

HANS ULRICH LUTHER: Südkorea. (K) ein Modell für die Dritte Welt?
Wachstumsdiktatur und abhängige Entwicklung.
München: Verlag Simon + Magiera, 1981. 232 pages,
DM 19.40.-

In his more recent book, Luther not only returns to the subject but gives the most comprehensive critical assessment written by a German author on the seemingly successful "model" for development. He describes the historical preconditions, investigates the different stages of political development since the Korean War as well as the real effect of the Five Year Plans on South Korean economy as a whole, and examines closely the separation of economic sectors. His findings, based on extensive field research and on the methodology of critical materialistic development theory elaborated in Latin America and barely applied to SK before, can be summed up in the diagnosis of SK as a 'dependent', internally heterogeneous economy, leaving the improvement in living standards of the masses far behind the impressive overall growth rates. The text must be strongly recommended for everyone with a deeper interest in the socio-economic reality of South Korea today.

That certain areas require further investigation can be seen from reconsidering several hypotheses presented by Luther as more or less fixed results.

Luther gives the impression that South Korea (SK) up to the present time has the only one advantage, that of cheap labour, normally working with out-of-date machinery/p. 153, 168, 174 f./ . Consequently, the threat for SK by new-coming exporters in cheap textiles etc. must be judged as essential. But several observations show that technical advancement, even of the textile industry, is under way, although the extent admittedly is too small (cf. Far Eastern Economic Review (Henceforth: FEER), Sept.4, 1981, p.53 f.). What is more important: a lot of indications of severe economic crisis in SK stem from overcapacity exactly within technologically advanced branches such as steel and shipbuilding, the productivity of which is far beyond the general level of Third World countries. So there is a crisis, but the reasons for it and the possibilities for recovery are more complex.

Luther classifies the SK economy as a "de-nationalized" one /cf.p.161, 169, 206/. The dependency on foreign metropolis is indisputable, but only half of the 855 business lines specified in the Korean Standard Industrial Classification are partly or fully open to foreign investment so that there is a slightly differentiated approach in Korean policy towards protection of local industries and foreign investment promotion(cf. FEER, Dec.4, 1981/.

More concretely, Luther is of the opinion that export and import "mainly"/ p.161/ takes place between Japanese and US mother companies and their affiliates in SK, exploiting SK by using the mechanism of transfer pricing. At the core of his argument, there is the observation that export and import statistics are to a considerable extent fictitious because export industry relies

heavily on imported raw material, machinery and intermediate goods, so that the interrelation with the bulk of the SK economy is only superficial. As far as the so-called Free Trade Zones are concerned, the thesis cannot be questioned, but it needs further evidence as a generalized one. Doo Soon-Ahn ("The Korean Model of Accumulation", in: *Int. Asienforum*, Vol. 13, 1982, no. 3/4, p. 296) finds: "The domestic value added ratio of exports which stood at 75,2 % in 1966 fell to 64,4 % in 1978". This trend gives some backing for Luther's argumentation, but nevertheless nearly two thirds of the value added cannot be neglected, even if the value added does not include raw materials and intermediate products which are imported to a large extent.

And even Doo's theory cannot prove Luther's corresponding one that the interrelation of branches gradually declined in the past/cf. p. 122/ for which no evidence is given by Luther himself except general comments on the limitations of the inner market and so on. Or, as Luther puts it in other words: "The same development didn't cause the so-called linkage effects, that is, a productive 'feedback' between modernized and backward sectors of production." /p. 175/. An exact approval for this statement could only be taken from detailed input-output-analysis which Luther doesn't have at hand. And, for example, the forced market orientation on both the input and the output side of Korean agriculture proves just the contrary, despite the more than unfavourable terms of the involvement.

Luther argues in addition that a "new dual structure"/ p. 167/ was created in SK. He conceives it as a dichotomy between the modernized sector, on the one hand, and the agricultural and small-scale industrial units, on the other hand. Dualism for him, of course, has nothing to do with the old understanding of a gap between modern and traditional stagnant branches not yet incorporated into the process of dynamic modernization. In accordance with the findings of "dependencia" theory he considers this a newly produced heterogeneity which forced one part of society into backwardness. This proves to be true, and the wide-spread diagnosis of "unbalanced growth" is partly in accordance with that finding.

But Luther undoubtedly wants to be more radical in his criticism than the still "optimistic" theories of unbalanced growth. 'New dual structure', for him, is a definite barrier against self-reliant growth. He is convinced that the peripheral structure of accumulation is a "blind alley out of which only a radical restructuring of socio-economic conditions can lead out"/p. 123/. The urgent need for revision of the development strategy is obvious, but the lacks in Luther's analysis concerning this so-called dead-end are twofold: Firstly, it is not clear if the present economic structure of SK is so distorted that formerly export-oriented and partly unused industrial capacities cannot be directed towards the internal market. And secondly, to raise a similar question, if it is completely impossible for SK to reduce dependence on intermediate and machinery imports by fostering her own machinery industry without throwing away a bigger part of the existing plant capacity admittedly based

on US and Japanese technology.

Luther himself seems to be a bit uncertain about his own far-reaching conclusion when writing that "the internal capacity for setting out on the road to development ('Entwicklungsweg') exists"/p. 175/, but cannot be realized because of the external restraints.

That the present military regime is unwilling and unable to change the strategy is rather obvious. But it remains questionable if "social-revolutionary . . . pressure" alone/p. 173/ can change the course. It is in sociological terms the same question as the first economic one. Can it be said that a gradual reshuffle of the present political order is impossible; certainly not by the free will of the present leaders but by pressure from below? And would this involve wiping out the whole political structure? Marxist theory, to which Luther feels obliged, doesn't exclude a change of political order within the limits of capitalism, if, however, the basic economic conditions for internal restructuring exist.

Regarding both the economic and the social problem, it is interesting to note that recently A. G. Frank, one of the grandfathers of dependency theory, retreated behind the line that the case of the "Gang of Four" (SK, Taiwan, Hong Kong, Singapore) marks "exclusive models" - not to be transferred to other Third World countries - but need not necessarily fail despite certain internal limitations. Luther's reply was somewhat unclear/cf. FEER, June 25, 1982 and Aug. 27, 1982/.

The fundamental challenge to a critical theory of development can be further explained by comparing the forewords of Dieter Senghaas in Du-Yul Song's and Luther's texts with what follows afterwards as mainstream of the argumentation. There is obviously a curious discrepancy. While esp. Luther strongly denies the possibility of successful capitalist development, Senghaas in a more or less neutral manner only tries to point out the conditions for success, without deeper evaluation of SKs ability to establish these conditions.

Not only does this mark a theoretical difference; this difference is in itself significant for the level of development theory generally reached at the moment. Even critical analysis of the outwardlooking types of development has to go beyond the prevalent "heuristic" arguments underlined by a collection of scattered empirical facts.

Luther's analysis is without doubt more profound than a more selective collection of each and every empirical detail fitting within a preconceived pattern of criticism. His volume for the first time in German language gives a somewhat systematic approach towards the deficiencies of the famous SK model. But his argument has its shortcomings, too, as stated above. The debate must, therefore, progress along the lines of self-criticism of the old dependency theory; and within this context, several "growth-optimistic" arguments ought to be taken into account again.

SK along with the other members of the "Gang of Four" continues to be a theoretical challenge.

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ERNST v. CAEMMERER, WOLFRAM MÜLLER-FREIENFELS, HANS STOLL (eds.): *Recht in Japan. Berichte über Entwicklungen und Tendenzen im japanischen Recht.* Frankfurt am Main: Alfred Metzner Verlag. Heft 1, 1975, 36 pages, DM 12.-; Heft 2, 1977, 57 pages, DM 18.-; Heft 3, 1980, 82 pages, DM 25.-; Heft 4, 1981, 101 pages.

This series is published and edited by members of the Freiburg University's Institute of Foreign and International Private Law. The publication followed the founding of the Japanese-German Lawyers' Association in May 1976 in Tokyo (cf. Vol. 2, p.55-57). This Association consists of about 350-400 Japanese and German University professors and other lawyers with knowledge of Japanese and German law. The aim of this association is to foster the relationship between Japanese and German lawyers and to give information especially to Germans about Japanese law. As is indicated in the preface of vol. 1, a lack of information concerning Japanese law still exists among lawyers dealing with comparative law although the influence of German law on Japanese law has been remarkable ever since the last decades of the 19th century. However, as there are not many German lawyers who are able to speak Japanese and understand the complexity of Japanese law, the publication of a series such as "Recht in Japan" is very welcome.

The first volume of this series was published in 1975 and consisted mainly of articles concerning civil and commercial law. Junichi Murakami, for example, wrote on the compensation for damages suffered through emissions and pollution. The article by Professor Goro Tamura (p.14) deals with the latest development in Japanese family and succession law, and refers to a very special and detailed problem concerning the refusal of a divorce motion. This problem is interesting because in Japan it is rather easy to get a divorce. Usually it is sufficient to send a declaration to the marriage office stating that both parties agree to the divorce. Even in cases where wives/husbands do not wish to get divorced, it is sufficient for the husband/wife to send this declaration to each other.

Ichiro Kawamoto's article (p.22) discusses the possibility of controlling large-scale enterprises after the revision of the Japanese Commercial Code in April/October 1974. However, it has to be noted that this law was amended