

Jeju's Globalization and the Netherlands: Rethinking Hamel's Legacies*

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1. Hamel and Jeju Island

Korea had been traditionally known as a hermit kingdom. The hermit kingdom or the land of morning calm can be seen as a sign of seclusion and isolation rather than opening and interaction with the outside world. Jeju Island was the epitome of the secluded and isolated kingdom. It was an island for exiles for several centuries, being separated from the mainland by high waves of the Northern Pacific, and deserted by the central government. Isolation, solitude, and hardship underscored life on the island. Survival, rather than hope and prosperity, was the mandate of Jeju islanders.

Hendrick Hamel landed on Jeju Island on August 16, 1653 on his wrecked ship. Hamel's stay in Jeju was rather short, but his journal reveals some interesting aspects of Jeju Island. First, his journal gives us a rather lively depiction of the island life three hundred fifty years ago. The Quelpaerts (Jeju) island he encountered was not a treasure island. There were no signs of abundance on the island. Poverty and subsistence

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prevailed. Life in Jeju was isolate, bitter, and even tragic. The governor of Jeju Island had to wait for more than six months in order to make a decision on how to handle the thirty six sailors of the wrecked ship, the Sperwer.

Second is the political terrain of Jeju Island in the seventeenth century. Jeju Island used to maintain its own kingdom, the Tamrakuk. But during the Yi dynasty, it was thoroughly incorporated into the mainland. The transformation of Jeju from a secluded and self-reliant kingdom into an administrative unit of the Yi dynasty implanted a sense of islanders' political dependence on the mainland. The fact that sailors of the Sperwer were left idle until instructions from Seoul were given reveals the nature of Jeju's political subjugation to the central authority in the mainland. No Jeju islanders could have interacted with these foreigners, and their modes of conduct were tightly controlled from the center.

Finally, leadership also mattered. The first governor of the Jeju island was curious about Hamel and his colleagues. He was kind enough to treat them with warmth. Bu the second governor who came to Jeju in December 1653 was cold and ruthless, lacking curiosity, generosity, and kindness. If the first governor had stayed longer, Jeju islanders could have interacted more closely with these foreigners, allowing them to experience and learn foreign ideas and artifacts more closely.

The above observations make us rethink the profound implications of Hamel's encounter with Jeju. Suppose Jeju Island had been as an independent kingdom with a wise and forward-looking political leadership! Despite the risk of becoming a Dutch colony, Jeju Island could have learned about and imported Dutch culture and civilization as early as Japan did. And a proactive accommodation of foreign culture and civilization could have transformed an island of seclusion and backwardness into a regional center of commerce and trade, securing its prosperity starting from three centuries ago. But our ancestors failed to do so, trapping its destiny in the resignation of the island's seclusion and peninsular dependence.

2. Challenges of Globalization and Strategic Choice for Jeju

Jeju Island is now undergoing profound transformations. When I was growing up in Jeju Island forty years ago, its economy was well protected, and consequently, islanders

were quite prosperous. At that time, Jeju began to specialize in orange farming as a strategic industry. Mandarin orange trees used to be called 'college trees' because orange farmers could send their children to colleges in the mainland by cultivating a few number of orange trees. The orange was a rare and exotic fruit, and it was well priced while domestic agricultural markets were being protected.

Jeju Island was also a paradise for honeymooners. In the 1960s and 1970s, it is often said, more than eighty percent of newly weds from the mainland chose Jeju Island as their honeymoon destination. As foreign travel by ordinary citizens was by and large restricted, overseas tourist destinations were unthinkable. And very few tourist sites in the mainland could rival Jeju's natural beauty and exotic landscape. Moreover, marine resources were abundant. A frugal life style and the hard work of our parents, along with abundant agricultural, marine, and tourist assets, made the island one of the richest provinces in South Korea.

Waves of globalization have, however, swept away the once protected shield of the Jeju economy. The ratification of the Uruguay Round and the opening of agricultural markets significantly weakened the competitive foundation of the agricultural sector in Jeju Island. The oversupply of orange production, coupled with importation of foreign oranges and substitute fruits, has turned the orange farming into a losing proposition. All of the orange farmers on the island have fallen into a debt trap. For example, my family owns an orange orchard of about 25 acres, and its net income last year was negative. Smaller farmers are having an even more difficult time.

The tourist sector, another critical lifeline of Jeju Island, is also in deep trouble. Jeju Island is no longer an island of honeymooners. With the liberalization of the tourist industry, Korean honeymooners are going to cheaper tourist sites in Southeast Asia. China, Thailand, the Philippines, and Guam have emerged as cheaper and more attractive sites, significantly eroding the competitive edge of Jeju Island. Moreover, the structural rigidity of Jeju tourism embedded in unfair trade practices involving major tourist firms in Seoul, local agents, gift shops, and even bus drivers has further deteriorated the foundation of Jeju tourism. Along with this, growing competition from imported marine products from China has also undercut Jeju's fishery sector.

For Jeju islanders, globalization is tantamount to opening a Pandora's Box. Globalization and subsequently fierce international competition are endangering the economic life of Jeju islanders. Jeju Province and its people have been working hard to

cope with the new challenges of globalization. But Jeju society is very much divided. While the "developmentalists" have been suggesting a more proactive and assertive adjustment to the changing environment through further opening, inducement of outside capital, and industrial diversification, conservationists have been calling for a more self-sustaining development congruent to nature and native culture. Confrontation between the two still exists, but the trend seems to be in favor of the former. Passage of the Special Law on the Jeju International Free City by the National Assembly exemplifies the new trend in favor of managerial globalization.

The Jeju International Free City is an initiative for survival and prosperity through anticipatory strategic positioning by Jeju islanders. It is predicated on the principle of the free flow of people, goods and services, and capital and technology. Multilateral trade arrangements such as the World Trade Organization and a regional economic arrangement involving an East Asian Free Trade Area scheme will eventually make the Republic of Korea a member of a free trade area. In anticipating the trend, the Jeju Provincial Government has undertaken a preemptive move to fasten the pace of liberalization by declaring a free trade area, so that it can create new niches for survival and prosperity ahead of other administrative units in the mainland with extensive central government's support of infrastructural development.

The Jeju International Free City has several goals. The most important aspect is to transform Jeju Island into a regional trade, logistic, banking and finance hub in East Asia. Given its advantages of geographic location (one hour flight time from Tokyo, Beijing, Shanghai, and Seoul), natural beauty, and quality of life, planners thought, Jeju Island may well become an attractive regional hub. But with the advent of the Roh Moo-hyun government, the original plan began to encounter new challenges, particularly is the proliferation of new competitors. Incheon-Songdo, Pusan, and Kwangyang have been trying to position themselves as new international free cities in South Korea. Pudong and Hainan in China have also emerged as new regional competitors. North Korea has also been riding on the tides of special economic zones by designating Shinuiju as a new free city. Jeju Island cannot compete with these regional rivals in terms of size, economic dynamism, and political power.

Changing comparative advantages has redirected Jeju to explore old and new niches. For Jeju, the best natural comparative advantage still lies in tourism. Thus, the Jeju Provincial Government is paying the utmost attention to a systematic development of an

old niche, the tourist industry. International education has emerged as another new frontier. Jeju could develop an international education complex ranging from prep schools to professional graduate schools. Safety, natural beauty, and geographic advantage could turn Jeju into an attractive educational site. Finally, a new line of thinking on the agricultural sector has also resurfaced. Although the agricultural sector has been losing its comparative advantage, it can be revived through an innovative linkage with the tourist industry.

Given the size of Jeju's population (500,000) and its mandate to conserve its natural environment, its strategic positioning in the direction of tourism, international education, and innovative agriculture must be a welcome move. It is still uncertain whether Jeju can overcome the challenges of globalization by specializing in these sectors. In light of its opportunities and constraints, however, I do not see any other alternatives. Nevertheless, it is not easy to achieve international competitiveness in these areas. There must be major realignments in Jeju's infrastructure, human capital formation, and collective minds. In this regard, Jeju has lots to learn from the Netherlands.

3. Learning from the Netherlands

As noted above, Jeju Island missed its historical moment of great transformation. If Jeju Island had been able to cultivate and sustain the Dutch connection as early as in the seventeenth century, Jeju could have had a completely different outlook. It might have been turned into another Singapore or Hong Kong by playing the role of a major regional hub. How to catch up with the missed opportunity?

I do not think either Europe or the Netherlands can play a major role in facilitating the development of Jeju Island. There is room for tourist and investment links between the two. The Asia-Europe Meeting (ASEM) could be instrumental in this regard. As a matter of fact, the Jeju Provincial Government worked hard to host the ASEM 2000, but lost its bid to Seoul. Nevertheless, geographic distance, low level of economic interdependence, and weak social and cultural links can be seen as major barriers to improving bilateral ties between Europe and South Korea, especially Jeju. Jeju Island will continue to remain under the sphere of economic influence of Japan, China, and the United States.

In coping with challenges of globalization, however, Jeju has much to learn from the

Netherlands. The Netherlands is not a large country. Its area (37,330 square km) is little more than one third of South Korea's, and its population (16 million) is slightly less than one third of South Korea's. Nonetheless, the Netherlands has remained one of the most stable and prosperous economies in the world. Their strengths can be summarized as the following:

- Open and generous minds: The Netherlands is known for its pioneering role in Europe as a trading state. The Dutch people have been armed with a unique sense of internationalization. Most importantly, they are open-minded and progressive. They are also generous in inter-racial relationships. You rarely find racial discrimination in the Netherlands, as its flourishing multi-ethnic communities exemplify. They are also full of pioneering spirit. They are always outward-looking. No wonder the Dutch people could have acquired several colonies by overcoming its small size.
- Linguistic capability: Another striking aspect of the Netherlands is Dutch people's linguistic capability. An ordinary Dutch person would be able to speak at least two to three languages. Nearly all Dutch people speak fluent English. In addition, they are also able to command either German or French. The linguistic capability has made them more versatile and flexible in dealing with international affairs.
- Creating new niches: I would say that the Netherlands is the most flexible and resilient country in Europe in terms of industrial specialization. As early as the eighteenth century, Amsterdam emerged as the center of high finance in Europe, turning itself into the center of European banking and financial industry. Despite a hostile natural environment as a lower country, the Netherlands has manufactured the miracle of horticulture. The Schipol Airport as a major hub of air transportation is another symbol of Dutch innovative spirit. You would rarely find an airport with casino and sports club. Rotterdam has become the center of international oil and gas trade. Finally, the Hague, which houses the International Court of Justice, has symbolized peace and justice.
- Brand Name Power: The Netherlands has become extremely successful in developing its brand names. There are the two most well known Dutch names in South Korea: Hamel and Hiddink. But it is also known for other brand names: Windmills for Dutch landscape, tulips for its horticulture, Rotterdam for its international oil spot markets, the Hague for international justice, and Schipol for its airline hub industry.

and Amsterdam for its freer cultural and intellectual atmosphere.

Jeju Island can learn from these strengths of the Netherlands. As an island of exiles, being subjugated to the mainland and exploited by the central authority in Seoul, Jeju islanders used to socialize with a collective mindset of suspicion, rigidity, and exclusiveness. Jeju cannot overcome the challenges of globalization with such a closed mindset. Jeju should learn from the Netherlands how to become open, generous, and accommodating. Dutch mental template of a trading state should be emulated.

Jeju islanders should also learn about the sources of Dutch competence in dealing with the forces of globalization. In this regard, linguistic capability seems very important. In order to survive the age of globalization and infinite competition, Jeju islanders should be able to command at least two to three languages. English, Japanese, and Chinese must be the basic languages for all Jeju islanders. Along with this, negotiation skills of an international standard should be mastered.

Finally, new industrial niches and brand names should be proactively identified. Mt. Halla is not enough. The island's "Three Manys (wind, rock, and women)" and "Three Nos (no thieves, no gates, and no beggars) need to" be publicized with a modern public relations touch. Nature- friendly tourism, an innovative international education complex, and other industrial niches should be developed.

4. Concluding Remarks

Hamel and his fellow crew's experiences in Jeju were harsh. Their life in Jeju was memorable, but it must have been bitter. Moreover, their impacts on Jeju islanders were unfortunately minimal. A relatively short duration of stay and lack of interactions with Jeju islanders minimized their social, economic, and cultural impact. In retrospect, however, Hamel's legacies seem profound. It was a missed historical momentum for Jeju. Jeju islanders can make up for the lost momentum by cultivating a new relationship with the Netherlands and actively learning the lessons of how to cope with the challenges of globalization from its people. In this regard, new venues of exchanges and cooperation between Jeju and the Netherlands need to be explored on the occasion of this conference.