

Contents

<i>List of tables</i>	<i>viii</i>
<i>List of figures</i>	<i>x</i>
<i>Preface</i>	<i>xi</i>
1 The <i>chaebol</i> problem and the economic policy dilemma	1
1 What is the <i>chaebol</i> ?	1
2 The <i>chaebol</i> problem: a preliminary	3
3 A new theoretical framework toward understanding the <i>chaebol</i> problem	6
4 Strategy of study	13
5 Structure of book	13
2 Industrial policies and the growth of the <i>chaebol</i>	17
1 Introduction	17
2 Industrial policies in Korea	17
3 Growth of the <i>chaebol</i> and the origin of <i>chaebol</i> regulation	25
3 Critical review of the traditional perception of the <i>chaebol</i> problem	31
1 Introduction	31
2 Monopolization of economic resources and aggregate economic concentration	31
3 Monopolistic market structure: the problem of market concentration	38
4 Conglomeration of the <i>chaebol</i> : problems of <i>chaebol</i> behavior	44
Appendix	52
A1 Mobility statistics to measure effective competition within the <i>chaebol</i>	52
A2 Market concentration and industry concentration (1991–1995)	56
4 A new interpretation of the <i>chaebol</i> problem and evaluation of <i>chaebol</i> policy	62
1 Introduction	62
2 Reinterpretation of the <i>chaebol</i> problem	62
3 Evaluation of the <i>chaebol</i> policy	67

4	Concluding remarks	75
	Appendix	77
	A1 Summary of regulation on <i>chaebol</i>	77
	A2 Notes on the ‘big deals’ and the ‘workout program’	83
5	The role of institutions and government in the evolution of <i>chaebols</i>	89
1	Introduction	89
2	The perspective of new-institutional economics: the property rights system and economic organization	90
3	Anecdotal observations of the weakness in property rights protection in Korea	94
4	Property rights system and economic organizations: summary of empirical evidence	99
5	Lack of property rights protection and behavior of <i>chaebols</i>	102
6	Reorientation of government policies toward big businesses	107
	Appendix	110
	A1 Extracts from Yak-Yong Jung’s <i>A Guide to Shepherding People (Mok Min Shim Suh)</i>	110
	A2 Extracts from Isabella Bird Bishop’s <i>Korea and Her Neighbours</i>	112
6	Economic institutions, diversification and performance: empirical evidence and implications for <i>chaebol</i> behavior	118
1	Introduction	118
2	Economic institutions, globalization and diversification	120
3	Institutions and economic performance	139
4	Concluding remarks	142
	Appendix	143
	A1 Cross-country regression analysis of diversification behavior	143
	A2 Diversification projection for Korea	149
	A3 Institutions and economic performance: regression model and results	149
7	Lessons from Korea’s economic success and the future paradigm for corporate policy	154
1	Introduction	154
2	A brief evaluation of Korea’s industrial policies	155
3	Lessons from the past and the future paradigm	163
4	A new theory of corporate governance: institutions, corporate behavior and public policy	169
5	Concluding remarks	184

Contents

vii

8	Toward a new framework of <i>chaebol</i> policy	189
1	Introduction	189
2	Basic direction of a new <i>chaebol</i> policy	190
3	Toward improving <i>chaebol</i> regulation policy	191
4	Reform of competition policy	205
5	The improvement of economic institutions	210
6	Concluding remarks	212
9	Overview and conclusion	218
	<i>References</i>	226
	<i>Index</i>	233
	<i>Name index</i>	237