



## **“Looking at Free Trade and Korea’s Position in a Globalized World ”**

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Free Trade agreements, especially with the United States, seem to raise very strong emotional responses in Korea. Koreans associate them with mad cow disease and undue influence of multinational corporations. And yet, oddly, trade agreements with Europe or India have not resulted in that degree of protest.

It seems many see trade liberalization, specifically the KORUS FTA with the United States, as opening the flood gates for influence by American multinational corporations and the import of unhealthy foodstuff. The import of American goods will put Koreans out of work and result in greater interference of the United States in Korea at the local level.

And yet, when it comes to trade, things are not exactly what many people think they are. Many Korean companies are themselves powerful multinationals and the balance of power between the United States and Korea, is far from obvious.

Koreans run around worrying that Americans will come in and just buy up valuable Korean companies and dominate the nation. But in fact, Korea is likely to invest far more in the United States than the United States could possibly invest in Korea over the next decade. If there is a problem in trade, it cannot be reduced to an America vs. Korea equation.

[Mark Kingwell:](#)

Some years ago, Canadians went through a similar debate concerning the North American Free Trade Agreement (NAFTA) with the United States and Mexico; but there are two significant differences between Canada's relationship with the United States and Korea's. First, Canada is a resource-rich country. Our historical identity is as lumbermen and hewers of wood or drawers of water and will likely continue to determine our future, at least its immediate version, with respect to the rest of the world.

Witness, for example, the current debate over use of petroleum extracted from the bitumen deposits (they are called "tar sands" if you are a critic of the extraction; "oil sands" if you are not) of Canada. So one question is whether we should export this oil to the United States or to China. The question is sensitive within the context of our relationship with the United States, but either way there is no question that Canada is a net exporter, here, of resources rather than talent, expertise, or technology.

[Emanuel Pastreich:](#)

Canada is of course evolving quickly, aided by the climate change which may open up the northern regions to development, by the global demand for natural resources by the global economy. One has the sense that the Canada of the future may be quite different from what we have witnessed so far.

[Mark Kingwell:](#)

Korea's situation is different from that of Canada because of its unique resource footprint: the resources in play in Korea are people, ideas, culture, and creativity. The remarkable quality of those of resources is that they are potentially renewable. Moreover, such human resources can produce far more lasting net gains for society because those resources are part of development of concepts for new products

So, although Korea is poor in natural resources, in fact Korea has less to fear from the usual risks associated with free trade than is the case for other countries.

Those risks for a partner who is less dominant are depletion of resources, economic dependence, depredation. From the outside, looking at Korea, free trade looks like a good bet for Korea's development.

[Emanuel Pastreich:](#)

The funny thing about resources is just how mixed a blessing they can be. Koreans lament that the country does not have any natural resources, but that may well be a blessing. Let us look what can happen to your country if it has natural resources. Dependence on natural resources keeps one from developing education or technology domestically because there are no interests to lobby for it. And it invites in much interference from the outside as companies rush to secure their control of those valuable minerals. Look at Saudi Arabia, or Nigeria if you want to see what the problems can be associated with excessive natural resources.

[Mark Kingwell:](#)

The second big difference between the free trade agreement between the United States and Canada in 1994 and the US-Korea FTA this year, or other FTA agreements being negotiated with China and Japan, is the changes in the global economy since then. Globalization and economic and technological integration have processed so far since then that the nature of the challenges has changed.

Financial systems in particular are now so interconnected and as a result so fragile that any strongly trade-based economy is more or less at the mercy of global market ups and downs.

[Emanuel Pastreich:](#)

There is both a remarkable resilience to this new global trade system, and at the same time, a terrible fragility. I think it is too early for us to make a final call as to what the final nature of global trade will be, but it is a fundamental transformation of the global economy that extends beyond just cheap goods.

[Mark Kingwell:](#)

That fragility, exposing the domestic economy directly to the vagaries of the global market, is real risk from globalization, not the spread of a McDonalds mono-culture and a “Pepsi-fication” of everyday life that was predicted back in the 1990s, and which exercised critics—myself included!

What we've seen since then is that instead of local cultures being decimated by homogenous corporate cultures, they have demonstrated an incredible ability as hybrid and local cultures to persist, even to thrive, in the midst of increasing global trade. Humans crave novelty, not sameness.

The tenacity of local cultures in the fact of global trade is very good news for Korea's culture-makers, even if the (cultural) transactions themselves take place with the threat of yet another unpredictable market collapse lingering in the background.

[Emanuel Pastreich:](#)

One of the major problems in understanding free trade is that people see it as something brought about by powerful corporations, or presidents, or other special interest groups. Although there are any number of special interests pushing for free trade, ultimately trade and its recent expansion is powered by the development of technology and the increasing integration in logistics and distribution, not the agendas of the rich. Trade has become so perfectly automated and so impeccably seamless that goods can be transported with great ease internationally, sometimes, than they can be domestically.

So perhaps the question is not how can we roll back this system? That may not even be an option, but rather how can we modify its evolution to be more helpful to the environment and to average citizens.

[Mark Kingwell:](#)

So on balance, I'd have to say—again, as an outsider—that FTAs are a good thing for Korea. Access to large markets more than offsets the possible downside risk of undue foreign influence. For that matter, the concept of “foreign influence” is changing, and almost, if not quite, a moot point in a world wherein everyone has to play on the same indexes and stock exchanges anyway.

The upside gains of increased trade for Korea could be tremendous: K-pop (to take one prominent example) is currently a relatively minor trend beyond the Pacific Rim; but freer trade could push it forward to be big globally, in terms of both value and cultural traction, as Japanese popular culture has become.

[Emanuel Pastreich:](#)

One question we might ask is this: where trade is trade taking us, locally and globally, as citizens of the world and as a species? Trade is ultimately the exchange of goods from one nation to another across tremendous distances. In a sense the explosion of trade is the continuation of what Frances Cairncross famously referred to as “the death of distance.” Technology has so advanced the transportation of goods over tremendous distances is no longer that expensive, or that burdensome. And as the processing of, shipping of and delivery of goods worldwide increasingly becomes a seamless cycle because of the total automation of ports and of the logistics chain, trade will increasingly link us together to an unprecedented degree.

Korea is at the center of this shift, with its strong commitment to international markets and its investment in ship building and sophisticated logistics. So Korea is really about a new generation of trade.

[Mark Kingwell:](#)

You are of course correct to note that trade is inextricable from human civilization, and in the sense you mention, as embodied by Cairncross’s phrase “the death of distance.” Trade has also, incidentally, been the vehicle of other kinds of exchange in the past and today. Culture travels with goods, and so does language, art, ingenuity, manners, morals, ways of being and doing. These factors all stand on the positive side of the human cost/benefit assessment of trade.

But trade and markets should be distinguished in a fundamental manner from capital. We need to recognize that the current age is the dominated by capital markets that have contributed to the all too common problem of the commoditization of everything. Indeed, we must go farther: the later stages of capitalism’s global dominance, commonly known as “neo-liberalism,” cast all judgments in terms of market value.

The “neo” of neo-liberalism expresses a movement from classical liberalism, which sought common ground between people in, for example, the rule of law,

or a universal franchise. That common ground was maintained while, as individuals, people were allowed to pursue their life goals, their religious beliefs and personal practices, free of state interference. Neo-liberalism is twist on this liberal ideology that suggests that you are free to pursue your life goals *as long as* you submit your life goals that they may be judged against a common standard generated by an ideology of economic determinism.

This evolution of the definition of the concept of human freedom is a disastrous development which must now be placed on the higher-order “cost” side of human value. To take just one familiar example, pertinent to our current exchange, the value of a non-vocational university education is now habitually assessed as either (a) something that must produce a job as its logical outcome or (b) something pursued for entirely personal amusement, a luxury good whose value is similar to the status-conscious purchase of a pair of brand-name shoes or an “elite” automobile.

Entirely lost between these two reductive options is the idea that education, including especially humanistic education, might be a good for all of human society in and of itself. That is to say, we have lost sight of the fact that education is a part of the public trust, a domain that is not subject to market forces that includes thriving culture, national parks, urban public spaces, and so on. Instead of being able to allude to such a public trust in defense of these institutions, however, one is constantly subject to demands for evidence of the “usefulness” or the “market demand” for such things. In the United Kingdom, academics are ranked on the basis of their “impact,” or how many other people quote them. “Impact,” however, does not have any clear relationship to truthfulness or to significance.

We need to fight this tendency to assess everything in terms of its price or its usefulness. Such thinking is an essential perversion of human possibility and even of the healthy human interactions that can be found in trade. Not everything can be, or should be, measured in dollars. These days, the label “useless” is almost always intended as an insult. I know something of this tendency from my vast experience as a philosopher who occasionally moves in the public sphere.

We should heed Aristotle’s wisdom and reverse the polarity: “What is the use of ‘use’?” he asked, indicating that we should begin our human questions by questioning, rather than assuming or, worse, letting the transactional market determine, the nature of purpose and value.

## Emanuel Pastreich:

Your distinction between trade and capital, or the manner in which we perceive objects, is most apposite. Such a distinction gives us the spiritual and intellectual space to define again the meaning of such transformations. In a sense to take the simplistic position of being “anti-globalization” is to give up one’s capacity to define the meaning of changes, to become a passive victim of circumstances without any hope of agency. If we are facing the later stages of “The Great Transformation” as Karl Polanyi put it, the rise of a market society in which everything is seen in terms of its value, then the first step is to understand that change and work to redefine its significance.

Right now, many associate this global integration, and by extension free trade, with the growth of income disparity, the domination of multinationals. Some also blame global trade for the dependence on “markets” as the ultimate determinant of policy and growth and also for the destruction of the environment through needless consumption and reckless exploitation of natural resources.

All these criticisms are legitimate, and we must be careful about how trade develops, and specifically, as you suggest, we must question the relationship of trade to the flow of capital. In a sense we need to go back to the basics of what trade is and why it happens.

But have we truly wrapped our minds around the question: what are the full implications of trade for humanity, and what trade might become in the future? It may seem an odd thought, but I wonder whether trade will ultimately be not just the problem that we face today, but also the ultimate solution to that problem.

Trade has the remarkable ability to create an integrated global system in a way that the United Nations or other institutions have not done so yet. Could trade, or some part of the global trade system, be the basis for a peaceful system for true global governance? Maybe. The trade system, manufacturing, logistics, shipping, distribution and sales, forms an integrated global network. I would say that trade is the only truly effective form of global governance today.

## Mark Kingwell:

The concern many raise about income disparity is absolutely legitimate, both between nations and within nations. Statistics show that wealth has never been more concentrated than it is at present, and this trend is particularly true in the nations that fancy themselves the most egalitarian and democratic. The same statistics suggest that most believe income distributions to be far more equitable than in fact they are; and that the same people would prefer that income distributions be even more equitable in order for a society is to be considered “just.” The first problem for us in thinking about income inequality is to make the reality of the concentration of wealth visible to those who are unaware of the problem. How we achieve this goal is, of course, a matter of extensive disagreement,

One place to insert a wedge in the process may be the idea of “regulation.” Free-market cheerleaders tend to speak as if regulation is always a bad thing and is always the work of interfering governments. They portray regulation as at best a hindrance on growth and at worst a form of socialistic “class warfare” – the political phenomenon referred to in Korea as the rise of “populism.” The logical error in their rhetoric should be obvious, and all the more so in light of the bank bailouts and stimulus-package spending that followed the 2008 market meltdown in the United States. Markets are : always regulated. The only question is whose interests are served by the existing regulations. There is no such thing as an unregulated market, except perhaps in the simplest form of barter market, and even there one would expect to find some limits on times and trades. So the anti-regulation rhetoric is just self-serving nonsense, intended to occlude the benefits afforded to corporations and companies in terms of taxes, access, and protection, even as it bashes any attempt to make tax systems more progressive.

A similar sleight of hand lurks in the standard right-wing complaint about “redistributive” taxes. All taxes, like all markets, are distributive. In such arguments, it is suggested that there previously existed a pristine status quo ante of a totally free market, like Locke’s state of nature I suppose, which is preyed upon by wicked bureaucrats intent on giving “my” money to someone else. Money has no meaning outside a social system; conceptually money does not, and cannot, predate that system. Even Locke knew this, and that is the reason was why he was wary of currency.

But Locke was wrong that property is a natural holding. Property is no more nature than is currency. Both are systems of trust, protection, and redemption that depend on the behavior of others, and their free participation in a system, in order to function. Hence the nonsense of complaints about “redistribution” in



the face of the fact that property is necessarily a set of constant, freely negotiated, distributions.

Emanuel Pastreich:

There are several transformations taking place at once. One is the advance of technology that allow for integrated global systems, and that allow us to classify and track basically everything in a numeric manner. Some parts of this transformation may be inevitable, and in many cases, the development of technology is value neutral. The second transformation is in the realm of concepts and assumptions. That is to say the arguments made about what is happening, and why. Here we wonder into the swamp of causality. Does technology drive the change in thinking, or does the change in thinking drive the acceptance of new systems? There is no easy answer, except to say that awareness of the two aspects of experience: what happens and how we explain what happens, is the first step towards a solution. As Confucius put it, we must start with the “rectification of names” 正名

that is to say, the biggest ethical problem we face is the gap between the terms we employ and the Institutions they describe. In the modern vernacular, that means that we are in ethical trouble if we keep calling something a "market" or a "bank" long after it has ceased to serve the function it had when we first gave it that name.

Mark Kingwell:

I think the key to future global trade is not just more of the same, especially if “free trade” comes burdened with the toxic ideology of neo-liberalism, combined with those these bits of nonsense about “deregulation” and “redistribution.” In fact, the key may lie in an altogether non-transactional part of human life. I mean the idea of a gift economy which functions beneath, or beyond, the contractual economy of money and goods. What we can all gain from trade is not simply what the parties involved in a given transaction can gain. It is, rather, the social intercourse and human freedom associated with the trade, together with the sense of common participation and sympathy, that makes for a functioning social system. The purpose of trade -- to return to my Aristotelian idea -- goes well beyond trade.

If this argument seems mystical or “useless,” I suggest that you consider the idea of a work of art. “The mere object is not the work of art,” Martin Heidegger wrote. He meant, in part, that the work art cannot be confined to the

fact, or the fate, of the physical object which hangs in a museum or is observed in a gallery. Heidegger did not concern himself with non-physical art, in part because the influence of his thinking was what later gave rise to such art. A small but important consequence of this insight into art is, then, that although the object may be bought or sold in a transactional economy, that is to say that it may fetch a specific price at auction or in a sale, the value of the work of art is not determined by that price. The price measures something, to be sure: someone's willingness to pay for possession. But that is all it denotes.

All transactions should be seen as potential gifts, and there is no gift when the giving is subject to return and reciprocity. The true gift is a surfeit of expectation, an unresolved remainder, the part of life that can never be reduced to price, but which, therefore, has the greatest and most lasting value. How's that for useless?

[Emanuel Pastreich:](#)

Interestingly, the Daoist philosopher Zhuangzi made uselessness the center of his prescription for the political economy. In a sense, he was suggesting that the nation is like a wheel. In order for the nation to function, it must have a part that does not move in the same sense that in order for the wheel to function, it must have a hub which rotates but never moves. For the hub to move is for the system to fall apart. In the economy, or in trade, the problem is perhaps that we must make sure there is a domain that is not monetary exchange in order to assure the health of that part of the economy that is.

But I think there is also a certain value in questioning the origins of trade and commerce and the possible technological aspect of the problem.

Technological origins? Well we would say we trade because we consume and we consume on because we desire. But now we are locked into a system in which it seems that unless we consume more than we need, the economy will cease to function. Everything is predicated on the desire of humans for more and more. The common sense explanation for this development is that people have become more greedy, more self-centered. But why? That part of the equation remains unanswered.

I would suggest, however, that human nature has probably not changed significantly in the last two hundred thousand years. The cause of this transformation must be found elsewhere. I do not have an answer, but I would

suggest that this question should be central. Not to complain that people are greedy, but rather consider why that transformation happened.

One intriguing possibility is that technology itself is not just a manifestation of human desire, the drive to create the things that people want, but is also a stimulant, and even the driving force for the wants of modern society. That relationship is present in the super-saturated world of marketing, wherein the advertiser must create demand. But that is only a small part of the picture. We live in a society dominated by Moore's Law—"law" may not be the right word—that suggests that the number of transistors that can be placed on an integrated circuit doubles every 18 months. So the ability to process and produce information increases exponentially, far out of line with the imperceptible pace of human evolution or the glacial pace of cultural change. The resulting surplus drives consumption, the creation and consumption of things is the only way to keep up with the demands placed on our tightly formed system by the glut of information.

Mark Kingwell:

I'm wary of any philosophical theory that leans too hard on a notion of human nature, especially if it turns on the unchanging quality of such nature. That kind of theory is usually a form of special pleading about the author's particular preferences for what counts as "natural" or it embraces a kind of fatalism, as in claims that something is "just human nature." So I'm glad that that is not what you are suggesting!

Whether technology is the great driver of the developments we might as well call, at this late stage, modernity . . . well, as you suggest, this at least is a good question, one worth pursuing philosophically.

At first glance, there is much truth in the suggestion. Clearly the cycles of production and consumption that are so typical of "developed" societies would be impossible, maybe even inconceivable, without the advanced technologies embedded in the various production lines. I suspect, though, that humans are so deft at exploiting the desire for relative position that it wouldn't really matter what we produced, as long as it facilitated conspicuous and invidious consumption, or reinforced social status. This trend is what the French sociologist Pierre Bourdieu aptly analyses in his wonderful magnum opus, *Distinction*. In other words, what distinguishes us from others could just as well be beads and shells as Ferraris and iPhones. The essential issue is limited possession, or the display of status.

This way of talking, which is clearly derived from Thorstein Bunde Veblen, may seem to endorse just the sort of “unchanging human nature” argument I resisted just a moment ago. But it really just takes a kind of socio-evolutionary baseline as the starting point of an effective social critique. Humans are pack animals, highly developed primates. Humans find pleasure and meaning in what Thomas Hobbes, four hundred years ago, defined as “relative esteem,” that is to say power. But that is the beginning of the story, not its end.

Can you shape and direct human desire? Of course you can. That is precisely what artists, advertisers, technologists, and politicians have been doing, and continue to do, for so many centuries. Can you have a social theory that does not begin with the very idea of human desire? Absolutely not, and yet this is a mistake that theorists make over and over.

Having said that, desire is not simple, or uni-directional. The same desires that give rise to social status-seeking can also generate competitive giving that benefits everyone. The same technological toys that fuel consumerism can in a different context make vast numbers of people happier, safer, and more secure. The same qualities that feed constant war and encourage brutality between humans can be transformed into the moral courage necessary to take risks and make sacrifices for causes of genuine worth.

The biggest mistake we can make about technology, though is to accept the dangerous idea that technology is somehow “neutral” or “value-free.” This is the largest single lie in the entire discourse surrounding technology, and, amazingly, that perspective on technology is persistent despite the demonstrable accuracy of analyses by such thinkers as Martin Heidegger and Jacques Ellul. Technologies always have tendencies, if not explicit purposes, that embody and express values. They are, after all, made to achieve certain envisioned ends. You can kill someone with both a pillow and a gun; but only the gun is explicitly designed with the intention of inflicting harm on physical bodies. There is nothing neutral about that.

Or consider a much-discussed recent phenomenon. Social media like Twitter and Facebook may allow for swift and pleasant communication between friends; they might even aid certain kinds of political action. But they also, and very obviously, enhance data-mining and targeted advertising, in effect making their users a commodity which is being produced and consumed at the very same time. This may, indeed, be the endpoint of technological production and consumption, where the product consumed is the individual ingested as a product under the

false sign of “freedom?”

The fact that technology is not neutral should be obvious, as obvious as the fact that there is no such thing as an unregulated market. The fact that this fact is not so obvious, or is everywhere neglected, is a matter of ideology. Exposing imperceptible ideologies that mold our world is exactly what philosophers are for!

It should be obvious that technology is not neutral, just as it should be obvious that there is no such thing as an unregulated market. Trade is influenced by both technology and by markets, so this question is relevant to our topic. The lack of neutrality in technology or the fact that the lack of neutrality is not so obvious, or is everywhere neglected, is a result of ideology obscuring the realities of human experience. Exposing the imperceptible ideologies that mold our world is exactly what philosophers are for!