

# Protestant Education & Social Change

2009 3. 11.

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Seoul National University

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Korea Development Institute

– This paper was funded by KDI –


# Critical Success Factor for Social Enterprise

- How we can make inclusive society?  
Search for person with good potential  
for social entrepreneur and support him  
(Bill Drayton)
- Success factor for beautiful store  
(Won Soon Park)

문화

핫! 랭킹

# [창간89특집/지성에게 길을 묻다] "세계화·카오스의 시대... 금융위기 해결할 나폴레옹은 없다"

[1] 유럽의 대표적 역사학자 佛 막스 갈로  
중세가 근대로 바뀌듯 지금은 큰 변화의 시대...  
경제위기가 전부란 생각은 모래에 머리박고 보는 것  
파리=강경희 기자 khkang@chosun.com  [기자의 다른기사보기](#)

- Un 복사하기
- 스크랩하기
- 블로그담기
- + 메신저서비스



세계가 사상 초유의 금융위기 시대를 맞았다. 고통의 끝이 언제쯤인지 누구도 장담하지 못하는 '암흑기', 경제와 사회·문화·정치, 그리고 개인과 공동체의 삶이 변화의 소용돌이에 빠져들고 있다. 위기를 돌파할 여웅이 나타날 것인가? 위기 이

## Chosun-I1-Bo (Korean Daily Newspaper) March 5, 2009

1929년 대공황 이후 80년 만  
십이 절실한 위기의 시대에

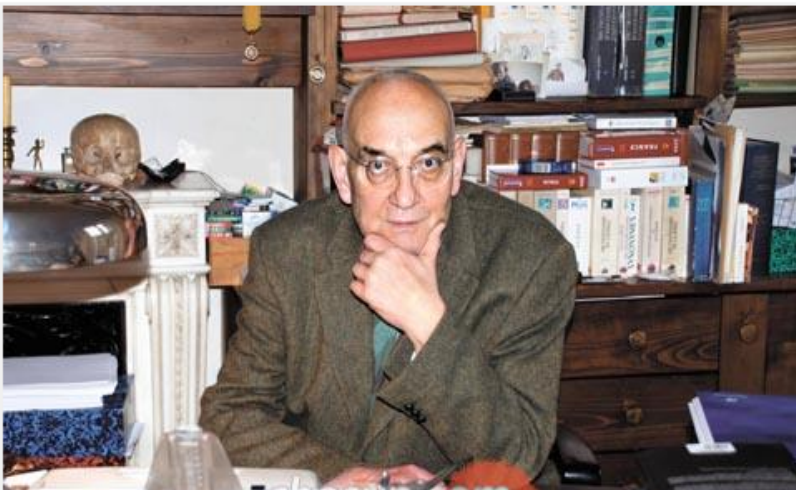
베스트셀러 역사소설 '나폴레  
27일 파리의 자택에서 만났다  
과 영웅들을 조망해온 갈로는  
필요하다고 했다. 그러면서도 "21세기는 과거처럼 영웅적인 리더십이 나타나기는 힘든 시대"라고 규정했  
다.

갈로의 아파트는 [파리](#) 5구 팡테옹이 바라보이는 광장에 있었다. 팡테옹은 장 자크 루소, 볼테르, 빅토르 위고, 에밀 졸라, 퀴리 부인 같은 프랑스의 위인들이 묻힌 명예의 전당이다.

- 오늘의 HOT 뉴스
- 미나레스 박세리 '앗차'
  - 한양대교수 중국집 염탐
  - 일본 누른 '당돌한 기업'



한국, 대만 자멸로 쉽게 승리



### 뉴스 브리핑 +더보기

- [자동차]** 현대차, 제네시스 쿠페 미국서 호평
- [불법]** 남성보다 여성이 많은 곳 '고양시'
- [문화]** '원이 엄마 편지' 고고학저널 실렸다
- [키워]** '월트 디즈니에 간 수리크루즈!'



### 인기기사 Top +더보기

- 문화
- 전체
- 스포츠 · 연예
- 뉴스

- 1
- 2
- 3
- 4
- 5

▶ 6~10위까지 보기

### 뉴스 실시간 검색어 +더보기

- 뉴스
- 인물
- 블로그

이미자 목소리 **손미나** 이혼 식도암  
이승연임신 전여욱 눈 **공시지가**

# Max Gallo



- Taking our current situation only as a financial or economic crisis is not facing the fundamental basis of the problem.
- It is time for each and every individual/company/nation to refrain from the extreme individualism and restore the sense of solidarity and community.
- If you want to understand how society operates, you should study history, dissecting it like doctors performing autopsy. Only then, you will be able to draw lessons from history.”

Source: Chosun-Il-Bo, March 5, 2009

# Two factors

## ■ Institutional–Structural

- Freedom of individual
- Property of individual
- Rule of law

## ■ Cultural–Motivational

- “Large business? – It’s Greed/Sin.”
- “Merchants should be despised”

# Resistance from Vested Interest

Royal absolute authority  
Feudalism  
Central Control  
Merchant—despised

Old System

**HOW?**

Civil right  
Democracy  
Personal Property  
Merchant – respected

Modern System

# Resistance from Vested Interest



Royal absolute authority  
Feudalism  
Central Control  
Merchant-despised

**HOW?**

Civil right  
Democracy  
Personal Property  
Merchant – respected

Old System

Modern System

# Resistance from Vested Interest



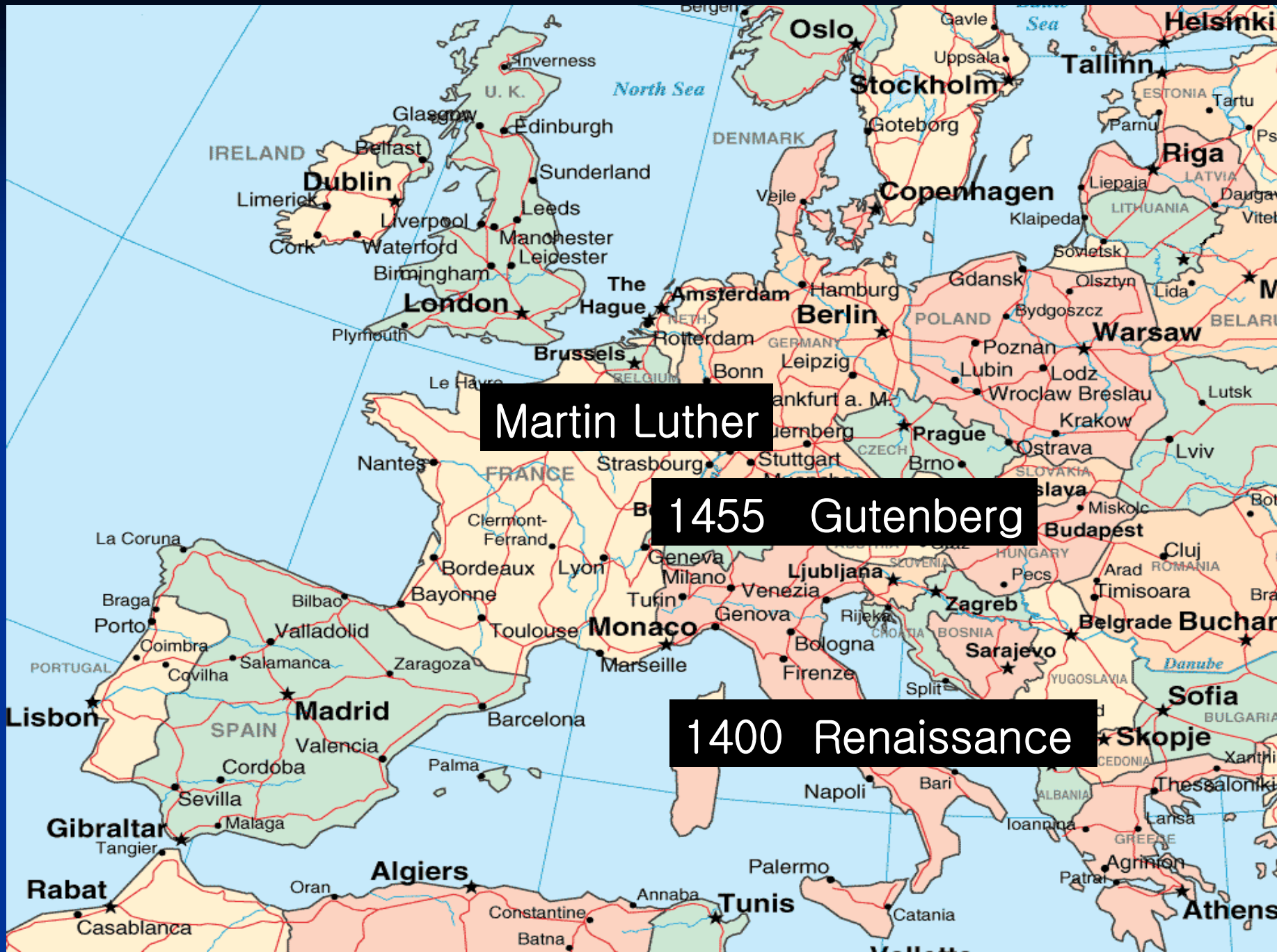
Royal absolute authority  
Feudalism  
Central Control  
Merchant—despised

**HOW?**

Civil right  
Democracy  
Personal Property  
Merchant – respected

Old System

Modern System



Martin Luther

1455 Gutenberg

1400 Renaissance

Protestants

Enlightenment

Reason

Humanism





# Protestant Schools

- Everyone must read the Bible
  - Noble, Rich → Poor
  - Men → Women
  - Cities → Towns, Country Places
- **Mass** begins to **Read**
- 1<sup>st</sup> time in the **World History**

Cubberley , E. P. (1920) " History of Education " .

# Education for Mass in England

- “In 1500, only 10 percent of English men were able to read and write,  
25 percent in 1600  
50 percent in 1700 .”
- “Also, only 2 percent of English women were able to read and write in 1500, then  
10 percent in 1600  
25 percent in 1700.”

Source: Park, Ji-Hang. The British History: Drama of Conservation and Reformation. (Kkach'I, 2007, in Korean). p. 284

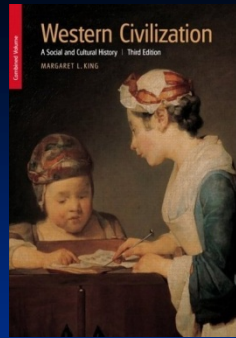
# Education for Mass in England

“The **literacy rate in England** was higher than other countries, probably strongly influenced by the **Protestant culture** that believes in direct communication with God through reading the Bible.”

**Communal Spirit**

Source: Park, Ji-Hang. The British History:  
Drama of Conservation and Reformation. (Kkach'I, 2007, in Korean). p. 284

# Renaissance schools



- “...Renaissance schools had trained the sons of wealthy merchants and noblemen from the 16 century through 18 centuries ...”

(p. 502)

- Even after the Printing Technology (1464)

King, M. L. (2006) *Western Civilization: A Social and Cultural History*, 3rd Edition, Prentice Hall Inc

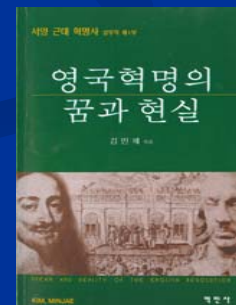
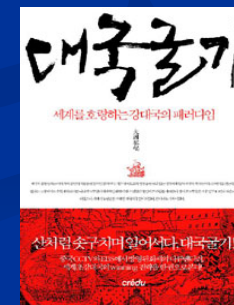
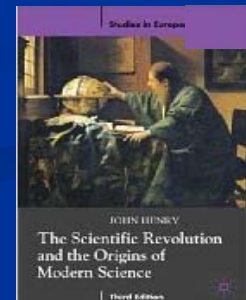
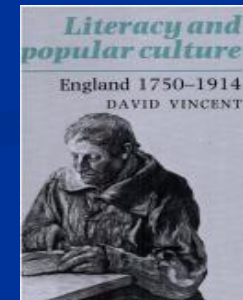
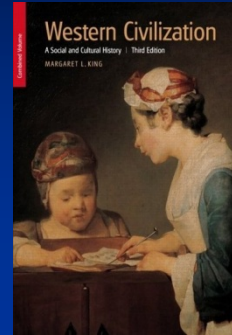
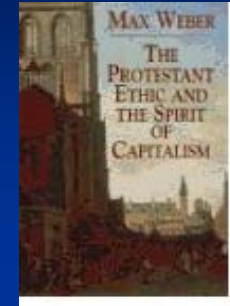
# Public Schools–State

- “Public schooling of the masses began in France and Britain in the late 19<sup>th</sup> century it was schooling guided by a secular state”
- (King, 2006, p. 729)

King, M. L. (2006) *Western Civilization: A Social and Cultural History*, 3rd Edition, Prentice Hall Inc

# Social Change in England

- Bible to Everybody
- Education (Sunday School)
- Mass literacy
- Newspaper
- Equal Society (gender, race)
- Democracy
- Science & Technology
- Capitalism
- Industrialization
- Modern society



# Time Magazine



Time Magazine selected  
the **Gutenberg's metal print**  
as the **invention** that had  
the **strongest influence** on human  
beings in the **last millennium**

# Rise of Western Civilization

Bible

Education

Newspaper

Reformation – by Mass

Democracy – by Mass

Sci. & Tech. – by Mass

Equal Society  
Individual Freedom  
Capitalism  
Industrialization



# Gutenberg Printing Press



## Social Change?

1455 Gutenberg

1464 Rome

1640 Iran

1556 India

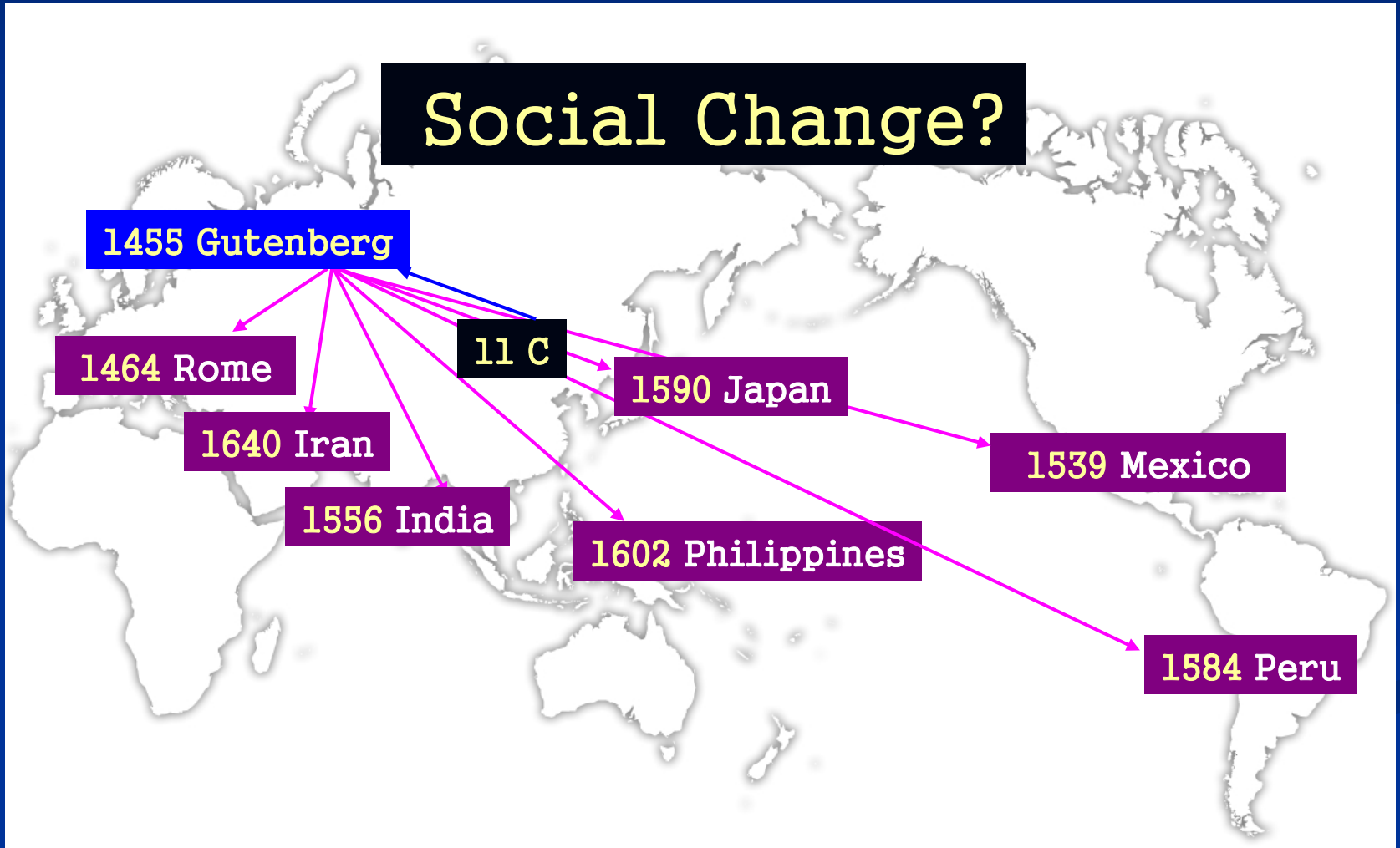
11 C

1590 Japan

1602 Philippines

1539 Mexico

1584 Peru



# Gutenberg Printing Press



**Social Change?**  
11C – 18C

1455 Gutenberg

1464 Rome

1640 Iran

1556 India

11 C

1590 Japan

1602 Philippines

1539 Mexico

1584 Peru

**Only in Western World**

# Gutenberg Printing Press



**Social Change?**  
11C – 18C

Equal  
Education  
Democracy  
Sic & Tech.  
Capitalism

Equal  
Education  
Democracy  
Sic & Tech.  
Capitalism

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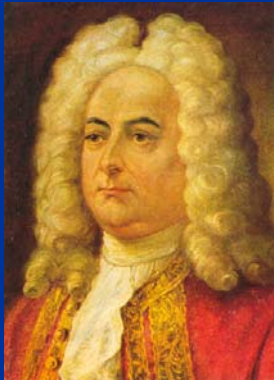
1539 Mexico

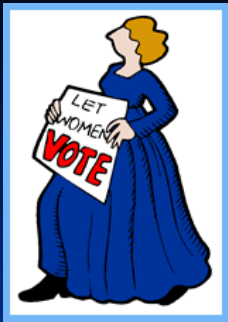
1584 Peru

**Only in Western World**



# Equal Right

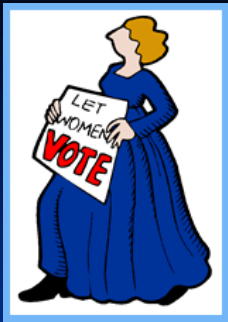




# Women's Suffrage

Source: Wikipedia – History of Universal Suffrage

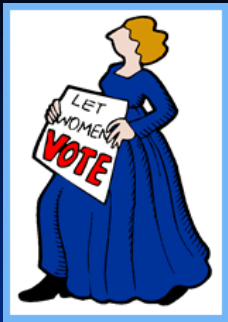
1869	Wyoming, U.S.
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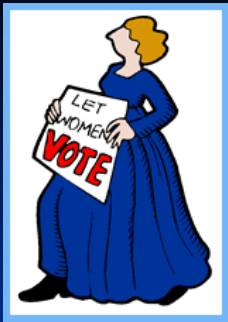
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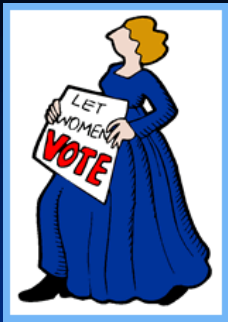
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1893	New Zealand
1894	South Australia



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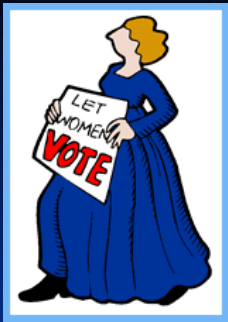
1869	Wyoming, U.S.
1893	New Zealand
1894	South Australia
1906	Finland



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Source: Wikipedia – History of Universal Suffrage

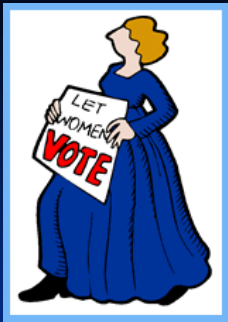
1869	Wyoming, U.S.
1893	New Zealand
1894	South Australia
1906	Finland
1913	Norway



# Women's Suffrage

Source: Wikipedia – History of Universal Suffrage

1869	Wyoming, U.S.
1893	New Zealand
1894	South Australia
1906	Finland
1913	Norway
1918	Canada

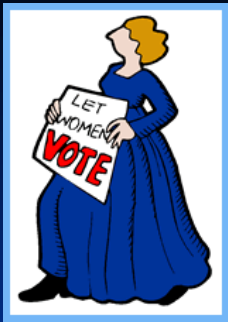


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1869	Wyoming, U.S.
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1918	United Kingdom
------	----------------



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1918	United Kingdom
1918	Austria

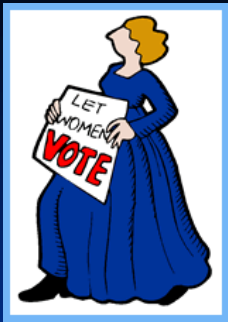


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1913	Norway
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1918	United Kingdom
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1920	U.S.A.

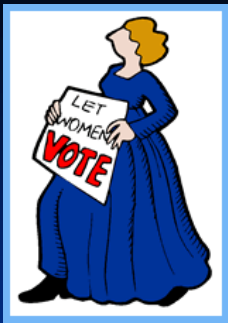


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1918	United Kingdom
1918	Austria
1920	U.S.A.
1921	Sweden



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1893	New Zealand
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1906	Finland
1913	Norway
1918	Canada

1918	United Kingdom
1918	Austria
1920	U.S.A.
1921	Sweden
1932	Brazil

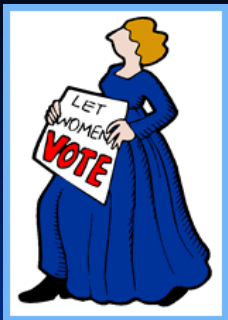


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1918	Canada

1918	United Kingdom
1918	Austria
1920	U.S.A.
1921	Sweden
1932	Brazil
1944	France



# Women's Suffrage

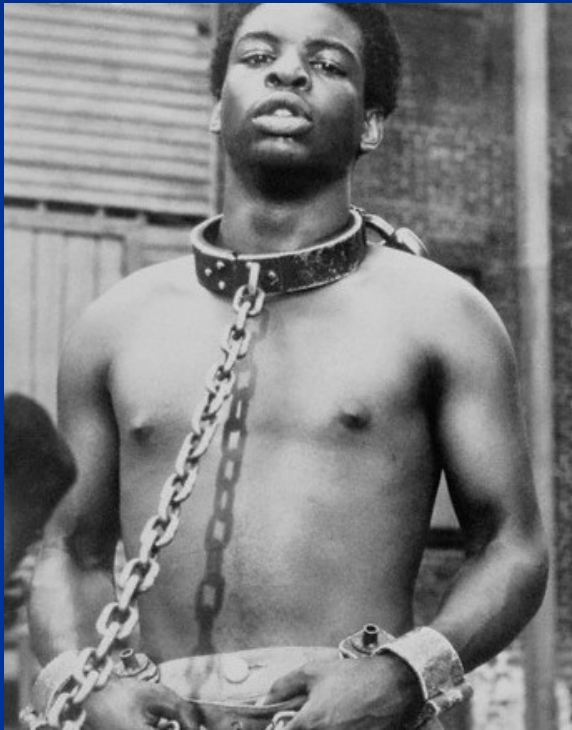
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1894	South Australia
1906	Finland
1913	Norway
1918	Canada

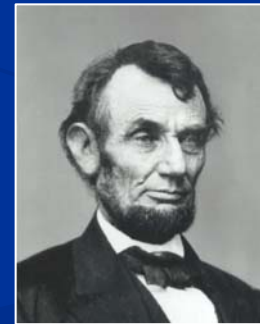
1918	United Kingdom
1918	Austria
1920	U.S.A.
1921	Sweden
1932	Brazil
1944	France

**1945**      **ALMOST ALL NATIONS**

# Anti-Slavery Movement



William Wilberforce  
(1833)



Abraham Lincoln  
(1863)

# History of Journalism

History of journalism - Wikipedia, the free encyclopedia - Microsoft Internet Explorer

파일(E) 편집(E) 보기(V) 즐겨찾기(A) 도구(I) 도움말(H)

주소(D) http://en.wikipedia.org/wiki/History\_of\_journalism

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## History of journalism

From Wikipedia, the free encyclopedia

The **history of journalism**, or the development of the gathering and transmitting of **news**, spans the growth of **technology** and **trade**, marked by the advent of specialized techniques for gathering and disseminating information on a regular basis that has caused, as one history of journalism surmises, the steady increase of "the scope of news available to us and the speed with which it is transmitted."

The examples and perspective in this article **may not represent a worldwide view of the subject**. Please [improve this article](#) or discuss the issue on the [talk page](#).

### Contents [hide]

- Renaissance and the printing press
- Journalism in the United States
  - American Independence
  - Rise of prominent newspapers in the U.S.
  - Growth of newspapers outside eastern U.S. cities
  - The rise of the wire services
  - New forms of journalism
  - Era of Hearst and Pulitzer
  - Muckraking publications
  - Rise of the African-American press
  - Foreign-language newspapers
  - Birth of broadcasting in the 20th century
- See also
- Sources

### Renaissance and the printing press [edit]

The invention of the movable type printing press, attributed to Johannes Gutenberg in 1456, led to the wide dissemination of the **Bible** and other printed books. The first **newspapers** appeared in Europe in the 17th century. The first printed periodical was *Mercurius Gallobelgicus*, written in Latin, it appeared in 1594 in Cologne, now Germany, and was distributed widely, even finding its way to readers in **England**.

The first regularly published newspaper (as opposed to the earlier "news books", published in 8- to 24-page quarto formats) in **English** was the *Oxford Gazette* (later the *London Gazette*, and published continually ever since), which first appeared in 1665. It began publication while the British royal court was in Oxford to avoid the plague in London, and was published twice a week. When the court moved back to London, the publication moved with it. An earlier newsbook, the *Continuation of Our Weekly News*, had been published regularly in London since 1623.

The first daily newspaper, the *Daily Courant*, appeared in 1702 and continued publication for more than 30 years. Its first editor was also the first

#### Topics in journalism

##### Professional issues

- News
- Reportage
- Writing
- Ethics
- Objectivity
- Values
- Attribution
- Defamation
- Editorial independence
- Education
- Other topics

##### Fields

- Arts
- Business
- Entertainment
- Environment
- Fashion
- Politics
- Science
- Sports
- Tech
- Trade
- Traffic
- Weather

##### Genres

- Advocacy journalism
- Citizen journalism
- Civic journalism
- Community journalism
- Conspiracy journalism
- Gonzo journalism
- Investigative journalism
- Literary journalism
- New journalism
- Narrative journalism
- Visual journalism
- Watchdog journalism

##### Social impact

- Fourth Estate
- Fifth Estate
- Freedom of the press

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- Español
- Italiano

# Journalism in Continent

“The **press** in the European **continent**  
was **censored**  
**even** in the **19th** century”

Source: King, M. L. Western Civilization:  
A Social and Cultural History,  
3rd Ed. (Prentice Hall, 2006), p. 677

# History of Democracy

(Wikipedia)

- Right to vote, Majority rule, ...
  - Property Owner → Poor people
  - City only → Rural areas
  - Men only → Women
  - No Privacy → Secret Ballot vote
- 1827, 1832, 1884, 1912, 1918, ...
- England, U.S.A., Australia

# Democracy from Enlightenment?

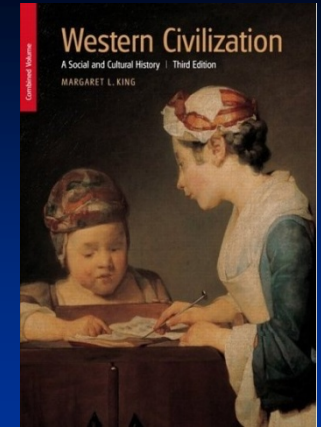
But Social Contract Theories of **Enlightenment**  
did **not create**,  
**nor** did they **even recommend democracy**”

( p. 500–501)

Social Contract Theory  
“state is not guided by monarch  
but by collective body of citizens”  
– Rousseau (1762) –

Source: King, M. L. (2006) Western Civilization: A Social and Cultural History, 3rd Edition, Prentice Hall Inc

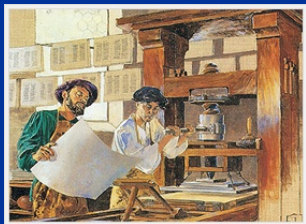
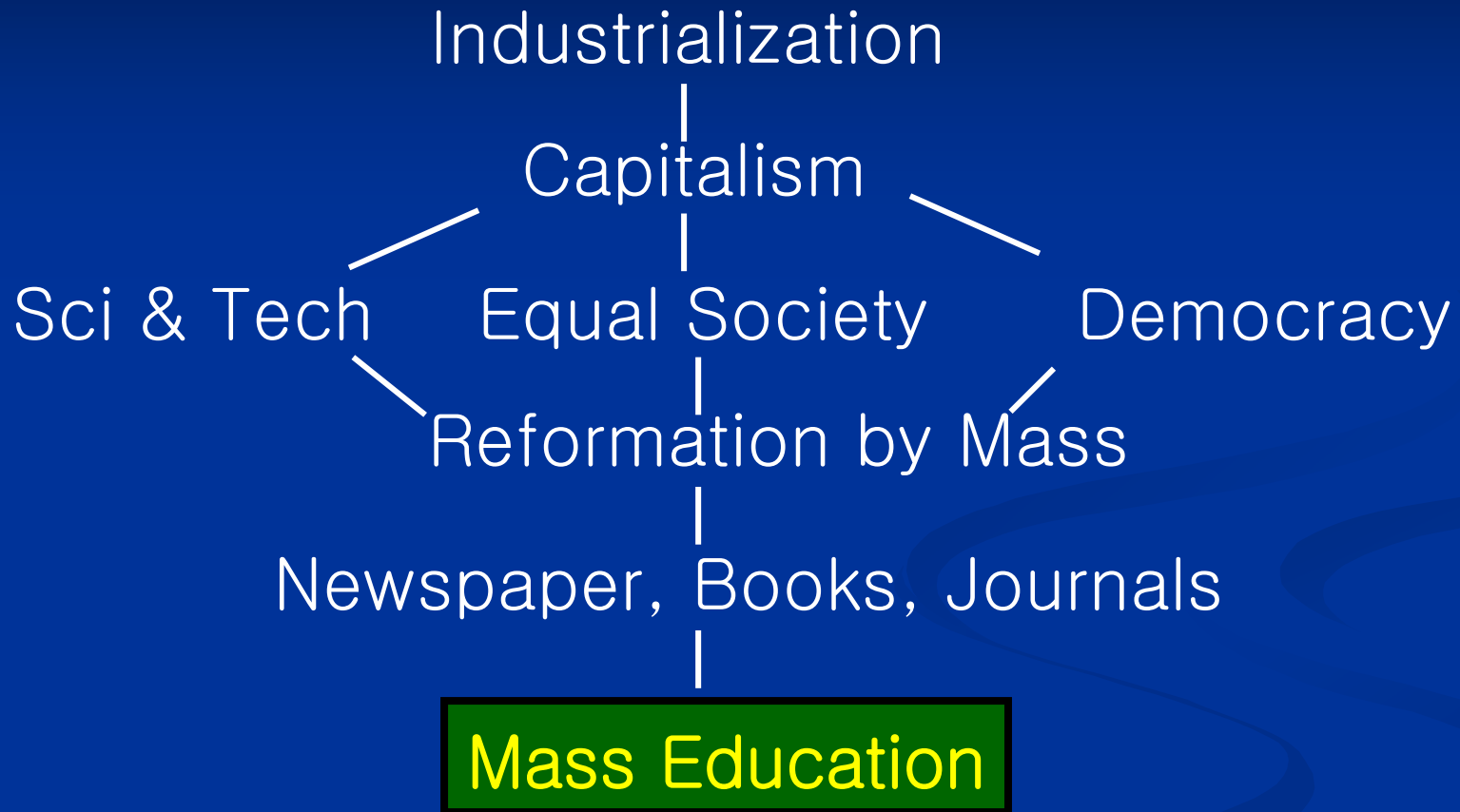
Country	Year	Invention	Inventor
<u>England</u>	1712	steam pump	Thomas Newcomen
<u>England</u>	1733	flying shuttle	John King
<u>England</u>	1764	spinning jenny	James Hargreave
<u>England</u>	1769	steam engine	James Watt
<u>France</u>	1770	steam-driven cart	
<u>England</u>	1779	mule	Samuel Crompton
<u>France</u>	1783	steam boat	
<u>England</u>	1785	power loom	Edmund Cartwright
<u>England</u>	1789	factory (Manchester)	Robert Owen
<u>England</u>	1812	steamship	Henry Bell
<u>England</u>	1821	1st railroad	
<u>England</u>	1829	rocket	George Stephenson
<u>England</u>	1850	1 <sup>st</sup> National Railroad	
<u>England</u>	1851	Great Exhibition	
<u>England</u>	1856	converter	Henry Bessemer
<u>U.S.A.</u>	1793	cotton gin	Eli Whitney
<u>U.S.A.</u>	1838	Tans-Atlantic steamship	
<u>U.S.A.</u>	1866	Tans-Atlantic Cable	
<u>U.S.A.</u>	1869	East t- West Railroad	
<u>U.S.A.</u>	1876	Telephone	Graham Bell
<u>U.S.A.</u>	1879	Light Bulb	Thomas Edison



# Rise of Western Civilization



# Rise of Western Civilization

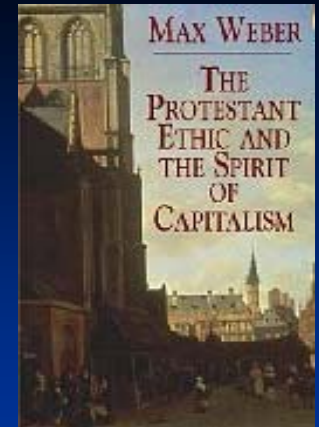


+

**Communal  
Spirit**

Communal Spirit  
&  
Rise of Capitalism

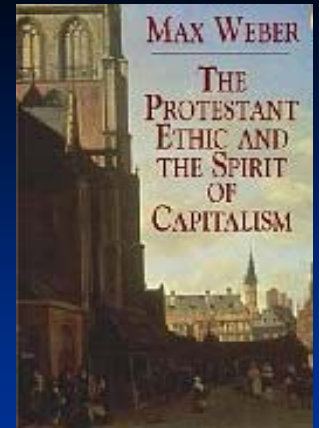
# Rise of Modern Capitalism Management



- Rational business **bookkeeping**
- **Disclosure** of the book
- **Transparent** management
- **Separate Corporate/Personal** property

**Communal Spirit**

Rise of Modern Capitalism  
Frugal Living – Capital



"They never spent their fortunes  
for themselves

Capital accumulation and reinvestment  
Returned its fortunes back to Society"

Rational Organization of Free Labor

**Communal Spirit**

# Conclusion

## [Institutional Structural]

mass education

— Communal spirit

awakens the public

feudalism & absolute monarchy

rule of law

equal & democratic society

## [Cultural Motivational]

hard work, frugal living

— Communal spirit

transparent business practice

Rational Organization of Free Labor

# Max Gallo



“It is time for each and every individual/company/nation to refrain from the **extreme individualism**, and restore the sense of **solidarity and community.**”

Source: Chosun-Il-Bo, March 5, 2009

Thank You

## Protestant Education and Social Change

Koh Kern and Sangdal Shim

Social entrepreneurs strive to solve social problems and to establish an inclusive society. They try to feed those who are hungry, try to provide medical care to those who are sick, and protect and advocate those who are ill treated or are discriminated against. They also try to change the structure and system that are generating these problems.

Special attention is paid by the social entrepreneur to provide an equal access to the educational opportunity. With education, the children from poor households can hope to live to their potential, and be able to protect their own right. In addition, education is a seed that brings desirable social changes which can promote public well fare and that is the reason why education is now a major agenda of the government. But, national education which we take for granted was not established until the nineteen century even in advanced countries such as England.

Universal mass education which does not discriminate because of sex, status, or region was attempted first by Protestant group. The mass education by the Protestant brought about various social changes and modernization in England and the US, and provided necessary ingredients for the development of modern capitalism as we see today.

**Mass education campaign by the** Protestants reduced the illiteracy rate, developed the press, awoke public's awareness, changed the social standing system, helped establish the modern social system and constitutionalism—which protect the democracy, private property and liberty—and transformed the concept of fortune and labor in the economic sphere. Such changes in modern system and public awareness greatly contributed to the formation of modern capitalism and the progress of science technology. With recent problems such as polarization, there is a growing emphasis on the role of social enterprises in solving those problems. Capitalism that already proved its superiority through efficient individual liberty and competition was brought into the world by the Protestant education which was based on the communal spirit. The Protestants were social reformers who made a large-scale impact on the society for the first time in human history. The reform was derived from the communal spirit-based mass education and it is thought that the mass education had made the reform more powerful. The first large group of social innovators who had the lasting impact is the Protestants.

1. Education based on the communal spirit and changes in institutional and structural elements

The absolute feudal monarchy regime had been long resisted around the world. The Renaissance in the 1400s, the Magna Carta in 1215 and the Hong Kyongnae Rebellion of 1812 are the good examples of such resistance.

However, simply presenting an ideology could not lead the modernization efforts to a success. It is just that a ruling military regime would not be easily replaced by a newspaper article that questions the legitimacy of the regime. The process of modernization naturally comes to face a strong resistance from the vested interests. To successfully overcome this resistance requires a right judgment of the public as well as their enthusiastic participation.

Historians such as Kim, Min-Jea<sup>1</sup> has said that the English and French Revolutions had a profound influence on the transition of the western society from feudality to modernity. These revolutions were almost the only and highly effective tool that could eradicate the irrationality and corruption in **the old** system. It has been known that the starting point of these revolutions is the English Revolution, which also has significantly contributed to the outbreak of the French Revolution. For this reason, many historians give a considerable historical meaning to the English Revolution.

Then, why is it that England became the first to witness the revolution toward modernity before other European nations during this period? It is not easy to answer this question given the highly complex situations inside England at that time: fast growing population, emergence of new economic powers like bourgeois and landlords, religious tension between the Protestant and the Roman Catholic, continued conflicts among the Kings, the aristocrats and the Parliament, and rapidly changing situations surrounding the England.

In this regard, historians have stipulated that *the historical interpretation of the English Revolution is still under heavy dispute*.<sup>2</sup> The following reference shows the confusion among historians. (The term “English Revolution” is often referred to as the “English Civil Wars.”)

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<sup>1</sup> Kim, Min-Jea, a professor of Hongik University, in the introduction of A Trilogy of Modern Revolution History of West 1: Dream and Reality of English Revolution, stated that the book intends to introduce recent historical explanations in the west with respect to the revolutions in England, France and Russia by translating and quoting the arguments of leading scholars in the relevant subject.

<sup>2</sup> Kim, Min-Jea. A Trilogy of Modern Revolution History of West 1: Dream and Reality of English Revolution. (Youngminsa, 2003, in Korean), p. 211

*Whig historians of the Victorian era emphasized religious elements behind the outbreak of the English Revolution. On the other hand, the Marxist historians of the early and mid 20<sup>th</sup> century did not believe the religion was the driving force of the human history. They argued the English Civil Wars were the conflict between the declining aristocracy and the rising bourgeoisie. This theory, however, has gradually been weakened by the studies of revisionist historians between the 1980s and 1990s. (p. 37)*

*With the decline of the Marxist interpretation of history at the end of the 20<sup>th</sup> century, the significance of religion resurfaced. Historians once again focused on the importance of religion as the driving force of the human history, returning to the Whig historians' interpretation of the English Revolution. Today, there is a strong argument within the British academia of history that religion is the most contributing factor to the rise of the English Revolution. (p. 165) Even Marxist historians pointed to the Puritanism as the ideology of the revolution. (p. 166)*

*New themes and perspectives continuously emerged with respect to the relationship between the revolution and the Parliament. There is also a continued controversy over the representativeness of the Parliament members during the revolutionary period. (p.47)<sup>3</sup>*

Since several academic studies are still ongoing and debates continue over the interpretation of historic events, it is not yet possible to conclusively determine here whether the English Revolution took place because of the emergence of bourgeoisie or the Parliament or religious reasons.

What this study however intends to explore is whether the communal spirit was a critical factor to the establishment of England's modernization and capitalism.

It has been known that the printing technology enabled the public to share and accumulate information, making priceless contribution to the modernization of Europe. Time Magazine in the end of 1999 selected the Gutenberg's metal print as the invention that had the strongest influence on human beings in the last millennium. It is indeed true that since Gutenberg, the printed materials have been used as a tool for mental and

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<sup>3</sup> Ibid

political struggles. Before the invention of the Gutenberg's printing technology, books were very rare and owned by only a small group of power holders. The access to books was so limited that there was even a saying '*knowledge is power*'. The mass that were basically blocked from information and knowledge were naturally excluded from the access to social power as well. Bible was allowed only for clergymen,<sup>4</sup> and Church enjoyed an enormous religious power. But, the invention of Gutenberg's printing technology brought a serious impact on the burgeoning of the Renaissance around 1400. The printing technology disseminated various studies, encouraged discussions and brought changes in religion. Now, a popular thinking is that without the printing technology, there would have been no religious reformation. Martin Luther's 95 Theses printed in 1517 were distributed fast and received strong support from all over the European continent. The mass distribution of information and knowledge supported by the printing technology allowed the public to share information and knowledge with power holders and helped them lay the groundwork for the growth of the mass. As pointed out by Marshall McLuhan, a communications theorist, now the human beings began to think, discuss, demand and dream of innovation through information and knowledge offered by the printed materials.

The fact that the printing technology actually provided the public with huge information does not mean that it served as a driving force of civil revolution and modernization. The printing technique itself was known to have been originated from the invention in China and Korea during the period between the 7<sup>th</sup> and 8<sup>th</sup> century. The technology later was introduced to Europe in the 15<sup>th</sup> century. Gutenberg was the person who explored the method to improve the technique to make a mass printing possible, and after his invention, Gutenberg's printing technology was re-exported around the world: Rome in 1464, Mexico in 1539, India in 1556, Peru in 1584, Japan in 1590, Philippines in 1602 and Iran in 1640. Then, why is it that all these nations did not go through the modernization process simultaneously? Why is it that the Western Europe, particularly England, was the first nation to experience the modernization? This study believes that it was because of the education based on the communal spirit. No matter how many books and printed materials were distributed fast thanks to the mass printing technology, they would be of no use without the mass public that are able to read them. To put it simply, the printing technology was meaningful only to those who were given proper education.

### 1.1 Accomplishment of the mass education based on the communal spirit

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<sup>4</sup> Transcribing the Book of Bible was estimated to have taken three years.

Europe between the 16<sup>th</sup> and 17<sup>th</sup> century was struck with the conflicting religion between the Protestant and the Roman Catholic. Later, it was the Protestant who were weakened in the European continent, unlike England where Henry VIII (1509~1547) dissolved the monasteries and forfeited their properties after having **failed to coerce an approval for divorce** from his first wife from the Pope. Traditionally, the relationship between England and the Vatican had been very shaky.<sup>5</sup> Every time a conflict occurred between England and other European continent, the Pope supported the continent. After several years of religious struggles and thrones and dethrones of a king and queens, England became the head of the Protestant religion in the 17<sup>th</sup> century, and anyone in England was free to choose between Protestant and Catholic. The number of Protestants grew fast.

Ellwood P. Cubberley<sup>6</sup> of Stanford University wrote that these Protestants started education for the mass public<sup>7</sup> regardless of their fortune, class, gender and geographic location. Such enthusiasm of the Protestant to educate the public was based on their religious belief that reading the Bible is a direct connection to God. Whatever gave rise to this belief, all Protestants who participated in the mass education campaign cherished love, or in other words, the 'communal spirit.' It was the power of love that the Protestants actually practiced with a hope to help all people, including the alienated women and the poor, to find God and receive salvation, and the Protestants believed that the way to make that happen was through mass education.

#### A. A fall in illiteracy rate

The result of mass education based on the communal spirit had reduced the illiteracy rate in England at a faster pace. Park, Ji-Hang wrote:<sup>8</sup>

*In 1500, only 10 percent of English men were able to read and write, but the ratio*

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<sup>5</sup> Park, Ji-Hang. *The British History: Drama of Conservation and Reformation*. (Kkach'I, 2007, in Korean). p. 284

<sup>6</sup> Ellwood P. Cubberley, who served as the dean of the School of Education at Stanford University, is considered as a renowned explorer in the history of education.

<sup>7</sup> At that time, most laborers and poor families could not afford education expenses, so that the Protestant started free education services for these people. Such practices have passed on to the current generations and these days several western universities are following in their footsteps and providing the disadvantaged students with scholarships.

<sup>8</sup> Park, Ji-Hang. *The British History: Drama of Conservation and Reformation*. (Kkach'I, 2007, in Korean). p. 299

went up to 25 percent in 1600 and to 50 percent in 1700. Also, only 2 percent of English women were able to read and write in 1500, then 10 percent in 1600 and 25 percent in 1700. The literacy rate in England was higher than other countries, probably strongly influenced by the Protestant culture that believes in direct communication with God through reading the Bible.

John Russell Vincent, a British historian, also confirmed this:<sup>9</sup>

*"The principal source of statistical evidence is the marriage registers of the Church of England. No wedding was valid until it was entered in the parish register and signed with a signature or a mark by the bride and groom with two witnesses." If the bride and groom were able to read and write, they registered with their own writing and signature, if not, church did the registration on their behalves, so the illiteracy statistics can be taken as pretty accurate.*

On the other hand, Cubberley wrote that the education promoted by the Protestants focused on the following objectives.

*The protestant Huguenot education were characterized by its emphasis on*

- (spirit of investigation): each individual is involved in the inquiry and exploration,*
- (liberty of conscience): each individual is allowed to make their own judgment*
- (critical, inquiring, questioning spirit of science)*

In other words, the Protestant's education was about escaping the fixed ideas of the past, preparing for the new era and order and focusing on enabling the individuals to make a creative and liberal judgment. Such educational philosophy was partly originated from their religious belief. They believed that an individual should be able to read and interpret the Bible on his/her own and that no one else was allowed to make or intervene in one's religious decision. The education by the Protestants, therefore, emphasized the individual's liberty and responsibility with respect to exploration of the Bible and other truths. And, those who were educated under such belief later played a critical role in discarding the antiquated practices to explore new orders and transforming the outdated national system into a modernized one, leading to the Scientific Revolution.

Now, it is possible to infer why it was England, with many Protestants, that

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<sup>9</sup> Vincent, D. *Literacy and Popular Culture* (Cambridge U. P., 1989). p. 3

experienced the reformation first, not Eastern Europe which is located near the cradle of civilization, or Southern Europe where commercial and industrial development were about to begin. In the European continent at that time, there were, in general, four types of education system: Protestant school, Renaissance school, Roman Catholic school and the public education system run by the government.

#### ① Renaissance education

To understand the Renaissance school system, this study quotes King as follows:

*“Renaissance schools had trained the sons of wealthy merchants, noblemen from the 16<sup>th</sup> century through the 18<sup>th</sup> centuries”<sup>10</sup>*

Renaissance schools did not provide equal education. Students were chosen from the sons of the rich or aristocrats. The Renaissance movement which started in 1400 had provided education only for ‘sons’ of ‘the privileged’ until the 18<sup>th</sup> century, contrary to the Protestants who provided education for the mass public as soon as the printing technology was available during the 15<sup>th</sup> century.

The same was true for the society influenced by the enlightenment movement. Enlightenment thinkers like Jean Jacques Rousseau provided some visions for education, but it does not seem that they actually attempted to educate ‘the mass.’ A mass education was a large-scale project that requires a huge amount of human resources and money. In Protestant regions, the human resource was provided by the Sunday school volunteers, and the money was financed from the offerings collected at churches. This is contrary to the Enlightenment society where no one took a step forward to provide such vast human and financial resources. Both Renaissance and Enlightenment societies were not generous to mass education. Accordingly, people in England and other Protestant regions could enjoy educational benefits since early as the 16<sup>th</sup> century, whereas in the European continent only the sons of the privileged families had the access to education during the period of Renaissance and Enlightenment. (Such educational restraints on the poor or ordinary people in this period mean that the Renaissance and Rationalism/Enlightenment schools lacked the ‘communal spirit’ which considers the neighbors’ children equally as their own. The “rationality” alone was not enough to embrace the vision of equal educational opportunities for the mass public.)

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<sup>10</sup> King, M. L. *Western Civilization: A Social and Cultural History*, 3rd Edition. (Prentice Hall, 2006). p. 502

## ② Education by the Medieval Roman Catholic school

As for education provided by the Medieval Roman Catholic<sup>11</sup> school, Cubberley wrote:

*"Now it naturally happened that the countries which remained loyal to the old Church experienced none of the feelings of the necessity for education as a means to personal salvation which the Lutherans and Calvinists felt."*

*"The (Old) Church as an institution, though, learned from the Protestants the value of education as a means to larger ends, and soon set about using it.*

*The Catholics inaugurated what has since been called a counter-reformation, the Old Church inaugurated a campaign of educational propaganda."*

*"Their method was distinctly a teaching and not a questioning method.*

*The teacher planned and gave the instruction; the pupils received it.*

*The memory was drilled; but little training of the judgment or understanding was given.*

*The idea of absolute authority of the Church which they represented pervaded them and repressed the development of that individuality which the court schools of the Italian Renaissance, and the Calvinistic colleges had tried particularly to foster.*

*It antagonized the right of private judgment. It was anti-democratic education.*

*This, however, is a criticism made from a modern point of view."*

The education by the Roman Catholic school was focused on sustaining the antiquated vertical system of the past by emphasizing the respect to the authority of Roman Catholic Church and the feudalism, which means that the old Church used education as a tool for maintaining the old system.

## ③ Public education run by the government

As mentioned above, the mass education campaign requires huge resources: classrooms, buildings, desks, chairs, boards, textbooks, teachers, and training programs for teachers, etc. All these could not be prepared without social consensus, and the reality was contradicting. At the time, both the government and power holders did not welcome mass education. Then government was not an entity that existed for the

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<sup>11</sup> This study uses the term, "medieval Catholic," explicitly in order to differentiate then Catholic from the present Catholic which has gone through many changes. This is quite common phenomenon in other religions. Such changes can be understood as changes in the attitude of people who believe in, not the changes in the principle itself.

people like those in the modern times (in which the public have political rights), and only a small elite group exclusively possessed all the information and power. It was like “the government of the elite, by the elite, for the elite.” They were against mass education in fear of its impact on the existing system and the power they had enjoyed. On the Protestants beginning their mass education campaign in England, Vincent, a British education scholar wrote:

*"The long journey towards the imposition of compulsory elementary education ... firstly by Christian."<sup>12</sup>*

Cubberley (1920) showed that the Scottish government had ignored, for a long time, the call from the Protestants that the state should provide national education:

*"John Knox, the leader of the Scottish Reformation (1560), who had spent some time at Geneva and who was deeply impressed by the Calvinistic religious-state found there, introduced the Calvinistic religious and educational ideas into Scotland. Knox's plan was not approved. This delayed the establishment of a real national system of education for Scotland until the nineteenth century. The new Church, however, took over the superintendence of education in Scotland" (Cubberley, 1920)*

Textbooks used in universities in the United States explain the origin of the public education in Europe as follows:

*"The Public schooling of mass began in France and Britain in the late 19<sup>th</sup> century. It was schooling guided by a secular state."*

Because the lack of the ‘communal spirit’ of the government and power holders who did not want to give in their vested rights, it was not until the late 19<sup>th</sup> century when the public education was finally launched and the framework for reformation toward the modernization was already completed.

Conclusively, it can be said that the mass public in the European continent from the 16<sup>th</sup> century to the 19<sup>th</sup> century were educated by three different groups: Renaissance/Enlightenment school, the Catholic Church and the Protestant. Education

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<sup>12</sup> King, M. L. *Western Civilization: A Social and Cultural History*, 3rd Edition. (Prentice Hall, 2006). p. 729

given by the first two groups did not have the capacity to nurture the civil power that could drive the establishment of the rational modern society due to their limitations. On the other hand, the Protestant education which started with the invention of the printing technology and the religious reformation embraced the mass public and emphasized the importance of the creative and liberal judgment of an individual, significantly contributing to illiteracy rate and social development. Since the mass education campaign were popular in England where the Protestants were most active, it is possible to assume that the reform movement toward the modernity must have started in England before other countries.

Now, it is necessary to briefly examine the Protestant education which started first in the European continent before the Protestants arrived in England. The mass education campaign was, of course, not a single event that happened only in England, and England was not the first country where the campaign started. Mass education started relatively earlier in countries like the United States and Sweden where the Protestantism was introduced. Germany and France where Luther and Calvin came from were the countries which started the mass education campaign much earlier than other countries. Such education campaign by the Huguenots<sup>13</sup> exerted a large impact later on neighboring countries.

The mass education campaign started in France and Germany was rapidly shrunk by the suppression of Protestantism: Germany's Thirty Years' War in 1618, France's St. Bartholomew's Day massacre in 1572, and Louis XIV's revocation of the Edict of Nantes in 1685. As a result, a large number of French Protestants left France for Switzerland, England, the United States and Northern Europe in search of religious freedom. They later played an important role in triggering the mass education campaign in England and the United States.

To sum up, in England where a large number of Protestants were living, their communal spirit-based education was given to the mass public regardless of their gender, status and region. Also, their education programs were about encouraging conscience, independent thinking and creativeness of individuals. From now on, this study closely examines what impact the Protestant education has made on the modernization of the English society and the formation of capitalism.

Like GBT (Global Bible Translators), there are still many groups whose mission is

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<sup>13</sup> They were referred to as the Protestants in the European continent, Huguenot in France and Puritan in England. (This study does not make differentiation to these terms.)

to translate the Bible and deliver it to the unreached people. As an attempt to preach the Gospel, these groups create letter characters for the tribes without such and encourage them to read the Bible.

## 1.2 Changes in institutional-structural environmental elements by mass education

The rising number of people able to read began to bring changes in many areas of the society. The press is among them. As a vast number of people were able to read, the newspapers began to make money and the press was established as a sector. You can find the following phrase when you search for “history of press” in the digital library that Oracle operates in the Internet:

*“Newspapers had been so scarce in Europe, America, and other continents due to many factors. Finding a literate man was no easy task.”*

Professor Kim, Min-Jea of Hongik University also wrote:

*“In 1620, the news printing business was so popular that printing newspaper itself was considered a serious job. There were about 9,000 kinds of periodicals, and the impact of the printed materials was far larger than scholars’ expectation. One of the leading media during the English Revolution was the printed material. Ideologies carried in the printed materials were rapidly disseminated across the country, and the revolutionary thoughts were formed in a long term through printed materials.”<sup>14</sup>*

As mentioned above, as the mass education campaign made more and more people literate in England, the market for newspapers emerged large enough to be considered a lucrative business. The History of Journalism in Wikipedia stated that the first newspaper came from Germany, but the number of its readers was too small to be influential. It was England where the ‘Daily News’ targeting the mass public was published. In 1665, the first periodically issued publication was released in England, followed by ‘Daily News’ in 1702. It was also during this time that the press-related laws—adding the publisher’s name and address to the newspapers was made mandatory—were enacted for the first time in history.

Unlike England, the European continent where mass education was not yet prepared

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<sup>14</sup> Kim, Min-Jea. A Trilogy of Modern Revolution History of West 1: Dream and Reality of English Revolution. (Youngminsa, 2003, in Korean), p. 136, 137, 314

had no established newspapers until that time. Since education was available only for power elites in the European continent, there was not enough room for newspapers to take root. The press in the European continent was censored even in the 19th century<sup>15</sup>, which was ill-matched to the ideology of the “Rationalism/Renaissance” that they claimed to uphold,

## ② Social status system: Rise in women’s social status and slave emancipation

With knowledge and information given to the mass public through education and newspapers, revolutionary thoughts and movements emerged among the mass public. At the same time, more and more people came to pursue an equal society. About the gender equality movement in England, Professor Kim, Min-Jae wrote:

*“In terms of women’s history, the English Revolution was a revolutionary event. During this period, self-awareness of women was greatly awakened. Women’s right to free discussion and vote was granted, it was convinced that women were created in the image of God as men were… There is no room for debate on the fact that self-awareness of women was greatly improved by the English Revolution.”<sup>16</sup>*

The social standing of women continued to be improved since the English Revolution, and entering the 20<sup>th</sup> century, the Protestant countries, like England and the United States granted the political right of women. Not only that, William Wilberforce’s tedious efforts for slave emancipation resulted in the Slavery Abolition bill in 1833 that freed 800,000 slaves in England.

## ③ Democracy

The growing number of mass public who became more knowledgeable about equal right started to participate in the democracy movement actively. England, the United States and Australia adopted the laws that pursue democracy in 1832, 1827, 1884, 1912 and 1918: Voting right enjoyed only by the rich people was gradually given to the poor as well as the ordinary people; the system that only allowed the voting right of those living in cities replaced by the system that allowed that of everyone, including women

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<sup>15</sup> King, M. L. *Western Civilization: A Social and Cultural History*, 3rd Edition. (Prentice Hall, 2006). p. 677

<sup>16</sup> Kim, Min-Jea. *A Trilogy of Modern Revolution History of West 1: Dream and Reality of English Revolution*. (Youngminsa, 2003, in Korean), p. 173

and other races; and the anonymous voting was enacted by the law. This is how the democracy system that countries all around the world try to benchmark today was completed by the countries where the mass education by the Protestants was popular.

It is often known that democracy was originated from Greece, but the Greek democracy is different from the modern democracy in terms of concept. Only the ‘citizens’ were allowed to vote in Greece and these citizens were the privileged small group. To put it simply, ‘the Greek that democracy was originated from Enlightenment Movement, but textbooks used in universities of the United States stated as follows;

*Rousseau’s “Social Contract” (1762) --  
 State is not guided by monarch but by collective body of citizens.  
 They tossed out monarch but social contract theories of Enlightenment did not create,  
 nor did they even recommend, democracy<sup>17</sup>*

It took a long time until democracy was established in Greece, Italy, and Spain, even though they are located near the origin of Renaissance, or France where the Enlightenment movement occurred. This is because they lacked mass education enhancing the individual’s liberty and it was almost impossible for the mass public with a modern consciousness to grow under such conditions. Some Catholic Churches started mass education belatedly, but their education principles of emphasizing the vertical system were far from democratic ideas. As a result, during the period when England steadily took steps toward the Parliamentary Democracy and the United States declared its independence and moved forward for democracy, France fell under Napoleon’s autocratic rules in 1804, Germany under Hitler, and Italy under Mussolini.

#### ④ Science and Technology

Countries whose mass public were given education witnessed a remarkable development in their science technology. According to King’s book, many of the significant inventions of human beings in modern times were particularly from England and the United States.

Country	Year	Invention	Inventor
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<sup>17</sup> King, M. L. *Western Civilization: A Social and Cultural History*, 3rd Edition. (Prentice Hall, 2006). p. 499~500

England	1712	steam pump	Thomas Newcomen
England	1733	flying shuttle	John King
England	1764	spinning jenny	James Hargreave
England	1769	steam engine	James Watt
France	1770	steam-driven cart	
England	1779	mule	Samuel Crompton
France	1783	steam boat	
England	1785	power loom	Edmund Cartwright
England	1789	factory (Manchester)	Robert Owen
England	1812	steamship	Henry Bell
England	1821	First railroad	
England	1829	rocket	George Stephenson
England	1850	Nationwide railroad completed	
England	1851	Great Exhibition	
England	1856	converter	Henry Bessemer
U.S.	1793	cotton gin	Eli Whitney
U.S.	1838	steamship sailing the Atlantic	
U.S.	1866	Trans-Atlantic communication	
U.S.	1869	cables	
U.S.	1876	Transatlantic railroad	Graham Bell
U.S.	1879	Telephone	Thomas Edison
		Light bulb	

Source: King, 2006, p. 610

There were a few inventions made in France, but those activities in France during this time have been known to be made mostly by Huguenots. Some might argue that science should be regarded differently from technology, but entering the modern era, all science theories were acknowledged only when they were proved by experiments. Making experiment tools itself was a technology (e.g. making an advanced microscope), but technology is no longer possible to make advanced experiment tools without supporting science theories. All these mean that science and technology did not work alone and moved separately, but they can progress further only under a mutual dependence on each other.<sup>18</sup>

Max Weber claimed that “*only in the West does science exist at a stage of development which we recognize today as valid*”. Knowledge and observation of great refinement have existed elsewhere, above all in India, China, Babylonia, and Egypt. But they lacked mathematical foundation, lacked the method of experiment, and they had no rational proof. Also, according to Henry<sup>19</sup>, new experimental method became a characteristic feature of Scientific Revolution (p. 51). It is precisely this 'experimental method' which allows scientists today to lay claim to their immense cognitive authority (p. 52).<sup>20</sup> Here is a strong case to be made for the influence of political considerations on the development of experimental method in seventeenth-century England. Experimental method in England developed very differently from the way that it did abroad. Recent attempts to show the actual effect of the religious and political background on the development of the experimental method to show that the uniqueness of the English in these two spheres is not simply coincidence (p. 103).

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<sup>18</sup> Henry, J. *The Scientific Revolution and the Origins of Modern Science*, 3rd Ed. (Palgrave Macmillan, 2008)

<sup>19</sup> Henry is a social scientist in the historiography of science. Social scientists directly gather various preliminary information included in papers—thesis, letter, proceedings, memos, and diaries—owned by the scientists in the past and analyze them. They introduce themselves as follows: “Historians have always preferred to stick to historical research, rather than to debate what a previous historians have said.”(Henry, 2008, p. 8) They argue that they maintain a strict scientific attitude of excluding arguments without supporting evidences and accepting only the scientific arguments supported by hard evidence. The books by Henry referenced in this study is not about his personal opinions, but about a survey extensively outlining a number of various important thesis and books, which makes it easy to understand the academic trend in this area.

<sup>20</sup> Henry, J. *The Scientific Revolution and the Origins of Modern Science*, 3rd Ed. (Palgrave Macmillan, 2008). p. 103

This is closely related to the social reformation that was ongoing in England at that time. The European continent from the 16<sup>th</sup> century to the 19<sup>th</sup> century stuck to the old era vertical and agricultural society, but England moved forward to a democratic and industrial society. England as a result came to experience unique situations of facing several social and political conflicts. These conflicts, when they are not solved properly and immediately in a manner the public understand, could pose a serious threat to then England on a reform track. To overcome such difficulties, England established the “ Authority of Legal Procedure,” which intended to avoid any time-consuming “controversy for controversy.” Through this procedure, facts and evidence are gathered as much as possible, then an open discussion is provided in front of respected gentlemen and qualified members of the Royal academy in the relevant field so that people could be convinced. Submitted exhibitions should be evidently understandable by common knowledge. When they were the results of experiments, the experiments should be repeatable, yielding same results all the time. When everyone was convinced of the matter presented in this way, the matter was considered solved. “Reliable witnessing by gentlemen of experiments is the only sure way to establish matters of facts about physical realm. The matters of fact then could be said to be established with no reasonable possibility for dissent.” The scientists in England applied the same procedure that was applied to the political and social problems to the natural science and developed the unique experimental method that was not found in the articles of the continent. Henry who specialized in the history of science claimed that this method is the origin of Experimental Method which is used by mankind universally in the present.

So far, the question is how did mass education based on communal spirit by the Protestants led to the emergence of the rational mass public, new civil class and subsequent significant movements. Mass education triggered the establishment of the press and the democratic movement, which in turn led to the emergence of the rule of law by putting an end to the feudalism system and the absolute monarchy. Such changes in institutional-structural elements created an environment for England to set up the modern capitalism.

## 2. Ethical Fiber education: Changes in cultural-motivational elements and the emergence of the modern capitalism

Establishment of the modern capitalism required not only external changes described earlier but also the changes in the mindset of economic players about wealth and labor. Max Weber, a German sociologist argued that the Protestant ethics was the

one that actually changed people's awareness and planted the idea of the modern capitalism in their minds. With respect to the emerging capitalism in the modern Europe society, Max Weber stated in his book<sup>21</sup> as follows<sup>22</sup>:

*"A glance at the occupational statistics of any country of mixed religious composition brings to light with remarkable frequency a situation which has several times provoked discussion in the Catholic press and literature, and in Catholic congress in Germany, namely the fact that business leaders and owners of capital, as well as the high grades of skilled labour, and even more the higher technically and commercially trained personnel of modern enterprises, are overwhelmingly Protestant."*

In other words, he claimed that several statistics showed the modern capitalism was already growing fast in the Protestant society. He also explained about the reason why the capitalism was growing so fast in the Protestant society as follows:

- (1) Protestants had a conviction that reading the Bible and having faith will lead to salvation.
- (2) The Protestants with the conviction of having become a citizen of the heavenly kingdom felt a deep sense of responsibility for living a new life worthy of a heavenly citizen
- (3) They have the spirit of stewardship including time, money, and talent is what God entrusted to them, and should be used for God.
- (4) Every job is God's commandment to the individual to work for the divine glory.  
For everyone, without exception, God's Providence has prepared a calling.  
Every job is equally important,
- (5) Hard, continuous bodily or mental labor was preached -- every hour lost is lost to the labor for the glory of God.
- (6) But hard working is not enough, though. What God demands is not labor in itself, but fundamental transformation of life at every moment and every direction. All decisions they make in their jobs must be that of the transformed person, which is

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<sup>21</sup> Weber, Max. *Die Protestantische Ethik und der Geist des Kapitalismus*. Translated by Park, Seong-Soo. (Moonye, 1988, in Korean)

<sup>22</sup> The book is famous for its in-depth analysis of the changes in the European society for 500 years and sufficient data regarding social scientific area. Though written a century ago, still many prestigious universities use this book as a textbook, and almost every historian mention this book when they discuss on this period. Many social scientists do not hesitate to consider this book as the most famous and controversial book in the modern social science.

honest and conscientious before God. This provides a basis for nurturing rationalism in all the departments of life. This rational conduct on top of the idea of calling was born from the spirit of Christian asceticism.

(7) Protestant business managers separated corporate property from personal property

(8) In the Protestant enterprises there was rational business bookkeeping. The disclosure of book and transparent management built up social trust on the Protestant enterprise which formed the basis of the rational organization of free labor in the Protestant enterprise. High quality labor and capital thronged in them and productivity increased.

(9) Although respectable fortunes were made, it always was reinvested in the business instead of being spent on lavish consumption or lent out at usury. They got received nothing from the profit made for themselves, except the sense of having done their job well. Capital accumulated fast in the Protestant enterprises.

(10) Protestant entrepreneurs have made it traditional to return their fortunes back to society when they were accumulated to some extent.

So far, this is the brief description offered by Max Weber of the process by which Protestantism contributed to the rise in capitalism. But, this study intends to focus on how the communal spirit of the Protestants changed the cultural-motivational elements to give rise to the modern capitalism.

#### ① Hard working and social responsibility

The conventional belief in the past was that business activities pursuing large profits to an excess were criticized as greed or sin. But, Protestant entrepreneurs had a completely different idea of profit from the conventional belief.

For Protestant entrepreneurs who believed the worship of God and neighbors as the most important commandment<sup>23</sup>, business activities were a way to produce more products and provide them to their neighbors at lower price. They diligently worked to gain more profits and tried to return them to society.

Such tradition of working hard and giving back to practice their love for neighbors resulted in changed mindsets on money-making activities from something evil to a new mindset of considering them as a calling or vocation which encouraged the willingness to work and increase labor productivity.

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<sup>23</sup> Mark 12:30~31

## ② Transparent business practices

Protestant entrepreneurs voluntarily began splitting up their individual property and company's property. By keeping the financial records of revenues and expenditures and making them available to the public, they adopted transparent business practices. This can be understood as the result of strict Christian ethics according to which God is everywhere so one ought to keep promises even if they were made between only two people without any witnesses.<sup>24</sup> Such cultural attitude combined with transparent business practices worked as a driving force behind the rise of industrialization and capitalism by creating social trust as a part of communal spirit.

## ③ Frugal living

Capital grew fast, since Protestant entrepreneurs pursued a frugal lifestyle as shown as follows. When the money-making activities were no longer considered as something to be criticized as selfish, there emerged capital accumulation and reinvestment, eventually leading to the rise of capitalism:

*“Even when they had enough fortunes, they did not lend money at usury but reinvest them. (p.51)*

*In the Netherlands where strict Calvinist principles were maintained only for seven years, devoted Christians with large fortunes pursued a frugal living, which further promoted the trend of capital accumulation.”(p. 86)*

*They never spent their fortunes for themselves, and this was extremely difficult to understand for the people before the capitalism period. (p.53)”<sup>25</sup>*

Conclusively, the Protestant region witnessed the transparent business practices, quality labor and capital reinvestment, all of which stemmed from the Protestant ethics. They separated company's assets legally from their personal assets and made corporate records available to the public. Once social trust was built among people, labor and capitals were gathered. Even when the fortune grew large enough, Protestant entrepreneurs avoided the lifestyle of extravagance and lusts and reinvested or returned their fortunes back to society. In this way, they became the respected member

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<sup>24</sup> Ahn, Moon-Suk. *Kodae Today*. (Korea U, 2006, Spring Issue)

<sup>25</sup> Weber, Max. *Die Protestantische Ethik und der Geist des Kapitalismus*. Translated by Park, Seong-Soo. (Moonye, 1988, in Korean)

of society, contributing to the rise of capitalistic culture which embraced the rational capitalistic organization of free labor and the fast growing accumulation of capitals.

However, as the capitalism was established as system and culture, the initial concept and intention of the Protestant ideology and the communal spirit started to vanish. Even Weber at the end of his book stated that the Protestantism that generated capitalism was gone now and capitalism no longer needed a mentor like Protestantism because it was equipped with the mechanical foundation. He ended the book, quoting the preaching by John Wesley:

*“Since asceticism undertook to remodel the world and to work out its ideals in the world, material goods have gained an increasing and finally an inexorable power over the lives of man as at no previous period in history. Today the spirit of religious asceticism has escaped from the cage. But victorious capitalism, since it rests on mechanical foundations, needs its support no longer, and the idea of the duty in one's calling prowls about in our lives like the ghost of dead religious beliefs. In the field of its highest development, in the United States, the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions, which often actually give it the character of sport. ... I fear, wherever riches have increased, the essence of religion has decreased in the same proportion. Therefore, I do not see how it is possible, in the nature of things, for any revival of true religion to continue long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and the love of the world in all its branches. How then is it possible that religion of the heart, though it flourishes now as a green bay tree, should continue in this state? ... So, although the form of religion remains, the spirit is swiftly vanishing away. Is there no way to prevent this -- this continual decay of pure religion?” (Max Weber, p. 175)*

This is Wesley's foresight that when the public stand by their religious belief, they will make a fortune, but when they make a fortune, they will return to the secular belief due to the fortune they made. Reflecting on Weber's preaching in relation with the communal spirit—the focus of this thesis, it is true that the modern capitalism was born by the communal spirit in England and the United States, but as capitalism was established as a physical system, the spirit inside the ideology became lost. And, it can be said that the replacement of the critical spirit with greedy capitalism resulted in the

financial crisis and economic crisis of today.

In sum, to overcome the irrational elements of the medieval times and give a rise to capitalism, largely two changes are needed. First, the system and the law of order that could protect the freedom and property of individuals (institutional-structural element) must be established. Second, the obsolete recognition of money-making activities as something evil and greedy (cultural-motivational element) has to be changed. This study points to the education based on communal spirit as the critical cause of the two changes.

The communal spirit pursuing mass education played an important role in establishing the press by awakening the public, which in turn put an end to the feudalism and absolute monarchy regime and set up the rule of law by driving the movement towards an equal and democratic society. Not only that, the education based on 'the communal spirit' encouraged people to work hard and companies to run transparent businesses, accumulating capitals. To put it another way, due to the influence by the communal spirit, the changes in institutional-structural elements and cultural-motivational elements took place simultaneously, giving a rise to the modern capitalism.

This study mainly covers the Protestant regions including England, because its focus is on the emergence of the modern capitalism, but the Protestantism is not the only doctrine that established capitalism. Each country has their own way of developing capitalism according to their own society and culture. For example, Japan believes in the Buddhist lessons by Suzuki Shosan:

"Secular work is religious training.

If you perform diligently, you can attain Buddhahood"

There is an argument that Suzuki Shosan's lesson has served as a mentor in Japan on behalf of the Protestantism.<sup>26</sup> This study intends to find what impact the Protestant education based on the inclusive or communal spirit made on the modern capitalism, not to find the origin of the spirit.

Given that capitalism is now perceived just as a system while its communal spirit being forgotten, it is only natural that economic polarization, lack of mutual trust with large number of people excluded from the benefit of economic development are dragging down economic growth. Therefore, the explicit solution to these problems

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<sup>26</sup> Hajime N. "Suzuki Shosan, 1579-1655 and the Spirit of Capitalism in Japanese Buddhism". (1967)

might be the efforts to return to the basics, in other words, to restore the communal spirit.

## Appendix 1. Main Chronology

1400-	Renaissance
1455	Invention of the printing press
1483-1546	Martin Luther
1509-1564	John Calvin
1517	Martin Luther's Theses
1522	German Bible
1525	English Bible (William Tyndale)
1529	Henry VIII's renouncing Roman Catholicism
1572	St. Bartholomew's Day massacre, France
1618	Thirty Years' War, Germany
1648	English Revolution, Cromwell's victory
1685	Louis XIV's revocation of the Edict of Nantes, Destruction of Huguenot churches
1703-1791	John Wesley
1776	American colonies declare independence from Great Britain
1789	French revolution
1760	James Watt's steam engine
1804	Napoleon crowns himself Emperor Napoleon I, France
1815-	British Empire
1833	Slave Emancipation Act, Britain

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# What Are the Critical Success Factors for Social Enterprise?

March 11, 2009

International Conference on Social Enterprise

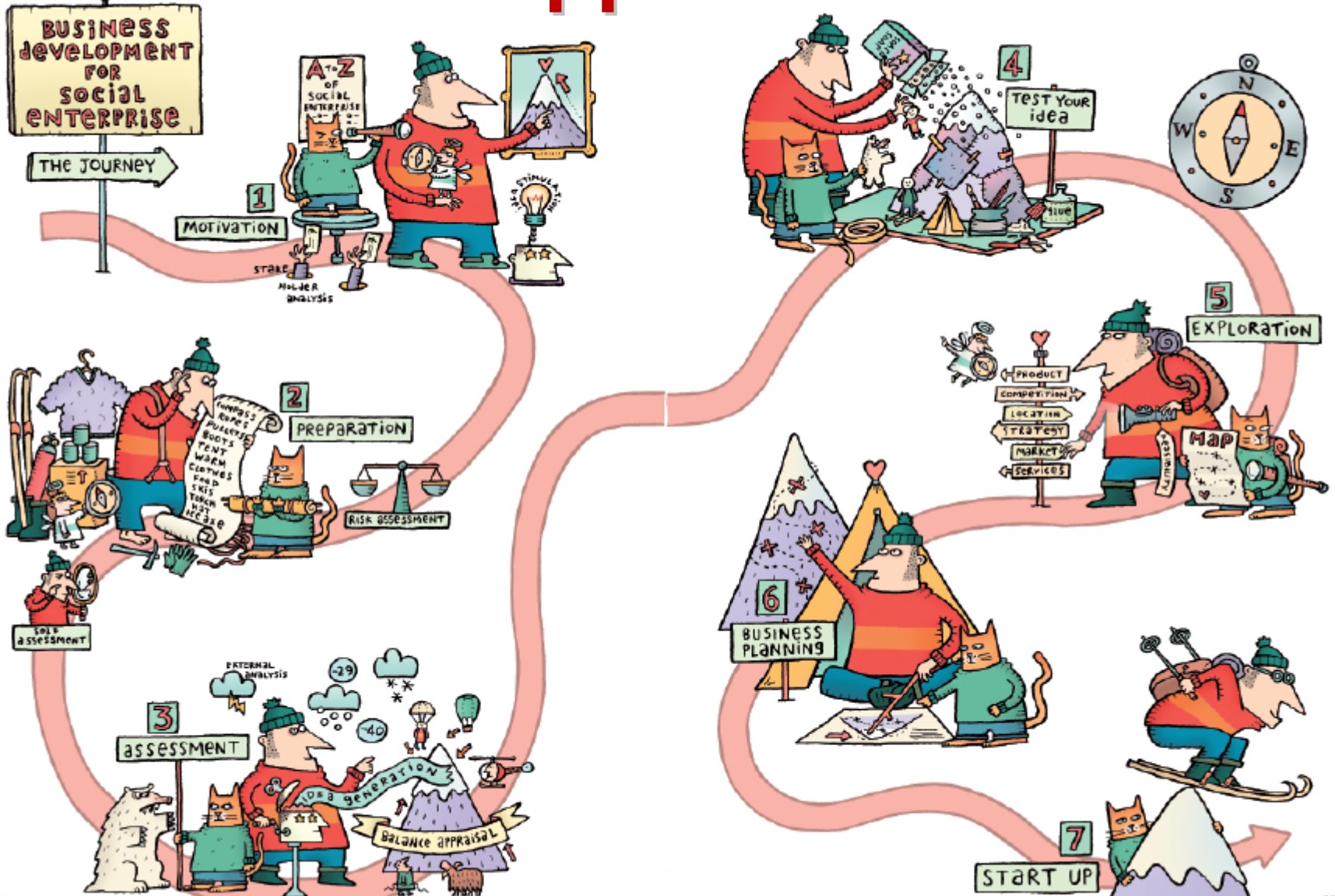
**KAIST**

테크노경영대학원

Graduate School of Management

이승규 Prof. Seung-Kyu Rhee  
KAIST CSR Research Center

# Conventional Approaches to BD

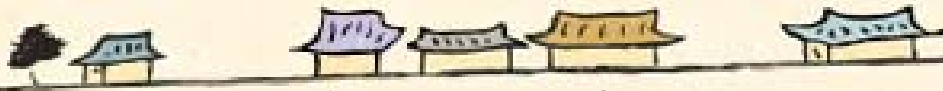


# Mathematically Speaking...



- There are conditions and there are conditions
  - Factors?
    - Common denominators?
  - Necessary conditions and sufficient conditions
- But in business, there are no such things as necessary or sufficient conditions
  - There are stories...
  - Well, they vary all the time following
    - When and why they are told
    - By and to whom they are told
- So I will stick to my own way, which is
  - List all the challenges, and think hard about them!

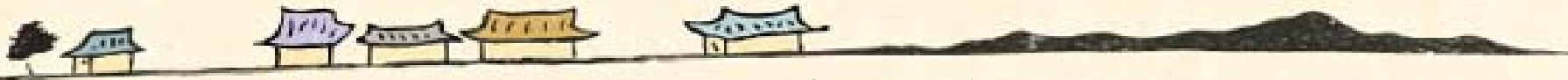
# What Other People Have Said?



- **Eight critical success factors**
  - Leadership
  - Partnerships
  - Proof and clarity of innovative concept
  - Business planning and marketing
  - Triple bottom line planning
  - Short and long term benefits management
  - Community engagement
  - Risk management

David Boyer, Heather Creech and Leslie Paas (2008)  
The SEED Initiative and the International Institute for Sustainable Development (IISD)

# What Other People Have Said?



- 9 factors leading to the success of social enterprise
  - Creativity means “big picture”
  - Networking means great at constructing relationships
  - Leading role means positioning the social enterprise as market leader
  - Deal making means do the right deals with right people at the right time to build wealth
  - Planning means think before you leap
  - Ability to control & manage people means both employees and volunteers
  - The above leads to cultivating investor relations that has to act slowly and cautiously
  - The approach is “spin off strategy”
  - Setting clear goal, focus and have a humble start

Factors Leading to Success & Failure of Social Enterprise

Raymond YIM Chun-man (March 2008), Social Entrepreneurship Soul-mate Company Ltd. (HK)

# What Other People Have Said?



## • 9 factors leading to the FAILURE of social enterprise

### – Naïveté

- Some NGO Board members have the mind set that see money as evil
- Commercial world is a jungle and businesses compete brutally
- Creating a business almost always create more problems than it solves
- Business ventures as an excuse for pursuing personal agendas or “pet” ideas
- General public can afford to pay for organic produce??

### – Lack of business skills

- Social enterprise failed is only because lack of management skills
- Lack of marketing skills is crucial in leading to social enterprise failure
- Their first goal is not identify a demand in the market or provide the highest quality service or product at the most competitive price
- Transforming a NGO into a SE takes time, which means money

Factors Leading to Success & Failure of Social Enterprise

Raymond YIM Chun-man (March 2008), Social Entrepreneurship Soul-mate Company Ltd. (HK)

# Challenges Facing Social Enterprises

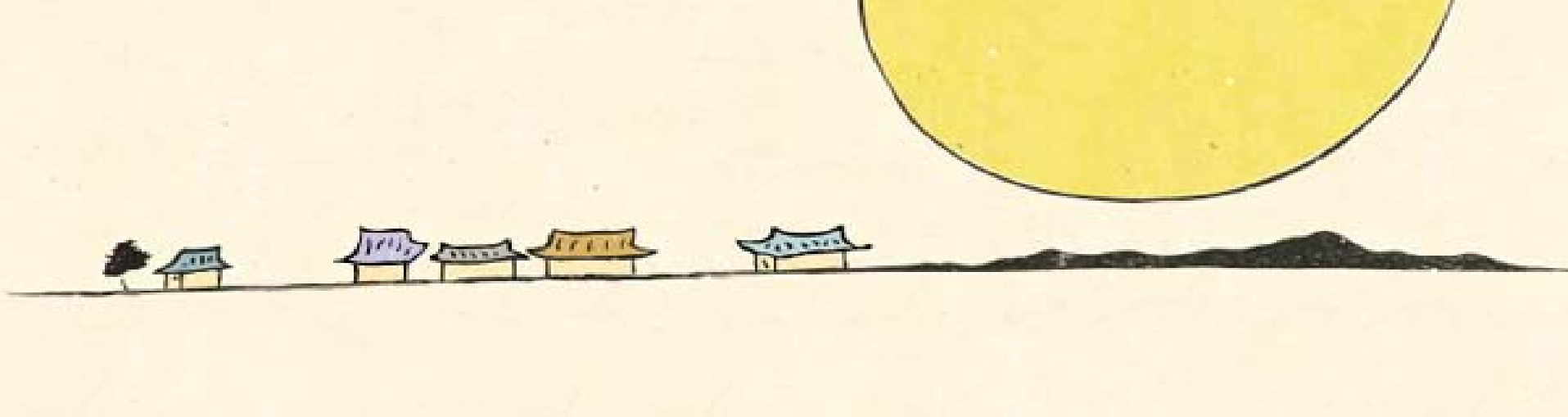


- Making money is hard enough
  - But it is not a rocket science, either...
  - The most successful entrepreneur in entire Korean history, Late Chairman, Chung Ju Yung of Hyundai Group was a runaway boy after his elementary school
- Doing well by doing good?
  - Before you think of doing something good, you have to survive first!
  - The business should make sense at any scale → Hansalim
    - From its inception in 1986, it has been always self-reliant
- There is no such thing as Free Lunch
  - If you want something from others, you should propose them something valuable to them in return

# The Third Sector



- **Let us think about the first two sectors!**
  - Governments and Public Sector, where dirty politicians working so hard for power prevail
  - Businesses and Private Sector, where the filthy rich working so hard for more money prevail
- **Why should the success in the third sector be any easier?**
  - The biggest challenge for the success of SE is to excel in
    - Power game in stakeholder management,
    - Jungle fight in making money, and at the same time
    - Not losing their vision and integrity in doing all these hard work!!!
  - SO much more worth trying!!!



# Thanks

## **Circumstances and Prospects around Social enterprises in Korea**

Yeongdon Na  
Director, Social Enterprise Division  
Ministry of Labour, Korea

1) Increasing expectations towards social enterprises due to the aggravation in employment condition

(1) New employment creation slowing down and the quality of employment degrading

① Widening gaps among workers and rapid growth in unstable employment due to the degradation of economy/employment conditions and polarization of labor market, which was started by the 1997 Asian Financial Crisis

② Due to the recent inflation and economic depression, the disadvantaged are experiencing more difficulties in terms of the finance and job-finding.

(2) Contrastingly, the social services industry in which many social enterprises are involved has the potential for employment growth and has, in fact, created a number of employments. The demand for employment creation for the disadvantaged has grown as well.

※ Number of the newly employed during the period of 2001–2005: 320,000 persons per year on average. 45.4% of them (146,000 persons) were in the social services industry.

➔ The expectation towards sustainable job creation and social integration through social enterprises has increased since the enactment of the Social Enterprise Promotion Act

2) Social-enterprise-friendly environment: the public services area

(1) Expenses in the field of public service are consistently increasing, and accordingly, the relevant market has expanded too.

[ Distribution of Funds (National Assembly Budget Office, 2008) ]

Unit: KRW million

Field	2007	2008	Increase / decrease	Rate of increase (%)
Social Welfare	560,956	617,056	56,100	10.0
Health	52,892	59,421	6,529	12.3
Culture / Tourism	28,619	31,652	3,033	10.6
Environment protection	40,345	44,674	4,329	10.7
Education	314,074	355,192	41,118	13.1
Community Development	26,715	31,300	4,585	17.2

(2) The growth of the voucher system has created opportunities for social enterprises

① Social enterprises can play an innovative role in that it can secure the fairness among voucher users and create quality jobs.

※ Size of the voucher market: KRW 153.9 billion (2007) → KRW 236.1 billion (2008)

② However, if they are to compete with the for-profit enterprises under the uniform conditions without any limits, the innovative roles of social enterprises will certainly diminish.

※ In the case of the ‘voucher project for perceptual development services for children’ and the ‘pathfinder project for social services,’ terms and conditions were set up regardless of the characteristics of the service provider.

3) Limits of the third sector: the size and capacity

(1) Compared to other OECD countries, the size of the third sector and the percentage of businesses between the entities within the third sector are very small in South Korea.

※ The labor force ratio of civil organizations amounts to 2.4% in South Korea, ranking the 21<sup>st</sup> among the 33 countries compared (average 4.4%). → If narrowed down to OECD countries, South Korea takes the second lowest after Mexico.

(2) Characteristics of the traditional cooperatives and social welfare agencies

- ① Delayed development or state-dependency due to the government-led process → stays part of the social welfare delivery system of the state, lacking the unique voluntarism and innovativeness.
- ② In other developed countries, there has been a substantial growth in the field of social enterprise along with the privatization or marketization process while in South Korea, social enterprise development still stays at its infancy with relatively recent introduction of the voucher system.

※ Social enterprise was developed in the process of social welfare privatization in the UK, and in the process of social welfare expenditure reduction in the US.

(3) However, the base of the social enterprise is expanding with the emergence of:

- ① Organizations focusing on self-support projects based on their rich experience in business or competition in the market,
- ② Civil organizations that have adopted entrepreneurship based on their creativity,
- ③ Consumers' cooperatives cooperating with the community, and
- ④ Nontraditional social welfare organizations

4) Low investment and weak support basis of the private sector

(1) Insufficient civil organizational foundation for social enterprise investment or social enterprise support

- ① Short in non-profit financial institutions and capital market for supporting the establishment and management of social enterprises
  - ※ Social enterprise management support fund market (2008): dormant savings accounts KRW 2 billion, the Ministry of Labor KRW 5 billion
  - ※ Credit cooperatives or community development financial institutions (CDFIs) playing the role of loan agencies for social enterprises in developed countries
- ② In need of expansion in social enterprise support through big NGOs and social welfare foundations with great capacity for fund-raising, but lacking interest

(2) The scale of the contribution by giant private enterprises is on the consistent increase. However, the investment in social enterprise is still limited.

→ Besides cash assistance, various forms of social contribution are needed – e.g. business management assistance, pro bono service, etc.

# Critical Success Factors for Social Enterprise

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Hun-Joon Park  
School of Business  
Yonsei University

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# Responsible SE Platform

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- Putting “Creative Innovation and Entrepreneurship” in the Social Sector
    - Early stage or start-up stage--Philanthropic and governmental support (grant, tax & legal)—Competence and talent supply—Business school curriculum innovation—Social Venture Competition
    - Later stage or mezzanine stage—Social capital market—Social investment mega fund—Social venture capital—Investment officer development
-

# Putting “Entrepreneurship” in the Social Sector (HBS, 2008)

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- ❑ Societal problems are increasingly large and complex, taxing the ability of nonprofit organizations to solve them.
  - ❑ A new model for the social sector based on entrepreneurship would allow organizations to create more value with their limited resources and tap additional resources not directly under their control.
  - ❑ Business students are increasingly interested in courses and careers related to social enterprise.
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# Bill Drayton

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- Entrepreneur in Society
  - Ashoka: Innovators for the Public
-

# Park Won-Soon

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- ❑ Citizen Activist & Human Rights Lawyer
  - ❑ Beautiful Store and The Beautiful Foundation
  - ❑ The Hope Institute and Social Designer
-

# Muhammad Yunus

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- "Social business entrepreneurs are the solution."
  - Banker to the Poor
-

# Jeff Skoll

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- ❑ The Skoll Foundation and The Skoll Fund
  - ❑ The Skoll Center for Social Entrepreneurship, Said Business School, Oxford University
  - ❑ Skoll scholars and Skoll fellows, Skoll World Forum on Social Entrepreneurship
  - ❑ Skoll Awards for Social Entrepreneurship
  - ❑ Financing and Complementary Services
  - ❑ Later stage or mezzanine funding
  - ❑ PBS Foundation SE Fund
  - ❑ SocialEdge.org
-

# Acumen Fund

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- Acumen Fund
  - Acumen Fund and World Health Int'l
  - 1298 Ambulance Services
-

# Creating Successful Business Models

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- One central goal for social enterprises is “leverage” to drive change
    - Securing adequate financial resources
    - Indigenous capabilities and social capital
    - Philanthropic and governmental support
    - Business partnerships
    - Income from previously untapped markets
-

# Three Business Models

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- ❑ Business Model 1: Leveraged Nonprofit Ventures
  - ❑ Business Model 2: Hybrid Nonprofit Ventures
  - ❑ Business Model 3: Social Business Ventures
-

# Model 1: Leveraged Nonprofit Ventures

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- A public good is being delivered to **the most economically vulnerable, who do not have access to, or are unable to afford, the service rendered.**
  - Both the entrepreneur and the organization are **change catalysts**, with a central goal of enabling direct beneficiaries to assume ownership of the initiative, enhancing its longer-term sustainability.
-

# Model 1:

## Leveraged Nonprofit Ventures

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- **Multiple external partners** are actively involved in supporting (or are being recruited to support) the venture financially, politically, and in kind.
  - The **founding entrepreneur** morphs into a figurehead, in some cases for the wider movement, as others assume responsibilities and leadership.
-

# Model 2: Hybrid Nonprofit Ventures

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- As with model 1 ventures, goods and/or services are delivered to populations that have been excluded or underserved by mainstream markets, but the notion of **making (and reinvesting) a profit** is not totally out of the question.
  - Sooner or later, the founding entrepreneur typically develops **a marketing plan** to ensure that the poor or otherwise disadvantaged can access the product or service being provided.
-

# Model 2:

## Hybrid Nonprofit Ventures

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- The enterprise is able to recover a portion of its costs **through the sale of goods and services**, in the process often identifying new markets.
  - To sustain activities and address the unmet needs of poor or otherwise marginalized clients, the entrepreneur **mobilizes funds from public, private, and/or philanthropic organizations in the form of grants, loans, or, in rare cases, quasi-equity investments.**
-

# Model 2: Hybrid Nonprofit Ventures

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- As mainstream investors and businesses enter the picture, even when they are not seeking mainstream financial returns, they tend to push hybrid nonprofit ventures to become model 3 social businesses, to **ensure access to new sources of funding, particularly capital markets**. This may be warranted in some cases, but it risks refocusing activities to the point where the poorest will no longer be served.
-

# Model 3:

## Social Business Ventures

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- The entrepreneur sets up the venture as a business with the specific mission to drive transformational social and/or environmental change.
  - Profits are generated, but the main aim is not to maximize financial returns for shareholders but instead **to financially benefit low-income groups and to grow the social venture by reinvestment, enabling it to reach and serve more people.**
-

# Model 3:

## Social Business Ventures

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- The entrepreneur seeks out **investors interested in combining financial and social returns.**
  - The enterprise's **financing—and scaling—opportunities** can be significantly greater because social businesses can more easily **take on debt and equity.**
-