature and with the culture of one's own society.

In the 1970s, in the midst of great social upheaval in the US, some American anthropologists became concerned with various issues related to the political implications of ethnographic fieldwork and writing. Sparked in large part by the involvement of some anthropologists in US military projects in Asia, these debates centered primarily around the uses of ethnographic fieldwork by powerful institutions such as the military, and, relatedly, about the social conditions in which fieldwork was carried out. This debate also involved issues of how societies were represented by the ethnographer due to the bias or social position of the ethnographer. Anthropology's past involvement in colonial projects also came under scrutiny.

Intense focus on these ethical issues of ethnographic writing in American anthropology in the 1970s-90s was most notably exemplified

by the call for “interpretive anthropology” by Clifford Geertz. Geertz called on anthropologists to focus on the reflexive aspects of their ethnographic writing. Fieldwork method or research focus did not come under similar scrutiny in these debates.

These issues used to be assumed to be a part of gauging the scientific instrument, that is, the ethnographer, which usually was discussed in an introductory section of ethnographic monographs or explicated within the ethnography itself (Rabinow 2007). However, these issues became the center of focus for many ethnographic monographs for many reasons, perhaps the most important reason being the sustained engagement with European philosophy.

Many other anthropologists, however, raised ethical issues about fieldwork method and focus. These and other ethical issues regarding anthropological fieldwork were raised in a collection of essays in *Reinventing Anthropology*, published in 1972. As mentioned earlier, anthropologist Laura Nader called on anthropologists to “study up”, to study the powerful as well as the powerless, to take a vertical slice of societies in order to gain a more comprehensive picture.

American Anthropological Association President Elizabeth Colson stated in her 1975 Presidential Address entitled “Culture and Progress” (Colson 1976).

Not only is our basic subject matter suspect, but often enough we are told that we are now superfluous given that the ‘primitive’ cultures, which some assume we study, are disappearing and everyone is now, or is soon to be, a member of a world society dominated by giant industrial bureaucracies and contending imperialism...[more anthropologists should] focus on the implications of the large-scale organizations within which so many of us now spend our lives.

By using a vertical slice approach, this dissertation demonstrated how an ethnographically grounded anthropology that examines the dominant “industrial bureaucracies and contending imperialism” that President Colson talked about some 14 year ago--this approach can help reorient our discipline toward the problems of *our* day, including global economic problems. This dissertation has linked global economic crises to local ethnographic studies, highlighting the inherent contradictions in the current neoliberal economic order.

Many anthropologists today are also taking up the task of focusing on everyday problems, in and outside of academic anthropology (Nader 2010, Wedel 2009, González 2004; Besteman and Gusterson 2005; 2009). Many anthropologists continue our work in academic settings while remaining engaged with civic organizations and activities. The wheels of corporate capitalism do not ever stop. Anthropologists should not either.

In a world riddled with crises and contradictions, this kind of “committed contingency”—termed by my academic colleague, mentor, and friend Roberto González --would be one good use of the long and significant history of the anthropological imagination.

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