Living with Rhetoric, Living against Rhetoric: Korean Families and the IMF Economic Crisis

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This article examines the impact of the International Monetary Fund (IMF) crisis on families in South Korea and the ways that the crisis brought competing ideologies (conservative vs. progressive) to the foreground. Based on fieldwork in South Korea during the financial crisis, we look at how individual families coped with economic insecurity and at the public discourse about family and gender generated by the crisis. The economic crisis caused widespread unemployment and even broader economic uncertainty that created hardships for many families. It also triggered a debate over gender roles and modernization as the country tried to determine the best strategy to cope with its effects. Finally, we look into the differential impact of the crisis on families in different social strata.

The Asian financial crisis of 1997 fundamentally changed the world’s perception of the East Asian economies. South Korea went from being an economic miracle to an economic fiasco in the space of a few months. The causes of the crisis and especially the appropriateness of the International Monetary Fund (IMF) bailout package have remained controversial topics, but, whatever the cause, the “IMF Economic Crisis” has left a residue of uncertainty that has permanently altered the assumptions that South Koreans had about their economy.

When we arrived in Seoul in August 1997, we encountered what appeared to be a thriving, prosperous society. It was, if anything, too prosperous: Department stores were so packed during the weekend that it was hard to go shopping. The enormous number of new cars produced constant traffic jams and made parking a real challenge. Newspapers presented optimistic assessments of the economy, quoting experts’ opin-
ions that "Korea’s domestic and external economic fundamentals are very sound." Although there were a few reports of trouble in some Korean conglomerates (chaebol), notably the Hanbo group, we had no reason to pay any special attention to news stories about the economy.

The Seoul of August 1997 glistened with the effects of decades of economic growth and prosperity. The residents of Seoul took considerable pride in their prosperous city, but there was also a strong undercurrent of criticism of the excesses caused by that prosperity. As Kendall notes, Koreans’ ambivalent mix of pride and misgivings about consumerism had already emerged as a cultural theme in the previous decade: "The 1980s was a decade of prosperity that saw the emergence of a full-blown consumer culture, at once celebrated, mocked, and criticized. It was a time of intense national pride, but also of uneasy wondering whether, in pursuit of economic stability and a comfortable standard of living, too much of Korea’s own heritage had been surrendered or corrupted by Western influence." Despite these misgivings, most Koreans expected this prosperity to continue indefinitely.

The financial crisis came on suddenly. Rumors that South Korea was in serious financial trouble began to circulate in early November, prompting government denials and demands that the foreign press stop publishing false stories about Korea. The Korea Herald (Nov. 10, 1997) reported:

... the Ministry of Finance and Economy sent letters of refutation to the International Herald Tribune, the Wall Street Journal and the Asian Wall Street Journal over the weekend, taking them to task for distorting facts about the Korean economy. Determining that the distorted views contained in foreign media reports are largely responsible for the ongoing financial market turmoil, the ministry intends to take other strong counteractions.

When the government announced that it was requesting help from the International Monetary Fund on November 21, the news media plunged into wide-ranging speculation about the nation’s future. Patriotic, nationalistic editorials were abundant. Most ordinary Koreans did not even know how and why the crisis came about, but they felt it. All of a sudden, a previously little-known international organization, the IMF, became a household name. TV programs about “What is IMF” were broadcast day and night. Popular morning programs geared to housewives discussed various strategies for coping with the upcoming economic crunch and how they could help their own families.

The day when the government of Kim Youngsam signed the letter of intent with the International Monetary Fund was described in the press as a day of national shame, the day that the Korean government lost
its sovereignty, and was widely compared to the surrender of national sovereignty to the Japanese in 1910. A spokesman for the ruling party’s presidential candidate described the IMF as acting like “occupation forces” and declared that the terms “encroach on the autonomy of a sovereign state.”

In this article, we examine the impact of the IMF crisis on Korean families and how it affected their ideological foundations. We have focused on public discourse concerning how families were affected by the IMF crisis and supplemented this with interviews and participant observation during this period. The crisis exposed conflicting idealizations of society. Conservative Confucian ideology came into conflict with an array of progressive ideologies and the forces of global capitalism. Rather than analyzing the underlying causes of the IMF crisis, we want to examine the convulsions that shook South Korea during this period and, in so doing, provide a partial understanding of how the society experienced and was transformed by the crisis.

Confucian ideas continue to pervade contemporary Korean culture, even though Confucianism lost its official position as Korea’s state ideology in 1910 with the collapse of the Yi dynasty. The aspects of Confucianism that have persisted most strongly in the predominantly urban capitalist society of contemporary South Korea are its traditional emphasis on social stability and hierarchy, which have continued to structure important aspects of work, gender relations, and family life. Confucianism takes the family as a microcosm of society, and the Confucian organization of work is reflected in the ideology of the company as family with lower-ranking employees obligated to defer respectfully to their superiors and management obligated to show paternal concern for workers. Roger L. Janelli has discussed some striking discontinuities between the ideology and practice of corporate paternalism, but the idea shows up, not only in corporate literature, but also in “surprisingly pro-labor measures” contained in labor laws. Job security is an extremely important feature of corporate paternalism, and laying off workers tends to be regarded as a betrayal of a fundamental obligation between employer and employee.

These obligations are gendered in that permanent relations in the corporate world usually only involve men. Women workers fit into their corporate niches as daughters under the Yi dynasty fit into their families, that is, as temporary low-status members. Urban nuclear families are quite different from traditional farm families, but the Confucian separation of the roles of husband and wife and the wife’s subordinate position within the family persist. Men and women usually hold different kinds of jobs, and the expectation that the husband is supporting his family is re-
flected in a “family wage system” that produces large wage differentials between men and women.

**The Crisis Hits Middle-Class Families**

As the financial crisis hit, economically secure middle-class families suddenly found themselves facing pay cuts and unprecedented fears about losing their jobs. By May 1998, 80 percent of Korean households had suffered significant reductions in income. As unemployment spread to banking and other managerial and professional jobs that had been considered secure, middle-class families no longer felt safe. Many people even felt that they had been pushed out of the middle class. According to the Institute of Taxation’s research in 1997, about 60 percent of Koreans responded that they considered themselves to be “middle-class,” but in June 1998 the Hyundai Economic Research Institute reported that the number of people considering themselves to be “middle-class” had decreased to only 34.8 percent.

One of our neighbors in the middle-class apartment block where we lived in Seoul was Min-su’s mother. She was a part-time piano teacher in her thirties, but every one of her students had given up taking lessons because of the economic uncertainty. Her husband was a manager in a chaebol, but it was one of the least secure of the chaebol and there were rumors that it was nearly bankrupt. Furthermore, although they owned their apartment and were living a “middle-class” life, they owed a lot of money to the bank. She was very worried about her husband’s job, and to make up for the lost income from piano teaching, she had begun looking for additional work. One job that she went to interview for was to be a tutor. She was very disappointed when she did not get the job. She reported that she was surprised by how many women came to interview for the job. Most of them were college-educated, middle-class housewives. She dreaded her younger son’s upcoming kindergarten expenses and worried about how she could afford to send him to school.

The families that depended on one paycheck were more precariously placed than those where both husband and wife worked. Most middle-class families depended on a single main paycheck and broadly subscribed to the ideology of “husband as breadwinner and wife as household manager.” Although women rarely had jobs of equal status to those of their husbands, the number of married women working increased throughout the early and mid 1990s. By 1997, according to surveys, as many as 51.1 percent of married women worked outside the home, although the idea of married women with jobs remained somewhat controversial.

Another of our neighbors was a two-income couple that was re-
duced to a single income by the financial crisis. The husband, in his early thirties, worked for an advertising company and the wife, in her late twenties, was a high school teacher. They had a son who was not yet one year old. In January, she was very worried about her husband’s job because advertising was not an essential business and her husband had already gone for two months without pay. She was also afraid that her teaching job would be an excuse for including her husband in the first group to be laid off. She even thought that was fair because her salary would be able to support her family, but she and her husband also decided that he should volunteer to take unpaid leave if it looked as though he might be laid off. They paid a neighbor 500,000 won a month for babysitting and thought this was one expense they could cut if her husband had to stay home. Around March, her husband stopped going to work and could be seen bringing his son with him for food shopping during the daytime.

Our landlords were also a two-income couple. The husband, in his late thirties, was a bank manager. The wife, also in her late thirties, was a junior high school teacher. They had two daughters (ten and eight). They had gone to the United States so the husband could take a one-year business-training course, and she had taken a leave of absence from her teaching job. His career had seemed very promising when they left, and the financial crisis caught them by surprise. Although he was able to complete his course, the family was forced to adopt an austere lifestyle during their stay in America. They also had to give up plans to travel and returned to Korea a month early. After returning home, the husband’s banking-sector job was no longer such a sure thing, and they had to make further changes to their plans. The wife had planned to quit her job, but had to change her mind after she came back. Her husband’s job at the bank had become more uncertain than her teaching job, so she decided to continue to work.

Middle-class families throughout South Korea found themselves caught in chains of bankruptcies the impacts of which spread far beyond the companies themselves. In an essay about the effects of the crisis on his family, a university student wrote:

"Nowadays the economic crisis has seriously changed our life a lot. People do not live in comfort any more, and they are really fighting for their lives. Our family also has some difficulties. Since my father runs his own store selling glasses, he only worries about decreasing customers, but it is not a big problem. The problem is my elder brother, who is married. He had to leave his small company that had gone bankrupt. So he and his wife had to move to our parents' house where I live, with their two babies. One is a six-month old boy, the other is a three-year old girl. I felt our house bustles with people, because only my"
parents and I had lived in the house up until now. Who I felt sorry for is the wife of my brother, who thinks she is eating another’s salt. Not only is she very busy taking care of two babies, but consoling her depressed husband.

My mother usually goes shopping and she always complains about the rising price of what she has bought. She buys what we need, but less than before, saying that we should live simply. So I have a lot of stress. Furthermore I started to feel the sense of oppression as a senior at the university. I have to get a job after graduating from my university, but as you know, many companies have dismissed a lot of employees for the reason of restructuring. Many of them have stopped hiring new employees, so it is very difficult to find a job.

However, although the economic crisis has put our family in trouble, we are happy. Because every day my parents can see their cute grandchildren and I can also get to know my brother and his wife better than before.  

Other students also cited strengthening family ties in the face of economic hardship, but even more common were reports of increasing family tensions: “My father is sad and angry,” “I could understand why my father looked so tired when he came back home from the office.” “My mother and father often quarrel.” And “... whenever I see his tired face, I miss my father’s smile.”

**The Gold Collection Drive**

In the atmosphere of near panic following the announcement that South Korea had applied for a bailout loan from the IMF, a wide variety of civic groups began calling on Koreans to make sacrifices for the good of the country. “Such civic group members can be seen in parks and on streets shouting, appealing to the people to be thrifty and save hard currency.” The campaigns called on people to stop buying expensive foreign goods, and were well received since the general level of financial uncertainty was so high that few people felt able to buy anything beyond what was necessary. Housewives were the principle targets for these campaigns, as their family responsibilities placed them in charge of household consumption.

Just before the end of the year, Samsung and Daewoo, two of Korea’s leading conglomerates, initiated gold collection drives among their employees. Gold is widely held by Korean households: not only is contemporary-style gold jewelry popular as in the West, but gold has a role as a traditional store of wealth in the form of small 24-karat gold objects. With increasing prosperity, the neotraditional 24-karat gold trinkets are sold in jewelry stores and are widely exchanged as gifts. Pure gold rings are presented to babies for their 100-day and one-year birthday celebrations. Brides also receive “gifts of jewelry” for their weddings, and solid gold buttons decorate items of traditional clothing, now worn only on rare ceremonial occasions by most Koreans. As one news story
remarked, “Koreans are known gold lovers” and “Everyone has some
gold at home.”

The gold collecting campaign captured the public imagination and
quickly spread beyond the conglomerates. A few days into the New Year,
the newspapers were reporting that, “Buddhism, Catholicism, Protes-
tantism, and Won Buddhism, have announced their participation in the
gold-collecting drive.” National interests took precedence over religious
differences during the crisis. “Each Korean cannot stand on their own
economically unless the national economy is strong,” said Rev. Song,
who is “chief administrator of the nation’s largest Buddhist sect Chogye
Order.” Korean Presbyterians were similarly moved to help “save the
nation” through the collection of gold. “We have joined the nation-
saving campaign, following a historical example set by Korean churches
during the early days of Japanese colonial rule when they helped save
the nation through a ‘buy-only Korean’ campaign,” said the Rev. Lee
Chul-shin of Youngnak Presbyterian Church.

With such broad-based support, the gold drive began to receive
substantial quantities of gold. Among the individuals who joined in “col-
lecting gold for the love of the country” was then President-elect Kim
Daejung, who walked into a Seoul bank and donated a miniature golden tortoise and four
golden “good luck” keys, weighing 393 grams.

“The other day my wife donated some of the gold we had at home,” said
Kim. “This is what was left.” . . . “When I think of the patriotism, my eyes
almost become wet with tears of appreciation. I promise that my new
government will do its best to pull the country out of its current crisis.”

The Korea Herald reported “tens of thousands of our fellow citizens
have taken jewelry and other items out of their drawers to donate or sell
to banks and civic and media organizations, which have joined to act as
clearing houses for the accumulated gold.” The paper editorialized:

The simultaneous outpouring of love of country and selfless public spirit are so
overwhelming and inspiring that the national morale, dealt a hard blow by the
woes brought on by the deep financial problems, inviting the IMF loans,
received an emotional and moral shot in the arm. Koreans can unite to rise to
the occasion in aid of their troubled nation. This rediscovery is highly refreshing
and encouraging.

While praising ordinary Koreans for their “love of country,” the
editorial went on to question the patriotism of those who did not partici-
pate fully in the gold drive.

Yet, the hesitation of some wealthy citizens who reportedly are holding on to
much of the gold is rather disturbing and worrisome. Industry sources and
campaign organizers say South Koreans privately possess roughly 2,000 tons of gold valued at $20 billion. That figure amounts to one-third of the money the country owes to the International Monetary Fund in rescue loans. One can easily guess that most of the gold reserves remain in the hands of the well-off upper class. Earnest pleas are renewed here and now to these people to render more hearty cooperation in the cause of pulling [sic] national resources and energies together to ride out the current crisis. There is little reason for their reluctance to depart [sic] with their gold, as sellers are reimbursed in cash and both the owner and the origin of gold can be anonymous.22

With such nationalistic rhetoric attached to the gold drive, several women’s universities in Seoul found their practice of presenting gold rings to graduating students had become controversial, with students arguing “that it is not appropriate to waste gold on such souvenirs at a time when the nation is collectively going all out with its gold-collecting campaign by selling the precious metal abroad.”23 Jewelry stores did continue to stock gold, but business was very slow.24

The gold collection campaign was a fairly brief episode, and by mid-March it was winding down. The Korea Herald reported that 225 tons of gold had been collected, but that only 5.38 tons of that were collected in March.25 The news article sums up the sweeping nature of the gold drive: “So far, 3.49 million people have participated in the campaign by bringing in rings, necklaces and other gold trinkets. In other words, 23 percent of Korea’s entire 15 million households participated with 65 grams per household.”26 What is perhaps more surprising, given the vigorous patriotic rhetoric, is that only a minute fraction of the gold was donated, and that most Koreans who participated in the gold collection drive sold rather than gave their gold.27 The news media’s rhetoric of patriotism and national self-sacrifice completely obscured whatever mixed motivations existed, including the financial desperation of many of the families who sold their gold, as they entered into times of unprecedented economic uncertainty.

Conservative Rhetoric and Action

LAYING OFF WOMEN FIRST

While the male heads of many middle-class families were faced with salary cuts and loss of job security, they were better off than women workers. Throughout the financial crisis, companies laid off disproportionately large numbers of women, but this policy did not escape criticism. As early as January, women’s organizations were expressing apprehension about indiscriminate layoffs of women employees, and their concerns were reported in the news media.
Korean women workers, still forced to endure sexual discrimination at the workplace, are now discovering that they have become the targets of mass corporate layoffs. With companies struggling to survive the current economic crisis by restructuring, job security has become weakened for male and female workers alike. But women workers who are often relegated to secondary status in Korean companies stand more chance of being bullied and humiliated into leaving "voluntarily" as companies cut back on their workforce.28

An editorial later in the year observed that "since many women are not the main breadwinners of their families, employers feel less remorse letting them go."29 But even in cases where women were the main breadwinners, it did not guarantee them full consideration since the perception is that it is not their proper role.

Many companies found that simply eliminating a category of women workers was an acceptable way to reduce their labor force and could be done with the collusion of male-run labor unions and the government. One example occurred at the Hyundai Motor Company’s factory in Ulsan. In May 1998, Hyundai announced a plan to lay off about 18 percent of its workforce.30 "That immediately triggered strikes and protests which culminated in 5,000 workers and their families occupying a Hyundai plant in Ulsan, in the south-east. Riot police were called in and a bloody confrontation seemed likely."31 The conflict was eventually resolved with the help of government mediators, and a compromise was worked out where Hyundai would lay off only 277 workers.32 Neither the Economist nor Koo remark on the gender of the fired workers, but of the 277, 167 were the entire staff of women workers from the cafeteria. The median age of these women workers was forty-seven years, and 70 percent of them were the main breadwinners of their households, since they were either widowed or their husbands were not economically active for some reason.33 The agreement to lay off women first during the economic crisis reveals that management, government, and unions all shared a Confucian patriarchal ideology that allowed them to consider women more expendable.

The sexually segregated job market was an additional problem faced by women who needed to find jobs to cope with the crisis. When jobs were open to women, they were often temporary or part-time, unskilled service jobs. Typical of the kinds of employment available to women after the initial downturn of the financial crisis are the sales jobs extravagantly praised in an article in the Korea Times: "The match seems to be made in heaven." The story tells how a soap and detergent company devised a plan to employ housewives to supplement its sales force and "dig itself out of the ‘IMF’ hole."34

A newspaper editorial in August points out that the economic crisis
has been “more cruel to women workers than their male counterparts.” Not only have a greater proportion of women workers been laid off, but much of their suffering has been hidden:

Government statistics cannot correctly cover how many housekeepers, maids and cleaners have been told not to come to work by their employers or how many young secretaries, office girls and waitresses have been fired without prior notice or any severance pay. These women have been supporting their families, but they can hardly benefit from the many kinds of unemployment measures announced by the government.  

**SAVE OUR HOUSEHOLD HEADS**

Faced with an unprecedented and growing number of unemployed household heads within what had been middle-class families, experts offered advice about how to preserve men’s status within the family. Professor Kim Yang-hui of Joong Ang University asserted that family members should express limitless support and understanding, even if the unemployed household heads did something wrong. She emphasized that wives should be supportive of their husbands regardless of the situation.

From early January 1998 and throughout the year, newspapers and TV news reported various stories about family members showing their support to household heads who had lost their jobs. An article titled “Save Our Household Heads” reported, “Wives are showing lots of love for their husbands whose spirit has been quashed as a result of IMF layoffs and pay reductions. Some use letters, telephone messages, or faxes to send their love. Still others wash their husbands’ feet.” The story featured Mr. Kim, a manager at S group, carrying a letter that he received from his wife last week: “I am very proud of the way you live your life. I don’t know about the future, but I am not afraid because I have you.” He felt embarrassed that he was not able to bring home a paycheck for the past two months, but was encouraged by his wife’s love and trust. The same article quoted Yang Pyong-mu, deputy director at the Institute of Labor Economy: “There is no greater power than the love of family. It is very important that wives share their husbands’ feelings about the crisis.”

An editorial in February lamented the fact that several household heads had committed suicide and that every day five thousand more people become unemployed. The writer pointed out that household heads have a tremendous burden because they are usually the only source of income for the household. “Even though the number of working couples has increased, three out of four households depend solely on the income of the household head.” She urged that wives and grown-up children share the burden that was pressing down on household heads and suggested that other members of the household should go out and find jobs.
The term “Boost your husband’s spirit” was used at a gathering of Cheil Bank officers’ wives on March 19th. Employees of Cheil Bank, one of the first banks identified as “financially troubled,” anticipated a mass layoff. On this occasion, the wives of the officers gathered to demonstrate support for their husbands who were under tremendous pressure. They read messages such as “These days, I hear more sighs and I see you smoke more cigarettes. I wish I could see your happy smile again.” Everyone started to cry when they heard wives’ messages. At the end of the rally, the wives chanted, “My husband, fighting.” By May, the support for unemployed household heads became a national campaign. At a rally for unemployed fathers held at Lotte Department Store, more than two thousand wives and children gathered to share the thoughts of love for their husbands and fathers. One high school girl wrote on a postcard to her father, “Even though others would call you an unemployed person, you are still my hero, Dad.”

Television dramas and advertisements also strongly featured male-centered messages. An analysis found that these TV dramas showed that women who challenged male-centered society were faced with unhappiness while women who were patient and subservient were rewarded. The report emphasized that these dramas sent a message that any woman who challenges the patriarchal structure will be punished. Many advertisements also show a good wife and wise mother or an affectionate girlfriend trying to boost her husband’s or boyfriend’s spirit. In one beer ad, a girl passes her wallet under the table to her boyfriend so she can pay without letting anyone see.

One newspaper article featured the children’s perspective on the IMF crisis and printed a poem by a second-grade girl: “... One o’clock in the morning late at night, my father just returned. He cannot get up in the morning because he is so tired. Morning sun is coming up but my dad cannot get up. ... Mom, please don’t wake up dad.”

CHALLENGING CONVENTIONAL GENDER ROLES

Against this push to reassert Confucian patriarchal values, others argued that women’s contributions to their families should be fully acknowledged. Reacting to the campaign to support unemployed household heads, Professor Lee Tong-won at Ewha Womans University argued that although wives should support their husbands, men also needed to change.

Korean men try to hide their unemployment as long as possible and then dump it on their wives. Then they get angry at family members for not understanding them. A husband’s unemployment is sometimes more of a crisis for the wife whose life depends totally on her husband. Men cannot just ask their wives to
understand and to be patient. They need to alleviate the fear and panic that
surround the family and try to be brave and solve the problems they are faced
with.\textsuperscript{43}

In many families, the rigid gender-role dichotomy, with “the husband
as breadwinner and the wife as household manager,” was funda-
mentally shaken as a result of the economic crisis. Male household heads
who lost their jobs during the crisis often needed their wives’ income to
sustain the household and had to acknowledge their financial dependence
on their wives.\textsuperscript{44} For some men, this was a difficult acknowledgement
to make. In her research on middle-class families and economic crisis,
Chang Hye-kyong found that newly unemployed men who had more
flexible gender expectations dealt better with the crisis and were less likely
to succumb to depression and heavy drinking.\textsuperscript{45}

A column of “IMF health tips,” written by a medical doctor, rec-
ommends that wives say, “You have worked hard until now. Now it is
my turn to work” and then go out and work.\textsuperscript{46} Furthermore, when the
Joong Ang Daily News published “Ten testaments for middle class cou-
ple’s happiness under IMF crisis,” it included: “Break out of the fixed
concept of ‘husband as breadwinner, wife as full-time household worker.’
Wives should share the responsibility of household economy and hus-
bands should stop feeling sorry for themselves. Husbands should share
housework and wives should not feel pressured when housework is
neglected. Whenever either one feels dissatisfied, the couple should dis-
cuss the issues and never resort to violence.”\textsuperscript{47}

\textbf{Middle-Class Housewives after the Crisis}

Many middle-class housewives became more conscious of their
financial contributions to their households as a result of the financial
crisis. By October of 2000, Min-su’s mother was again working as a
home-based piano teacher. The students she lost in 1998 because of the
IMF crisis came back to her during 1999. By the middle of the year, she
had four students who each paid 80,000 won a month. Despite her repu-
tation as a good teacher, she is only qualified to teach very young stu-
dents since she did not major in piano in college, and therefore she cannot
charge as much as professional teachers. Her husband is still the main
breadwinner for the family, and she considers her income to be extra
money to spend on her two boys’ education.

She thinks almost every woman in her apartment complex works in
some capacity. Those women who, like her, are in their late thirties and
have had a college education find it easiest to get jobs doing private
tutoring (kwaöe). Women who cannot do this often work as saleswomen
People’s thinking has changed a lot. It used to be that people looked down on sales clerks or cleaning women, but they no longer despise those jobs. I think that is one of the changes I can see as a result of the IMF crisis. I think the most drastic change that happened was how Korean men think about their wives working. I think that young Korean women have always wanted to work, so that has not changed much. Even in my generation, most husbands did not want their wives working outside the home, but not any more. It seems that men in the younger generation, those in their early thirties or late twenties all want their wives to work and contribute to the family income. And they are willing to help out with the household chores. This change in people’s thinking is also reflected in TV dramas. I watch these dramas with a special interest regarding how they portray women. I have this complex about being a stay-at-home mother. These days, almost all the home dramas feature housewives who are working too. They all have some kind of work and earn money. To me, that shows that our society has changed a lot.

Working-Class Women Making Ends Meet

Although the confidence of the middle class was shattered by the financial crisis, it was “ordinary working people” who were “hit the hardest.” Throughout 1998, newspaper headlines reported the harsh repercussions of the financial crisis. Examples from the Korea Herald include: Shoplifting by the Poverty-Stricken Increasing Due to Economic Crisis (Feb. 21), Economic Problems Cause Parents to Abandon Children (Mar. 26), More Korean Students Miss Out on Lunch (Aug. 3), Increasing Number of Women Report Abusive Husbands (Sept. 7), Growing Numbers of Unemployed Become Street Vendors (Sept. 10), and Children of Unemployed Parents Feared to Develop Behavioral Problems (Nov. 27). President Kim Daejung’s policies helped ameliorate some of the social problems caused by the unprecedented surge of bankruptcies and growing unemployment, but there was widespread suffering nonetheless. And a disturbing legacy of the crisis is “a widening gap between the rich and the poor.”

The financial crisis hit the working-class industrial cities of Masan and Ch’angwon on the south coast of Korea very hard. Chong-im is a working-class woman who lives in Ch’angwon. She was the president of the union at her electronics factory from 1987 until the factory closed in 1990. During the union’s long struggle against the factory closing, she organized and led one of Masan’s most militant unions, and she spent a year in prison for her union activities. Apart from her political involvement, which gained her attention from the international press,
Chong-im’s life has been that of a typical working-class woman. After her release from prison, she married a worker who was also a labor organizer and they have two daughters (now ages six and eight).

During the years leading up to the IMF crisis, her husband had earned a good living, working for a small manufacturing company, and they owned their small (15 p’yŏng) apartment in a working-class area of Ch’angwon. In August 1998, however, his employer was nearly bankrupt, and he had not brought a paycheck home for two months. She said, “We don’t know what will happen. We can survive by getting help from our family, but I am very scared.”

Even before the crisis hit, Chong-im had contributed to the family income by cleaning and cutting garlic and Chinese bellflower (toraji) at home. It took her three or four hours a day to do just one bunch of bellflower, and she made about 50,000 wŏn a month. Even working at home, however, interfered with her caring for her children. A neighbor remarked to her, “You were so busy cleaning bellflower, you did not even have time to wipe your daughter’s nose. You did not even look at me when I came to visit, so I decided not to bother you.”

Chong-im worked a lot during the winter of 1997–98, but as the crisis intensified, there was only enough work for her neighbor. She felt her neighbor needed money more than she did because her husband had been out of work for six months. She explained how she was able to get by: “Well, one thing good about having parents and parents-in-law in farm areas is that we can at least get some food from them. We got some rice from my parents, and kimchi from my in-laws. Without them, it would have been a lot harder.”

She explained that many housewives in her apartment complex wanted work to do at home and became more desperate after IMF. Chong-im was often asked about her job, cleaning bellflower, and how much it paid. The highest paid homework was electronics assembly work that sometimes brought in up to 200,000 wŏn a month. She would have preferred to do that, but there were few opportunities available.

Chong-im’s friend Chong-yop also lives nearby. In 1987, Chong-yop was the most important labor organizer in MAFEZ and also served time in prison for her union-related activities. She married after she was released and, in 1998, was the mother of a son and a daughter. Her labor-organizer husband did not have a regular job, so she was the breadwinner in her family. When I saw her in August, she looked very tired and worn out. She worked selling cosmetics door to door. She said, “my customers are mostly working-class women who live in the same rental apartment complex where I live. After ‘IMF,’ I can no longer collect monthly installments from most of my customers.” Many of her customers were
wives of construction workers or small-business subcontractors. The construction industry was badly hurt by the crisis, and she felt she could not ask for their monthly payments.

Chong-im had a difficult time in the two years following the crisis. Her husband’s factory never recovered. The labor union tried to participate in a “working out process” and entered negotiations with a U.S. company and other Korean companies and also tried to initiate a worker buyout plan. Nothing really worked, and in October 2000, he started working as a day laborer at a construction site for 50,000 won a day. He went to work at 6:30 A.M. and came home at 6:30 P.M.

When her husband stopped bringing home a regular paycheck, Chong-im went to look for a job. She found one as a counselor of the Masan Unemployment Planning Committee. The committee was a part of Masan-Ch’angwon Women Workers’ Association, which she helped to organize in 1987. She screened applications for unemployment compensation (about 15,000 won a month). She worked for the committee for two years beginning in October 1998 but was uncertain how much longer her job would last. She was paid 450,000 won a month for her work of almost twelve hours a day. Even though the pay was low, she felt proud to have such an important job.

The long working hours, however, were a problem for her daughters. They went to school and to a day-care center run and subsidized by the Kyongnam Women’s Association, but they still had to go home at five o’clock. Chong-im never got home before 7:30 or 8 o’clock. She dealt with this by asking her neighbor to prepare meals for them and she paid her 50,000 won a month. Chong-im said that all of the women in her apartment complex did some kind of work.

She was very worried about her family’s future. The family depended on her rural parents and parents-in-law for rice and vegetables. She was not sure how long her husband would be able to do construction work, especially in the winter. Her own job was not secure either, and she did not have any other job prospects.

**Flexibility and Globalization**

The response to the financial crisis highlighted a clash in values between Korea’s Confucian culture and global capitalism. The international business community saw Korea’s cherished system of lifetime employment as an inefficient way to allocate resources. Whereas chaebol and union leaders alike struggled to enhance job security, the international business community saw virtue in any layoffs. The Economist, for example, heaped praise on Samsung as “the best-run chaebol” for its getting “rid of 26% of its bloated workforce.” Flexibility became “a popular
buzzword” for allowing management a free hand in restructuring and firing unwanted workers. Although the financial crisis forced many Koreans to accept the inevitability of large-scale job losses, the Economist worried about President Kim Daejung’s lack of consistency: “With one breath he pushes the chaebol to restructure, but with another he discourages them from sacking lots of workers.”

Although being laid off was not what employees expected when they joined a chaebol, downsizing was not necessarily a bad thing for middle managers. Permanent white-collar employment in a chaebol could be stifling. One consultant described a typical chaebol as having: “huge layers of unempowered middle-management PhDs who are unproductive, step on one another’s feet, and feel frustrated.” Janelli also described some of the frustrations apparent among middle managers working under the top-down style of management at a chaebol.

Min-su’s mother reported general improvement in her husband’s work and job satisfaction after he stopped working directly for the chaebol. In 1998 he left the chaebol and cashed in his retirement fund. Although the company did not actually go bankrupt, it was no longer realistic to look at it as a source of lifetime employment. He was hired by a venture-capital company that his chaebol started as a separate enterprise. He had a five-year contract with his new company, and his annual salary was fifty million won, almost 25 percent more than he had been getting, but without any bonuses. Working conditions were more relaxed at the new company. He could go to work a little bit later and come home a little bit earlier; and he also got every other Saturday off. His long-term plans were to establish his own venture company based on the knowledge he was gaining of the field. This sentiment was widespread among middle-aged, white-collar managers at corporations: they planned to use their experience working for a chaebol to get them started in their own business. In mid-year 2000, the press was full of similar stories about former white-collar chaebol employees. The chaebol have “suffered a huge management exodus this year, as the best and brightest have left for dot.coms.” One newly independent entrepreneur was quoted “I’m having fun again . . . I feel like I’m back when I first started my working life.”

**Conclusion**

The IMF economic crisis affected the whole of South Korean society and undermined general expectations of continuous economic prosperity. Although the loans have been paid back and complete recovery was announced in 2000, the shadow of the crisis still looms over South Korea, making people less confident of the future. As Koo observes, the
crisis “pushed both blue- and white-collar workers into the same predicaments of economic hardship and vulnerability.”

While this period of hardship was perhaps more surprising to those in the middle class, they were generally better positioned to take advantage of whatever economic opportunities arose from restructuring. The working class has found economic recovery much more difficult.

Confucian cultural assumptions about the relative value of men and women affected how the pain was distributed. In the midst of economic crisis, women were far easier to dismiss than their male counterparts, and they were expected to willingly relinquish their jobs so that more jobs could be preserved for men. Poor female household heads, who had neither power nor prestige to defend their already marginal economic position, were especially hard hit.

Conservative social interests also responded to the crisis by reasserting traditional values. Housewives were enjoined to preserve male privilege within the family by “boosting” their husband’s spirit. At the same time, women were placed under additional stress in their conventional roles as household managers. And as formal sector jobs disappeared, women struggled to work even harder to get what was possible out of the informal sector in order to preserve household budgets.

Women were important to their families’ finances during the crisis and called for recognition for their contribution. Many women in two-income couples suddenly found that their income was the one sustaining the family, and other women saw increased importance to their informal work as teachers or babysitters for their neighbors. Women’s contribution to family income continues to be conspicuous in postcrisis Korea.

Linda Lim argues that globalization provides societies with resources and opportunities that are “indispensable to both economic development and social progress.” Restructuring did produce layoffs, but it also freed-up entrepreneurial talent and created new, more flexible companies. Young, well-educated entrepreneurs are replacing salarymen as a part of the South Korean business scene. In some sectors, gender equality also seems to have made a net gain in the wake of the crisis, as short-term contract employment makes expectations about future plans to have a family less relevant to hiring decisions.

Min-su’s mother experienced severe anxiety as the crisis unfolded. Her income from teaching ended and she was unable to get a more substantial job. Of far greater economic importance for the family, however, was her husband’s sudden loss of job security. He was able to weather the crisis successfully and even emerged from it with some improvements, more income, and more relaxed working conditions, but the future was not as certain as it appeared to be when he was first hired by the chaebol.
Min-su’s mother returned to the same supplementary role in the family finances that she filled before the crisis, but something had changed. She had become aware of the possibilities of women’s earning more and of the increased uncertainty in men’s jobs. She felt self-conscious about being a stay-at-home mom and wondered whether she was making enough of a financial contribution to her family.

The crisis hit Chong-im and her family much harder. Her husband’s secure, blue-collar job suddenly disappeared with the onset of the crisis. His efforts to preserve something from the factory came to nothing, and, furthermore, he was unable to find any comparable work. Before the crisis, Chong-im had been, like Min-su’s mother, a housewife and mother who provided childcare and supplemented the family income in a small way. The crisis forced Chong-im to seek out employment to support her family.

Ironically, she was absorbed in constructing a social safety net while being only a step away from needing it herself. Three years after the IMF loan, her family was still in crisis. Her husband’s job was low paying, low status, and unsuited for his skills. Her own job was uncertain, kept her away from her children, and did not pay enough to return the family to the way it was in 1997.

NOTES


3. The Hanbo group went bankrupt in January 1997 as a result of being unable to repay bank loans. President Kim Youngsam had helped arrange some of the loans, and it was the political scandal rather than the economic impact of the collapse of a chaeból that seemed most newsworthy. In retrospect, however,
the collapse of the Hanbo group can be seen as reflecting financial problems that were pervasive in the South Korean economy.


9. Hye-kyong Chang, “A Study of Family Life Resulting from Unemployment and Women’s Changing Gender Roles” (Seoul: Korean Women’s Development Institute, 1999), 32.


11. These essays were assigned in a sophomore English class on the topic “How has the financial crisis affected you and your family?”


24. During this time we bought a small gold object for John’s parents’ golden wedding anniversary, but we felt rather uncomfortable doing this.


44. Chang, “A Study of Family Life.”
45. Chang, “A Study of Family Life.”
49. “[T]he income of the richest 10% of urban households was 8.5 times that of the poorest 10% in the third quarter of last year, up from 6.9 times two years ago, according to official statistics.” Economist, Jan. 15, 2000.
50. See also Kim Hyun Mee, “Han’guk kundae songgwa yosongui nodongkwon” [Modernity and women’s labor rights in South Korea], Han’guk yosonghak [Korean journal of women’s studies], 16.1 (2000): 37–64, for an insightful analysis of women workers’ labor rights in South Korea.
51. See Seung-kyung Kim, Class Struggle or Family Struggle?: The Lives of Women Factory Workers in South Korea (New York: Cambridge University Press, 1997). The living area of Korean houses and apartments is measured in p’yöng. One p’yöng is approximately 36 square feet.