

The Path we should go after the Pandemic Era

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**COVID-19,
belated 'coming of age'
of the Korean society**

An advanced country, overnight!

- Bong Joon-ho, Youn Yuh-jung, BTS, Squid Game
- K-quarantine, K-battery, K-digital,
K-semiconductor, K-shipbuilding
- UNCTAD
- G7
- Japan's semiconductor sanctions and Operation
Miracle
- Korea's 5 years CDS premium ranks 4th after the US,
Germany, and the UK, overtaking Japan!

The path that's never been easy

Independence after the WW II

On the frontline of the Cold War

The ruins of the Korean War

The path that's never been easy

Unfamiliar with democracy



Winning Spirit!

**The experience of a victory
as a whole society**

Asian Financial Crisis



June 29 Declaration

1987년 6월 29일 MBC 뉴스데스크 6.29 선언

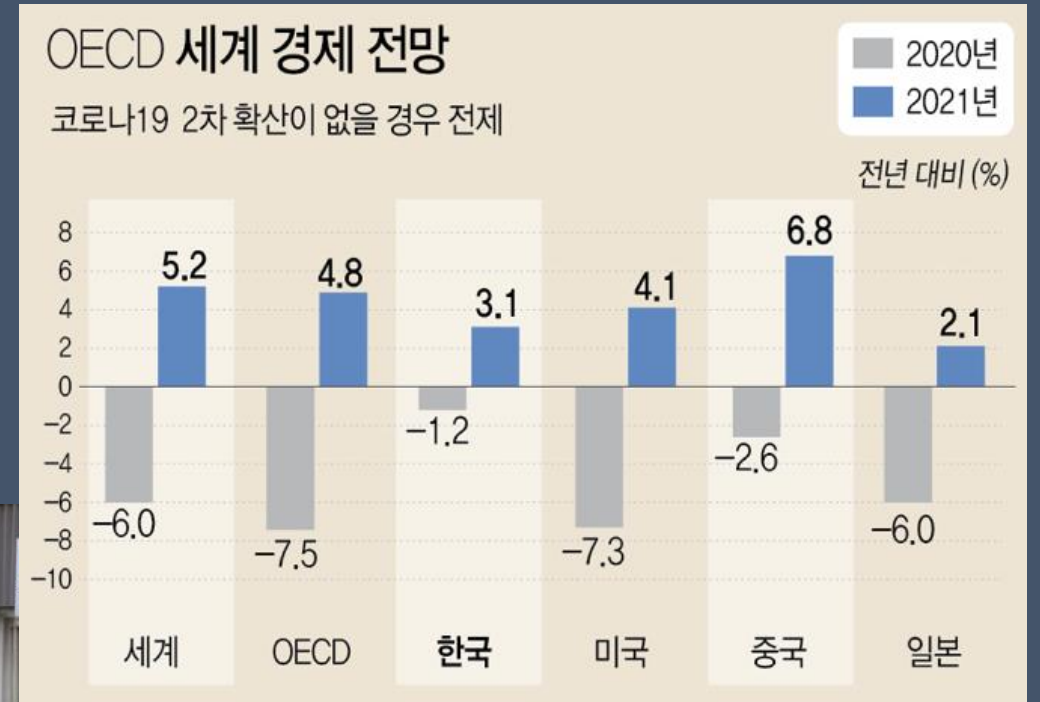


Japan's economic sanctions and the Covid crisis

NEWS INSIGHT

김상봉 | 한성대 경제학과 교수

일본의 수출규제로
2019년 경제성장률은
1.7%로 하락이
가능하다



How?

The case of K-Pop, and K-Drama

1996~2006 Golden age of Korean film



Abolition of censorship in 1996

- Bae Ho, *Farewell at Midnight*
- Jo Young Nam, *Unlit Window*
- Lee Jang Hee, *It's You*
- Yang Hee-Un, *For a Love That Wasn't To Be*

The secret to human intelligence
and creativity,
free combination of neurons

Pixar by Steve Jobs

Culture of experimentation at

Google, Facebook, and Netflix

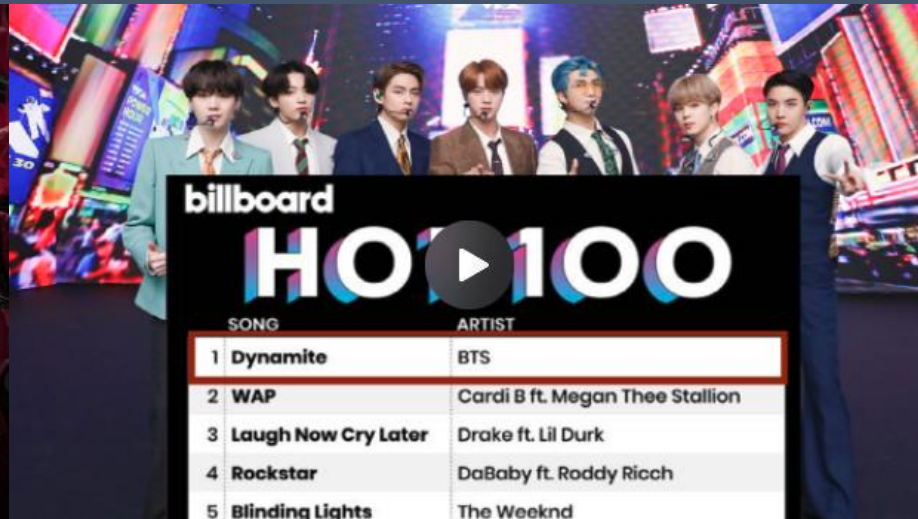
Silicon Valley

A city as a platform

And Now!



Squid Game



B.T.S.



Parasite

Challenges

Define before act!

Define before act!

- Fastest follower in the world
- Optimized for 'how' not why nor what
- Correct answer is always given from outside
- Standardization and mass-production
- Fittest for the industrial society
- The 4th Industrial Revolution
- So, Two options

White paper, Green paper

- **Industry 4.0 / Labor 4.0**

- First, will almost all people still have jobs in the future despite digitization?
- Second, how will new business models such as digital platforms affect the future of work?
- Third, how to protect workers' personal information as the accumulation and use of data becomes increasingly important?
- Fourth, how to utilize machines to support human labor and enhance human capabilities in the future if humans and machines work together?
- Fifth, the work of the future will be more resilient. Then, how specifically will the temporal and spatial flexibility be enabled for the benefit of workers?
- Sixth, how shall the advanced businesses, which are expected not to fit in the traditional business system, be rearranged in the future in terms of social security?

Korea'll become an advanced country only when we realize questions is more important than answers.

"If I had an hour to save this planet, I'd spend 55 minutes defining the problem and 5 minutes to solve it."

- Albert Einstein

Compromising society

Compromising society

- A society that makes a compromise!
- A society that makes a contract
- A discussion society
- A society that makes an agreement

The society of prudence and perseverance in the Joseon Dynasty

- "Please show the supremacy of the national law by beheading him and hanging it on the street."
- "The 'morality' pursued in the Subject of Morality goes beyond the study of ethics as an academic inquiry or the intellectual understanding of the history of ethical thought. It is a concept that refers to the process of reflection and practice on morality that operates within an individual through interest and analysis based on the sensitivity to moral phenomena operation in society and the interaction with such phenomena.

The reflection of WW II, Beutelsbach Consensus

- Prohibition against overwhelming the pupil with the objective of making pupils capable of independent judgment
- Treating controversial subjects as controversial
- Supporting pupils to influence the political situation according to their personal interests.

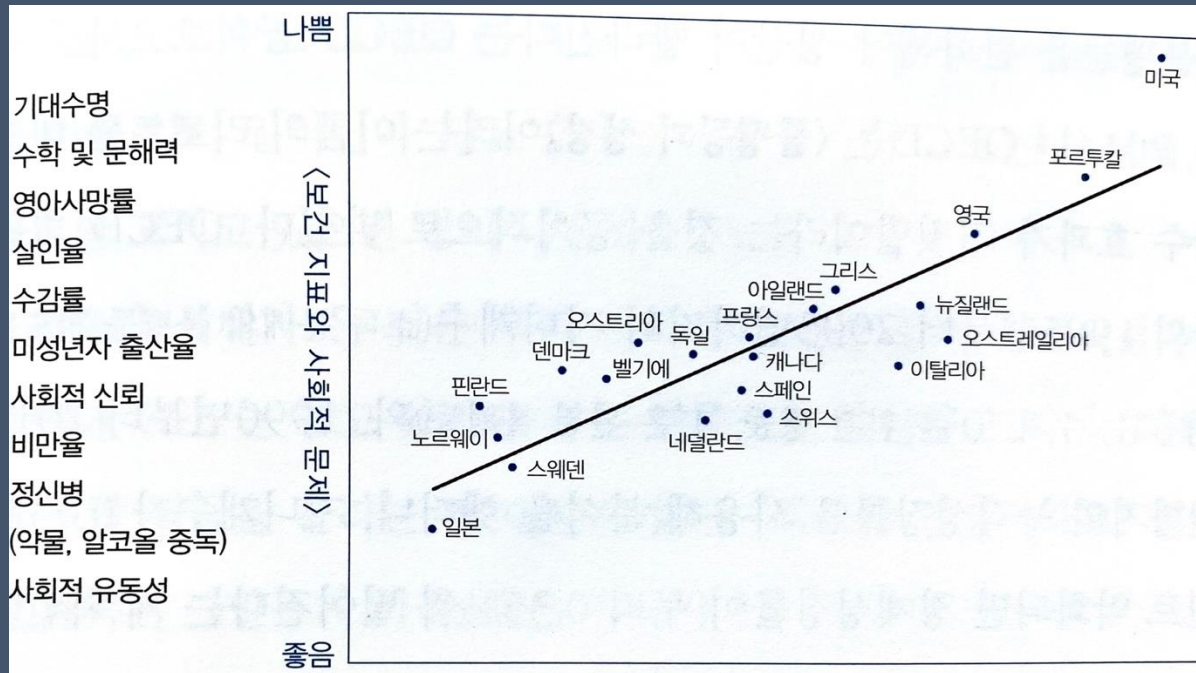
Goals of political education

- The ability and attitude to know one's own rights and assert them, if possible, with the willingness to compromise one's own interests in the spirit of solidarity, and consider the interests of society and the interests of those who have incurred losses, and in some cases concede to them
- The ability to recognize the social function of conflict and willingness to be involved in conflict resolution by choosing suitable ideas
- The ability and attitude to endure difficulties, make use of opportunities for self-development, and be tolerant to others while being part of various social groups

New indicators

**What if a man at the age of 30 measures his height every morning and night?
(And sigh that he didn't grow?)**

The gap between the rich and the poor, determining the health of society



Life expectancy / illiteracy / infant mortality / murder / imprisonment rate / adolescent pregnancy / social confidence / obesity / mental disease / addiction / social mobility

Social health index does not show any significant correlation with GDP, yet the gap between the rich and the poor has strong correlation with GDP.

Inequality, the most detrimental to economic growth

< 국제기구의 성장과 불평등의 관계에 관한 연구 >

OECD(2014)	IMF(2014)	ILO(2015)
<ul style="list-style-type: none">· 소득불평등 확대가 단일 변수로는 성장에 가장 큰 부정적인 영향을 미치는 요소· 불평등 해소가 경제성장률을 높임	<ul style="list-style-type: none">· 소득이 부유층에 집중되는 현상은 안정적인 경제 성장을 방해· 재분배정책이 고성장과 더 긴 성장 지속력을 가져옴	<ul style="list-style-type: none">· 정규직과 비정규직 노동자간 임금격차가 축소될 경우, 세계총생산은 3조 7000억 달러 증가

자료 : OECD(2014), "Trends in Income Inequality and its Impact on Economic Growth"
IMF(2014), "Redistribution, Inequality, and Growth".
ILO(2015), "World Employment and Social Outlook 2015: The Changing Nature of Jobs".

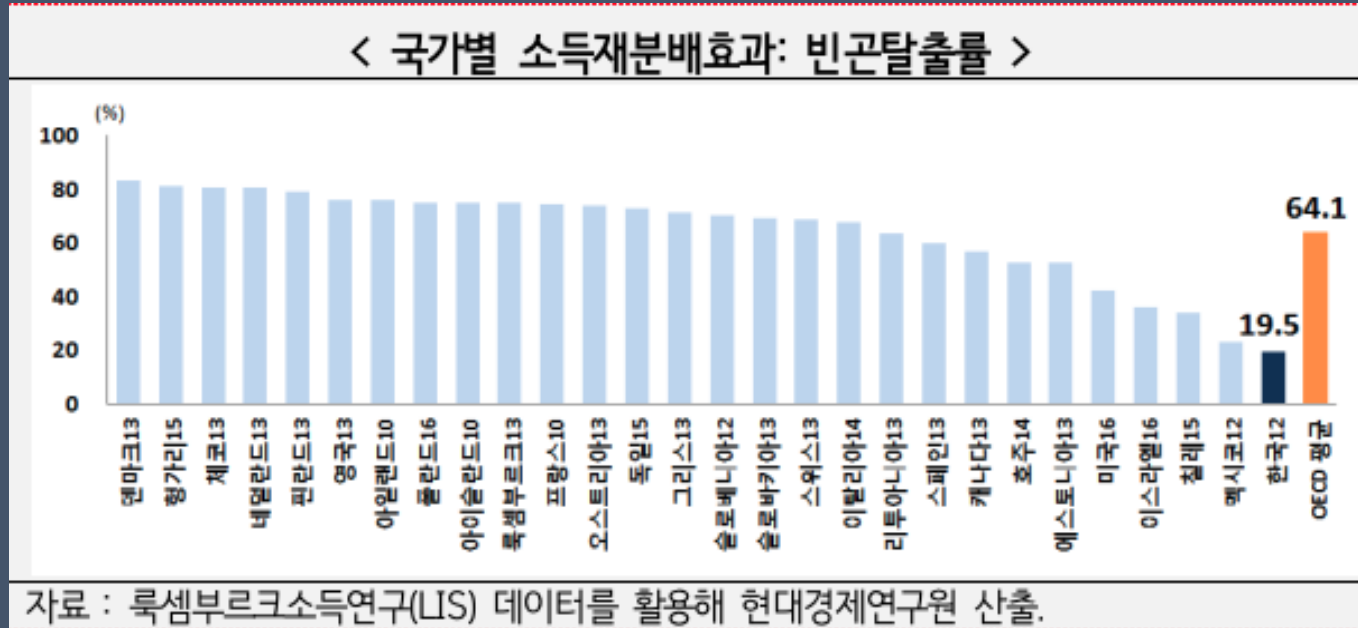
When the Gini coefficient dropped by 0.03, the economic growth rate fell by a whopping 0.35pp.

Income inequality, as a single variable, has the greatest negative impact on economic growth.

The trickling-down effect is a lie.

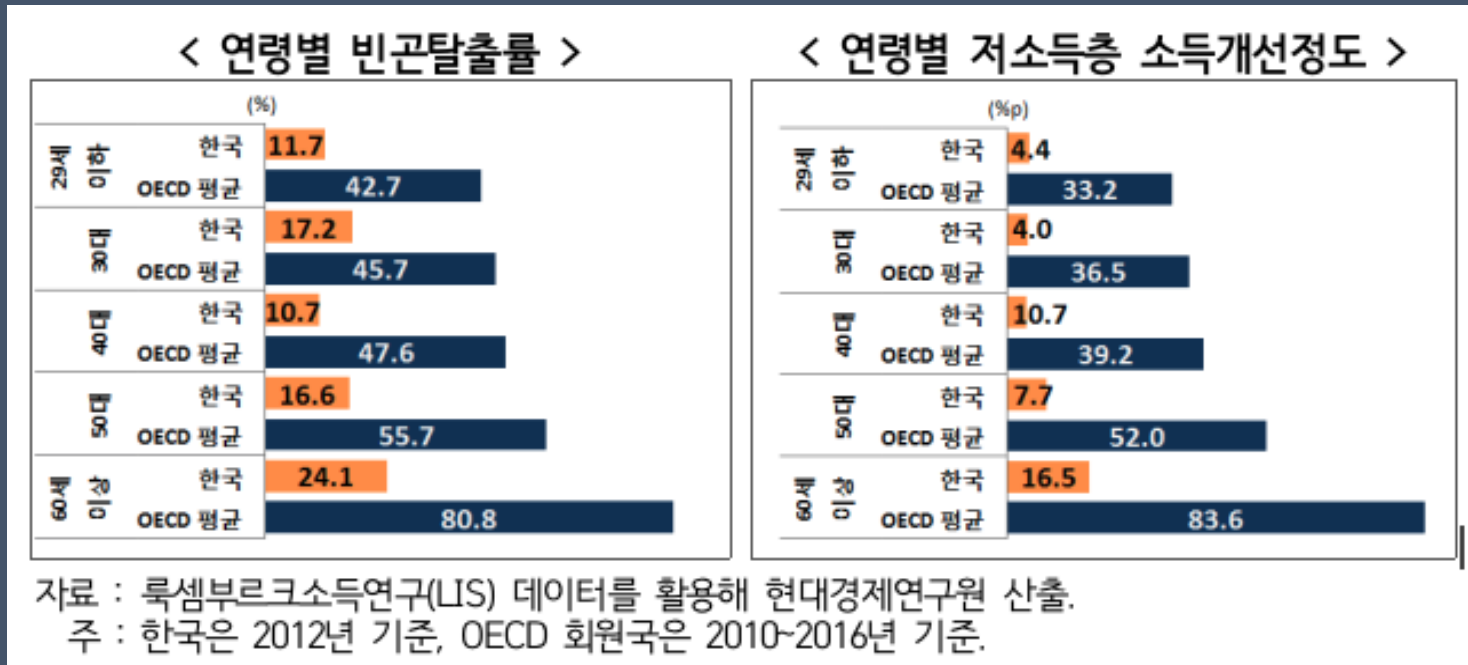
The analysis using OECD member countries' Gini coefficients (a single number that demonstrates a degree of inequality in distribution of income/wealth. A Gini coefficient of zero expresses perfect equality, and a Gini coefficient of one expresses maximal inequality among values) from 1985 to 2005 and the cumulative growth rate from 1990 to 2010.

Poverty reduction rate



- Korea's poverty reduction rate and income enhancement effects for the low-income class are the lowest among the 28 OECD countries analyzed.
 - While the average poverty reduction rate attributable to tax and fiscal policies among OECD member countries amounts to 64.1%, Korea's rate is only 19.5% as of 2012 (24.7% in 2016).
- ※ The poverty reduction rate is the proportion of people who transitioned from the low-income class based on market income into the middle class or high-income class based on disposable income thanks to the tax and fiscal policies.

Korea's tax and fiscal policies particularly harsh on the elderly



The average poverty reduction rate of the senior population aged 60 or older in OECD member countries is very high at 80.8%, indicating well-established income redistribution through tax and fiscal policies, including pension policies.

The rate in Korea is only 24.1%.

Korea's suicide rate, the highest among the OECD member countries at 26.9 per 100,000 people, 46.2 in people in their 70s, and 67.4 over 80 years old (as of 2019)

Education to brace ourselves for the future

- McKinsey Top Tech Trends 2021
 - We will experience more technological progress in the coming decade than we did in the preceding 100 years put together.
- The end of teaching by rote
- Era with no one right answer
- 'New Normal' where uncertainty is the only certain thing

Functional illiteracy

- Functional illiteracy rate of Korean adults is the world's highest.
- In other countries, literacy peaks at the age group of 30 to 35 and gradually declines.
- In Korea, literacy reaches its peak in the early 20s and then plummets.
- Getting older without reading books accelerates the decline in literacy.
- Cramming-based, excessive education to get into prestigious colleges, making students tired of learning

- 2013 OECD study based on the interviews with 150,000 people from 22 countries

Digital Literacy

- Among the lowest in the assessment of information reliability by clicking on a phishing email
 - Among the lowest in the ability to distinguish facts from opinions in given sentences
 - Below average in the opportunity to learn in school on how to detect whether information is subjective or biased
 - Literacy in the 21st century literacy is about constructing and validating knowledge.
- OECD <PISA 21st-Century Readers: Developing Literacy Skills in a Digital World> report

A society that guarantees the free amalgamation of neurons, understands importance of questions ahead of answers, can discuss and make compromises, pursues the health of whole society, teaches our children how to study on one's own and how to live harmoniously with others.

Thank you!