**Introduction:** This lesson is developed to meet key concepts and thematic questions related within the curriculum guide for the 2017 AP World History Course Description using a document-based question approach.

**Thematic Questions** (focus of AP exam assessment questions) with special emphasis on ECON-2
- **ECON-1** Explain how technology shaped economic production and globalization over time.
- **ECON-2** Explain causes and effects of economic strategies of different types of communities, states, and empires.
- **ECON-4** Explain how different modes & locations of production & commerce have developed and changed over time.
- **ECON-6** Explain how economic systems and the developments (ideologies, values, institutions) have influenced each other.

**Key concept 6.3:** The role of the state in the domestic economy varied, and new institutions of global association emerged and continued to develop throughout the 20th century.

I. States responded in a variety of ways to economic challenges of the 20th century. **Background knowledge should include:**
   - A. In communist states, like the Soviet Union and China, governments controlled their national economies, often through repressive policies and with negative repercussions for their populations. Illustrative examples of communist governments controlling their national economies: Stalin’s Five Year Plans and China’s Great Leap Forward. Recommended student reading: *Command Economies Characteristics, Pros, Cons, and Examples*.
   - B. Following World War I and the onset of the Great Depression, governments began to take a more active role in economic life. Discuss illustrative examples of government intervention in the economy. Suggested global considerations: review of the U.S. New Deal, the fascist corporatist economy (read *Economic Fascism*) and Populist governments of Brazil and Mexico (read *A Brief History of Populism in Latin America, It’s Rise, Fall and Implications*).

**FOCUS of given lessons related to 2 components of Key Concept 6.3**
- D. In a trend accelerated by the end of the Cold War, many governments encouraged free-market economic policies and promoted economic liberalization in the late 20th century. Illustrative examples, governments encouraging free-market policies: the United States beginning with Ronald Reagan, Britain under Margaret Thatcher, **China under Deng Xiaoping** (recommended reading: *China Under Deng Xiaoping’s Leadership*), Pacific Rim nations recommended reading: *Pacific Rim Nations Strengthen Economic Ties*, Korea (recommended reading: *Overview of the Korean Economy in the 1980 and 1990s*), Vietnam (recommended reading *Vietnam’s Economy, The other Asian tiger*).
   - E. In the late 20th century, revolutions in information and communications technology led to the growth of knowledge economies in some regions, while industrial production and manufacturing were increasingly situated in developing economies including the Pacific Rim and Latin America. Illustrative examples of Pacific Rim economies: Japan (suggested reading *The Enduring Mystery of Japan’s Economy*), Korea (suggested reading: *Why South Korea Will Be The Next Global Hub For Tech Startups*), Singapore (reading: *An Economic History of Singapore: 1965…*), China, Vietnam.
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DBQ Prompt: Using the following documents and your knowledge of world history, analyze how the role of the state within domestic economies varied between the east and the west. Be sure to note new institutions of global association that emerged and developed throughout the 20th century.

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Source 1: LIFE.com, 1948

Yeosu-Suncheon Rebellion: Grieving South Korean women and an international observer during a uprising when communist rebels — many of whom had been in the American-trained Korean Army — revolted against the (authoritarian) government of President Syngman Rhee.

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Source 2: Lee Kuan Yew, an opposition PAP member speaking to the Singapore Legislative Assembly, Debates, 4 Oct., 1956

"Repression, Sir is a habit that grows. I am told it is like making love - it is always easier the second time! The first time there may be pangs of conscience, a sense of guilt. But once embarked on this course with constant repetition you get more and more brazen in the attack. All you have to do is to dissolve organizations and societies and banish and detain the key political workers in these societies. Then miraculously everything is tranquil on the surface. Then an intimidated press and the government-controlled radio together can regularly sing your praises, and slowly and steadily the people are made to forget the evil things that have already been done, or if these things are referred to again they’re conveniently distorted and distorted with impunity, because there will be no opposition to contradict."

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Source 3: To Build a Nation, 1971 autobiography, General Pak Chŏnhŭi, 1961 military coup in South Korea.

Only by curing the abnormal economic structure could we lay the foundation for decent living standards. But I soon came to realize the difficulty of simultaneously achieving our goals of social stability and economic development and the goal of efficient government. I was also aware of the fact that economic development in the capitalist manner requires not only an immense investment of money and materials but also a stable political situation and competent administrators. To achieve this stability, [we] temporarily suspended political activities...

Korean professors began to show positive interest in the realities and to present policy recommendations on the basis of scientific analyses of the country’s situation. Even though not all of these recommendations could be justified in terms of efficiency and rationality, their advice was of great help to the revolutionary government. Thus the Confucian tradition of Yi Korea, in which scholars played a positive part in government affairs, seemsto have been revived.

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In recent years, many comparative studies on East Asian development list the Confucian tradition as one of the key elements in the economic miracle. It includes centralized authoritarian bureaucracy, emphasis on worldly success, high valuation of
learning, and a universal principle in recruiting government officials. These cultural elements still prevail in Korean society and guide the behavior of Korean people.
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Source 5: Prime Minister Margaret Thatcher in a speech to the Conservative Party Conference (10 October, 1986)

From France to the Philippines, from Jamaica to Japan, from Malaysia to Mexico, from Sri Lanka to Singapore, privatisation is on the move...The policies we have pioneered are catching on in country after country. We Conservatives believe in popular capitalism—believe in a property-owning democracy. And it works! … The great political reform of the last century was to enable more and more people to have a vote. Now the great Tory reform of this century is to enable more and more people to own property. Popular capitalism is nothing less than a crusade to enfranchise the many in the economic life of the nation. We Conservatives are returning power to the people. That is the way to one nation, one people.


The Founding Fathers of our country knew that without economic freedom there can be no political freedom. Their rallying cry of "No taxation without representation" reflects that fundamental precept. They knew that the right to earn your own keep and keep what you earn is central to America's understanding of what it means to be free. This country was built by people seeking to support themselves and their families by their own labor, people who treasured the right to work and dispose of their earnings as they saw fit, people who were willing to take economic risks.

Over the past 40 years, however, the growth of government has left our citizens with less control over their economic lives. What America needs now is an Economic Bill of Rights that guarantees four fundamental freedoms:

- The freedom to work.
- The freedom to enjoy the fruits of one's labor.
- The freedom to own and control one's property.
- The freedom to participate in a free market.


The role of the [Korean] state was to mobilize and allocate the nation’s resources to enhance national wealth and industrial strength, and to direct private sector activity to this end. The goal of the state was not directed toward regulatory welfarism as in the advanced capitalist countries. Nor was it meant to achieve egalitarian redistribution, as in classic Marxism. The closest historical parallels, although far from being exact, might be the developmental state of Bismarck’s Germany or Meiji’s Japan in the late nineteenth century.

Source 8: Symbol of the NAFTA Secretariat, 1994

Source 9: Abstract, Neo-Confucianism and industrial relations in Meiji Japan, Stefania Lottanti von Mandach, Institute of Asian and Oriental Studies, University of Zurich, Switzerland, Oct. 2014

First, we find that a widely accepted assumption used in many management (and other) studies on Japan, namely, that Neo-Confucianism was institutionalized in Tokugawa Japan (1603-1867), is distorted. Second, we find that the poor nature of labor relations in Meiji Japan (1868-1911) can be explained by and is the product of a multitude of factors, both indigenous and imported from abroad.
“Educational systems have to revamp to help learners foster learning agility and adjust on the fly of changing conditions.”

What Korea needs to pay attention to is the group of best performers in the GTCI. 2017 – Switzerland (1), Singapore (2), Luxembourg (7), Iceland (15) and Austria (18)... many of them are landlocked, or quasi-island economies with a scarcity of raw materials but they overcame such challenges by developing socio-economic policies in which talent growth are central priorities. Larger economies in the top 20 include countries with a strong immigration tradition and a longstanding reputation in higher education — the UK (3), the U.S. (4), Australia (6) and Canada (13).

Four Nordic countries — Sweden, Denmark, Finland and Norway — were in the top 10. "Education in these countries doesn't standardize children. It is based on individual-based learning and difference is respected. This is absolutely the opposite of Korea," said Evans, academic director and co-editor of the GTCI. "The value there is to get rid of standardized tests."