Building ships while breaking apart
Container economies and the limits of chaebol capitalism

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Abstract: With the center of gravity of the maritime industry over recent decades progressively moving eastwards, South Korea is today a giant in both shipping and shipbuilding. Its largely family-controlled industrial enterprises are nowadays increasingly engaged in risky business experiments abroad, which on occasion fail in a spectacular manner. By following the story of how one family-run economic actor invested unsuccessfully in the Philippines, I combine an exploration of the political-economic factors involved in this failure with an investigation of how these larger structures are entangled with a complex family story inside a Korean conglomerate. The forced separation between family and business that ensued in this case illuminates changing and competing ideals of "waterborne" capitalism in the twenty-first century.

Keywords: chaebol, container ships, family business, shipbuilding, South Korea

The center of gravity of the maritime industry has progressively moved eastward over recent decades. South Korea is today a giant in both shipping and shipbuilding, but due to increased competition from China, its largely family-controlled industrial enterprises are nowadays increasingly engaged in risky business experiments abroad, which on occasion fail in a spectacular manner. One such Korean configuration of waterborne capitalism gone wrong, which I have traced since 2013,[1] is highly illuminating in the way that a corporate dynasty found itself at war with a more technocratic, state-driven understanding of how their business should be conducted. Hanjin Heavy Industries, a shipbuilding offshoot that in the late 1980s grew out of the Hanjin conglomerate founded by the Cho family, in the 2000s invested in the construction of a new shipyard outside of Korea. Pouring billions of dollars into building a facility in the Philippines, Hanjin aggressively attempted to corner, among other things, the market around ultra-large container ships. Once a seemingly banal series of family crises hit the conglomerate at home, however, its production site in Subic Bay saw itself drawn into a tug-of-war between a Korean family-led enterprise (or *chaebol*), its various lenders, shareholders, and the Korean state. By exploring how this family-run economic actor that span out of control over succession matters would be singled out by the Korean state as too big, yet not immune to

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failure,[2] I show how the forced separation between family and business that ensued was also tied into larger struggles to delineate what container economies at large should look like.

The sprawling shipping industry, and its ancillary sectors like shipbuilding, is a multibillion-dollar sector today that usually involves huge financial risks. A remarkable, yet understudied aspect of this industry is that it also features countless cases of family dynasties that have managed to walk the tightrope between messy family dynamics and tough business priorities. What is more, the vast diffusion of these family-based business entities in the maritime world may hold some other surprises to observers: While the seeming paradox of the high prevalence of family businesses in shipping in the European context (e.g., in the Nordic countries, Greece, and the United Kingdom) has been somewhat explored,[3] we are still lacking comparative studies on other parts of the world. My own research on a Korean conglomerate, however, seems to give a first indication that family dynasties in the maritime industry are in fact globe-spanning phenomena.

In the existing literature, family-run businesses, until recently, have been considered curious outliers and oddly backward phenomena unworthy of special scrutiny (Hoy 2017: 3). By and large, they have a reputation to be small-scale, conservative, and unwilling to take risks, which ostensibly leads to their inevitable demise after two to three generations or to their eventual transformation into a publicly traded company under technocratic management (Gulbrandsen and Lange 2009: 175). The case of the demise of Hanjin, however, involved a highly complex transnational organization and proved to be too large-scale and uncontainable in its fallout to neatly fit into this conventional picture as to why family businesses tend to fail. What is more, the multilayered downfall of Hanjin also had significant repercussions in far-flung corners of the world, also bringing turmoil to a coastal region in the Philippines.

The story of Hanjin's failure, I will argue in this article, is a case that illuminates well the fundamental precarity and instability underlying contemporary "container economies" (see Leivestad and Markkula, this issue). With containerized cargo at sea being part and parcel of a kind of "waterborne" capitalism, I also contend that we need to study our contemporary economic system as a structure that depends on the industrial exploitation of maritime areas, coastal zones, and their hinterland. At these geographic intersections, we can pull the veil back on an industry that is shaped by a convergence of corporate and state interests, ample capital (often state-provided), and large armies of undervalued workers who construct and maintain the ships that carry the world's good. To be sure, this tight-knit universe is part of what Anna Tsing has called "supply-chain capitalism" (2009), which arose in the wake of the "logistics revolution." "Container economies" à la Hanjin have arguably led to a form of "infrastructural violence" (Rodgers and O'Neill 2012) that has had tremendous impact on workers in Korea and the Philippines, while also being centrally tied into what Deborah Cowen has called the global "deadly life of logistics" (2014).

Additionally, we are faced with a business ownership structure that at times has favored founding *families*, who often engendered entire shipping dynasties that would depend on risky alliances with state actors for their survival. By showing how the economic uncertainties at a shipyard in Subic Bay were thus intimately tied in with a crisis within the controlling family of a conglomerate experienced in Korea, I will combine an exploration of the political-economic factors involved in shaping this global picture with showing how these larger structures engage with a messy family story inside the Korean conglomerate in question. This kinship tale, we will see, on occasion leaks out, spills over, and comes to affect the only seemingly contained business side of matters.

By doing so, I engage here with Sylvia Yanagisako's insistence that kinship and gender are essential factors in the production of capital (2002) (to be discussed in this article), and with Ara Wilson's notion of "intimate economies" as a vital aspect of the global economy (2004). Particularly in my description of the history of the Cho family that follows, I am inspired by the first chapter of Wilson's *Intimate economies of Bangkok*, where she uses the portrait of one entrepreneurial family in Thailand's capital to show how capitalist markets, seemingly obscure and faceless, are often affected by "intimate economies"—that is, by "interactions between economic systems and social life," particularly kinship, gender, sexuality, and ethnicity (2004: 11). The article will kick off with a description of the death of a large shipyard that took place in 2019 in the Philippines, which I tie together with the story of an ultra-large container ship that left the yard just a year before. Then, I analyze the spectacular failure of this chaebol's shipbuilding endeavors (whose shipping branch went bust in 2016—see also Leivestad and Markkula, this issue) by chronicling the rise and fall of the conglomerate, and the Cho family behind it, who came to riches through their involvement in the US military–industrial complex and during a period of intense state patronage. Finally, I details the decline of the Hanjin shipbuilding branch in Korea and how it came to affect the Philippines.

Of flagship spectacles and financial disasters

Subic Bay, a coastal area of the Philippines, was primarily known for many decades for being a key puzzle piece in the US empire of bases. Previously home to the largest US naval facility overseas, Subic was infamous for the adult entertainment industry that emerged nearby the base to cater to the US Navy's "Rest and Recreation" needs (Schober 2016; Sturdevant and Stoltzfus 1992). It saw many majestic warships move in and out of its waters, and the arrival of vessels full of sailors equipped with hard currency were much-anticipated events. Once all US bases in the Philippines were closed in the 1990s, however, Subic was turned into a state-owned Freeport Zone, which eventually attracted foreign shipbuilders to the area. After Singapore-headquartered Keppel erected a facility at the Freeport in 1993 (Reyes 2013), in 2006, Korean Hanjin Heavy Industries followed suit, with shipbuilding for overseas customers subsequently becoming the key industry in Subic. Warships thus gave way to commercial vessels, which could be seen leaving the bay at semi-regular intervals. Of these ships, many of which were container ships, 123 were built between 2006 and 2019 at the Hanjin-shipyard alone—a three hundred-hectare facility that takes up substantial sections of the coastal landscape, where over the last 11 years ships have been built practically around the clock.

The biggest feat that was accomplished at the Hanjin-shipyard was certainly the construction of the *Saint Exupery*—the first of three ultra-large container ships constructed in Subic for French shipping giant CMA CGM. In January 2018, after a one-and-a-half-year construction period, the CMA CGM *Antoine de Saint Exupery*, then the world's largest container ship, would be steered out of the bay to begin its journey to Europe. The sending off of the ship was attended by former president Gloria Arroyo, who had years earlier signed the deal with Hanjin to build its shipyard in Subic. In her speech, she thanked Hanjin for its $2.3-billion investment and for the training the company had provided to countless Filipino workers. In addition, a note was read out in absence by Rodrigo Duterte, who also thanked the Koreans for their role in Philippine economic growth, stating that he expected the company "to remain a pillar and partner in the growth of the Philippine maritime industry" (Ylagan 2019).

After its arrival in Europe, the same vessel with a holding capacity of up to 20,600 twenty-foot long intermodal container units was inaugurated in a grandiose spectacle at the port of Le Havre. On September 6, 2018, both French Minister of Economy Bruno Le Maire and Minister of Transportation Elisabeth Borne were in attendance. The celebration also involved a performance during which a group of dancers, secured by strings and dressed in red and white, floated along the blue hull of the ship. A vessel commissioned by a French shipping company, built under the guidance of a Korean *chaebol*, with the help of a nearly all-Filipino workforce, was thus rebranded into a French national treasure in a stately event that banked on the new flagship's immense size to maximize the awe and marvel that it inspired in its onlookers. The container ship we see here is not only an icon of economic globalization that is typically used as a stock image to signal "global business." Pointing to effortless trade, standardization, and the uninterrupted flow of commodities, it also presents a great photo-op for politicians—a tool that allows the fashioning of state-power during a spectacular ship inauguration.

Fast-forward to January 28, 2019, less than four months after the Le Havre event. A group of Filipino workers from Subic Bay assembled in front of the Philippine labor department in Manila in a desperate effort to make their voices heard amidst an ongoing scandal involving Hanjin. They brought along a curious object to the protest they were about to stage: arguably the last container ship built by workers associated with the Hanjin facility, this vessel was substantially smaller than the *Saint Exupery*. This miniature ship of approximately one-and-a-half-meter length was made out of cardboard and painted in red and black. "Samahan sa Hanjin" was written across the hull of the ship[4]—the name of the unrecognized trade union that sought to unionize laborers at the Korean shipyard since the construction of the shipyard ensued in 2006, and with whom I engaged over a seven-month fieldwork period beginning in 2013, trying to understand labor conditions in Subic.

The issues around which they had previously attempted to bring workers together had been manifold. The shipyard had been riddled with health and safety violations, and work-related accidents were part of the grim reality at the shipyard: between 2006 and 2009 alone, over five thousand non-fatal accidents had been recorded, with the number of deaths at the shipyard reaching forty by mid-2018 (Datu 2018). In addition, a dense network of subcontractors, together with a legal framework in the Philippines that prevents the industry-wide organization of workers, made the establishment of a union at Hanjin a nearly impossible feat, with Samahan, after some successes, essentially resorting back to clandestine organizing by 2013 when I encountered the group (see Schober 2018a).

Twenty days before the Manila protest, on January 8, 2019, legal representatives of Hanjin Heavy Industries and Construction-Philippines had appeared at the regional court of Olongapo with several boxes of documents to file for insolvency. The unassuming courthouse, located in the heart of this city of approximately 230,000 inhabitants adjacent to the Subic Bay, would thus become the central stage for what soon became a major financial incident. In addition to overdue bills of approximately 900 million dollars that Hanjin owed the Korean Development Bank, 400 million US dollars were outstanding with Philippine banks—a sum that was, it now transpired, not covered by insurers. The unfolding Hanjin bankruptcy was quickly dubbed "the biggest corporate bankruptcy to ever hit the Philippines" (Sicat 2019), with Filipino news outlets drawing comparisons with the demise of Lehman Brothers. Hanjin's financial failings in early 2019, they argued, seemingly came as much out of the blue as that of the American financial services firm back in 2007.

A prolonged news frenzy followed around the option of a potential "white knight" who could save the billion-dollar facility in question, with Chinese, North American, Dutch, and Australian shipbuilders initially showing interest in bailing the shipbuilders out. As of mid-2020, however, the shipyard gates remain closed, with its tens of thousands of Filipino workers increasingly losing hope that they will ever get their jobs back. What is more, the collapse of the Subic facility, in the meantime, had drastic consequences for headquarters in Pusan as well. In April 2020, the remnants of the company was put up for sale by its creditors, who a year earlier at the height of the Subic debacle had already driven out Hanjin chairman Cho Nam-ho, thereby marking the end of the family dynasty's hold on the shipbuilding empire. In order to be able to explain the collapse fully, and the drastic move by Hanjin's Korean lenders, I will now have to backtrack in time, to look in more detail into the history of the ascent of the Cho family as a global transportation entity.

Of containers, airplanes and ships: The rise of the Cho family

"Chaebol capitalism" (Krueger and Yoo 2002), which is frequently used as the example of Asian corporate capitalism in its most distilled form, is significantly shaped by its reliance on kinship for the accumulation of wealth. "The word chaebol," after all, "uses the same two Chinese characters found in Zaibatsu, the word that describes the pre-war Japanese business-groups: *chae*, meaning wealth or finance, and *bol* meaning lineage, faction or clique" (Kim 2006: 211). Debunking the myth that capitalist modernity no longer involves families as productive units has been one of the central aims behind Yanagisako's *Producing culture and capital* (2002). In this groundbreaking book that first placed the family enterprises on the table within anthropology,[5] she investigates family firms in Italy's silk industry. She makes the convincing case that an attention to kinship and gender, and to struggles over inheritance within these units, may also help us understand their economic successes and failures. Yanagisako repeatedly points to the critical issue of succession from one generation to another and the threat of capital fragmentation it entails. She argues that the succession from the second to the third generation is by far the most critical one, often leading to the splintering of the firm through acts that are framed as betrayals by some family members.

Yanagisako's unit of analysis is small- to medium-sized companies, the most successful of which have in the meantime made it to a global enterprise level by investing in China (see Rofel and Yanagisako 2019). Similar processes involving risky succession, internal competition, and potential segmentation of capital can be identified in the case of Hanjin, which until recently was one of the leading conglomerates with assets in the billions of dollars. To be sure, there are significant differences between family firms and conglomerates: Debt dependence, for instance, tends to be higher in conglomerates as venturing into new markets often requires way more capital than would be readily available within the kinship network. On the other hand, the diversification inherent in conglomerates, which often branch into a number of different industries, tends to allow for the accommodation of a larger number of family members than one single family firm. This could perhaps be a factor in the often greater longevity of Korean family conglomerates as compared to smaller family firms that eventually cannot satisfactorily absorb large portions of the family network any longer.

"Hanjin" is the umbrella term that stands for a sprawling network of Korean companies, all until recently under the control of original founder Cho Choong-hoon (1920–2002). The core businesses of the Hanjin conglomerate, which has run into severe trouble over the last few years, can be found primarily in the realm of transportation. Hanjin started out in 1945, and its primary customer for its handful of trucks was the US Army, with whom Cho had managed to make useful business connections during the Asia–Pacific War. Contracts to move military supplies around the country proved very lucrative for Cho, and after the Korean War (1950–1953), greater tasks were handed out to him by his American business partners.

Significantly, the Korean development state under Park Chung-hee (1961–1979) played a central role in boosting Hanjin and other chaebol like it to the forefront of the economy. This was done by guaranteeing a virtually zero default risk via generous loans in exchange for loyalty. The contemporary capital structure of conglomerates like Hanjin, characterized by high leveraging in order to finance risky projects, was thus cemented around that time. The debt dependence of groups like Hanjin was nurtured under Park's leadership with the help of financial resources allocated via nationalized banks, thereby facilitating a kind of "risk partnership with the firms that were willing to carry out [the government's] economic development plans" (Kim 2006: 218). The country's ailing economy was thus brought onto its path toward the stellar success that it is now known for; an effort made in collusion with chaebol actors like Hanjin, while Park's regime conveniently kept the growing blue-collar workforces working for the chaebol tightly suppressed.

The support of the United States and its military apparatus in these endeavors cannot be underestimated either, as Jim Glassman and Choi Young-Jin pointed out: "Among the 'first tier' of Asian newly industrialized countries, . . . South Korea emerged as the base for an especially powerful, transnationally active capitalist class, this being the direct result of not only developmental state policies but the geopolitical moment that made these policies viable, including unstinting US support for the South Korean Cold War state" (2014: 1161). In the 1960s, even more opportunities arose for this enterprise in the orbit of the US military–industrial complex. During the Vietnam War, Hanjin was tasked with shipping military supplies from Korea to Vietnam, where Cho would come in touch with a US company called Sea-Land Service, whose founder Malcolm McLean had reformed shipping.[6] The intermodal container he introduced had only taken off after one significant event: the entrance of the United States into the Vietnam War, during which Sea-Land Service would get involved in the transportation of goods to Vietnam.

Another element of the story is how these new endeavors in Vietnam also had a direct impact on the rise of containerized shipping in South Korea. It was in the Vietnam of 1966, at the port of Qui Nhon, that Cho Choong-hoon first observed a Sea-Land Service container. Hanjin, too, would subsequently get involved in handling goods arriving in containers in Vietnam (Chung 2019: 31) and would become a key commercial actor that facilitated the shipping of commodities worldwide after the Vietnam War. Hence, in 1977, Hanjin Shipping was founded, which soon became one of the conglomerate's flagship enterprises, only rivaled by the family's earlier move into aviation with the purchase of Korean Air in 1969.

Hanjin's core tasks were now the movement of passengers and goods around the globe, and by the 1980s, a venture into the shipbuilding industry must have seemed like a strategically wise decision, given how much the Korean state sought to develop shipbuilding since the 1970s as a core industry (Shin 2017: 624). With Hanjin Shipping already headquartered in Pusan, the opportunity to purchase a shipyard in Yeongdo, Pusan, was taken up in 1989. The state-run facility, however, was considered technologically outdated and was riddled with labor disputes that Hanjin would not only inherit (Nam 2009) but also significantly exacerbate over the years (Schober 2018b). Attempting to restructure the shipyard's workforce was the first step of action after the purchase was made, but by the early 2000s, Hanjin Heavy Industries pursued a new strategy. Instead of further expanding existing infrastructures, they used the shipyard as a platform to launch the construction of a giant facility overseas (Shin 2017). While other Korean shipbuilding competitors had begun to experiment with China as a location for the offshoring of some of their manufacturing (Murphey 2017), Subic Bay in the Philippines became Hanjin's bet.

"Too big, but failed": The demise of shipping

A few years before Hanjin's move into shipbuilding abroad, the 2002 death of founder Cho Choong-hoon brought turmoil along. The old patriarch was in the spotlight of prosecutors for a while, as Korean Air, which he was still leading then, was accused of massive tax evasion. However, as Cho's obituary in *The Economist* (2002) states: "merciful prosecutors, while chasing the missing taxes, declined to prosecute

Mr. Cho, because of his age and his contribution to the country's economic growth. South Koreans mostly approved, and over the past week have been paying a respectful goodbye. . . . Seoul newspapers have been generous with their praise for 'the godfather' of the transport industry. Perhaps not the most felicitous of expressions, but no doubt well intentioned."

Whether well-intended or not, the allusion to a fictional amoral family, which suffered from the failure of its patriarch to set up a successor before his death, seems somewhat prophetic in retrospect. Cho's departure was followed by a drawn-out feud between his four sons (his only daughter had been side-lined into minor business ventures) over who would take the front seat of the enterprise. After the question of inheritance seemed to be settled when oldest son Cho Yang-ho was named new chairman of the Hanjin Group, his brothers Cho Nam-ho (who had taken over shipbuilding), and Cho Jung-ho (who was awarded with an insurer and securities firm) began to dispute the distribution of wealth in court. In a drastic move, they eventually broke away from the Hanjin Group in 2005, so that Hanjin Heavy Industries would now be a mere affiliate of the Hanjin Group, but no longer under its direct umbrella. Cho Soo-ho, who had been given the shipping branch, would have perhaps pursued a similar path, but he passed away in 2004, with his businesses then taken over by his widow Choi Eun-Yeong.

The isolated Cho Yang-ho, whose brothers reportedly did not speak to him for years before his own recent death, was in charge of both the Hanjin Group and its flagship, Korean Air, until March 2019, when under intense public pressure he was forced to hand over the leadership of Korean Air to a shareholder-appointed CEO.[7] He would pass away a month later, with his own three children reportedly still engaged in a battle over what is left of the Hanjin empire after the shareholders had stepped in; a bitter irony given that his daughters Cho Hyun-ah and Cho Hyun-min are usually named first when it comes to the reason behind his disgraceful deposition. In an incident that made global headlines, the then-Korean Air vice-president Cho Hyun-ah was served macadamia nuts in a bag rather than on a plate on a flight. Cho then assaulted the cabin crew chief and ordered the plane back to its gate to have the flight attendant kicked off. Cho Hyun-ah's sister, Cho Hyun-min, faced similar allegations in 2018, when it became known that she had thrown a glass at an employee during a fit of rage. To add insult to injury, Choi Eun-young, in charge of Hanjin Shipping since the death of her husband, would also find herself in handcuffs, when she was caught engaging in last-minute insider trading deals after the company's bankruptcy was already on the horizon.

The 2016 collapse of Hanjin Shipping has many facets to it, but a big issue that has brought the formerly unassailable shipping giant down is undoubtedly a race-to-the-bottom in shipping over recent years. Since the 2007 crisis, shipping has seen a number of mergers, which together with investments by top players in ultra-large container ships, has had devastating effects for smaller firms. Hanjin Shipping, however, until its collapse firmly placed in the top 10 of global container carriers, looked like an unlikely contestant for bankruptcy. The company was likely brought down by a combination of economic downturn and an overcapacity of container vessels in the shipping market. Certainly, when it came to the decision of the Korean state to not bail the enterprise out, the conglomerate's reputational loss over previous years played a role. Despite protests and pressure from trade unions representing thousands of workers, during the summer of 2016, the state did not bulge, thereby incidentally also creating favorable conditions for Hanjin's main competitor, Hyundai Merchant Marine, which during the months before Hanjin's collapse had suffered from similar red figures (Illmer 2017).

Of contained fortunes and contagious demises: The shipbuilding story

Before the "nut-rage incident" of 2014, which showed a Korean public how the family behind

Hanjin occasionally treated its employees, another Cho member had already made headlines. Hanjin's shipyard in Yeongdo, run by Cho Nam-ho, had become the site of a major labor dispute that eventually became a matter of national interest. In January 2011, former shipyard worker Kim Jin-sook managed to climb on top of a shipbuilding crane. Kim, after having been blacklisted for union activities in the 1980s when the facility was still state-owned, had become a full-time labor activist, as Hanjin chose to not hire her back once they bought the shipyard in 1989. In 2011, then, Kim would occupy the crane for 308 consecutive days, which I have described elsewhere (Schober 2018b; see also Baca 2011; Shin 2017). Kim undertook this in order to take a stance against layoffs at the shipyard, where thousands of workers had been losing their jobs. By occupying the crane, she also tapped into a local history of struggle: a close comrade of hers, Kim Joo-ik, had committed suicide on the same crane during a failed strike in the early 2000s—a struggle that Kim Jin-sook had earlier commemorated by giving a much-publicized eulogy at the shipyard.

The spectacular nature of Kim Jin-sook's activism sparked nationwide rallies, with tens of thousands of supporters traveling long distances to get a glimpse of the woman on top of the crane. It also shed much light on Hanjin's strategy of increasingly offshoring its shipbuilding to the low-labor cost Philippines and eventually brought unwanted attention onto Cho Nam-ho, who, during escalating protests, would become persona non grata to the Korean public. At the height of conflict in August 2011, Cho was even summoned to appear in front of parliament, where parts of the previously mentioned eulogy for Kim Joo-ik that Kim Jin-sook had earlier delivered were shown (Ser 2011). Cho Nam-ho in such a manner became the first head of a chaebol-related entity to be summoned in front of Korean parliament in 14 years (Schober 2018b: 142).

While Hanjin Heavy Industries nominally only came into existence as a subunit of Hanjin with the purchase of the Yeongdo shipyard in 1989, Korea had started its ascent into the top league of shipbuilders already in the late 1970s. Park Chung-hee's regime kept shipbuilding companies well-funded and their workers' wages low during those days. The steep economic ascent that followed after the end of the dictatorship also brought more labor rights along. The onset of democratization in the early 1990s, which workers at Korea's largest shipyards played a major role in bringing about, also delivered neoliberal politics in its wake. These were at times specifically targeted at disciplining labor's demands for a bigger piece of the pie (e.g., via the introduction of labor migrants into shipbuilding, which added pressure to local workers). And after the Asian financial crisis of 1997, International Monetary Fund loans were provided only in exchange for structural adjustment programs that also involved a deregulation of capital flows, which made experiments like Hanjin's move to the Philippines possible.

In recent years, in order to stay competitive with low-wage countries like China, "restructurations" have begun to affect labor in the entire shipbuilding industry of Korea. For instance, over twenty thousand of the approximately ninety thousand shipbuilding workers employed in the city of Keoje lost their jobs in 2016 alone. Faced with the surprisingly temporary and unstable nature of this industry, which at the end of the day is so tied up with the equally as unpredictable fortunes of the global shipping industry, Hanjin's strategy of transferring its production to the Philippines has become the perhaps most fearsome (and in the end short-lived) "solution" to a wholesale disease that has befallen the entire industrial sector. The big gamble that Cho Nam-ho played by investing in the Philippines eventually did not pay off.

Already in 2016, when Hanjin's shipping bankruptcy made international headlines, tensions rose in Subic in the Philippines. The conflation between Hanjin Shipping's demise and the fate of Subic's own Hanjin-shipyard was so widespread that state-appointed Subic Bay Metropolitan Authority Chairman Roberto Garcia had to make a statement. "HHIC Phils. is not related to Hanjin Shipping (it is a subsidiary of Hanjin Heavy Industries and Construction Co. Ltd.), so there is no need to worry," he argued, also pointing to the separation of the shipbuilding branch from the Hanjin Group in 2005 (Ylagan 2019). This 2016 uproar in Subic, of course, was rather well-remembered a little more than two years later, when indeed it was Hanjin in the Philippines that was filing for bankruptcy now. The matter of how Hanjin Heavy Industries was entangled with other businesses of the same name, it turned out, had been more complicated than portrayed by Garcia, which I have also sought to explain by going into the most recent history of scandals at Hanjin's shipyard in Pusan, Korea.

After Hanjin's lawyers had to close up shop when they filed for insolvency in Olongapo, shareholders finally had enough. Cho Nam-ho, in a very similar fashion to his disgraced older brother Cho Yang-ho, was in early 2019 forced out of his own enterprise. Just days after Cho Yang-ho was deposed, Cho Nam-ho lost his board seat as well, after shareholders refused to extend his term. Lee Byung-mo, a professor at Inha University, was appointed as new chief executive. Lee, with decades of experience in the shipbuilding industry (Chun and Choi 2019), was a technocrat with no family entanglements or scandalous behavior attached to his name, who could be tasked with executing the dissolution of the family enterprise in the kind of rational fashion that avoided any additional newspaper headline frenzies. In a case of "operation successful, patient died", in April 2020, the creditors who owned Hanjin Heavy Industries declared that they would sell their shares by the end of the year, with a merger and acquisition by a shipbuilding competitor the most likely scenario. The Korean state—in the shape of the Korea Development Bank, which was also the prime lender during the Subic undertaking—owns the largest stake (16.14 percent) in Hanjin Heavy Industries now (Kim 2020). However, much like in the case of Hanjin Shipping, a state-led bailout would swiftly be moved off the table after the shipbuilding branch ran aground; a matter that had huge repercussions not only for workers in Pusan but also for those in the Philippines.

Conclusion

Since the Asian financial crisis, many debates have been led about whether or not chaebol capitalism represents a particularly corrupt version of doing business, with the family component of the chaebol model repeatedly being singled out as the weak factor. A few years prior to the crash of 1997 (which Hanjin utilized to re-structure their workforce at Yeongdo) Asian "tiger economies," such as that of Korea, were still frequently hailed in the international press as models of rapid economic development. After 1997, however, the same countries now found themselves recast as prime examples of crony capitalism, with Korea's chaebol, in particular, taking center stage as the major culprits who had the blame for that economic crisis pushed onto them (e.g., Campbell and Keys 2002).

Dissenting voices could, of course, be found, too: Chang Ha-Joon (2000), for instance, highlighted the flaws in the rather popular putting-the-blame-on-Asia's-corporate-family-elites narratives of those days. He argued instead that "the Asian crisis was mainly caused by the 'manias, panics, and crashes' mechanism . . . inherent in unregulated financial markets" (776). While I laud Chang's reading of the origins of the Asia financial crisis, my point here is not to contribute to the debate as to whether chaebol capitalism presents a moral hazard or not. Rather, I would like to bring us back to the current moment of bust and raise the question as to why the case of the unruly family at the heart of Hanjin has sparked so much interest recently.

In the story presented here, the attempted separation between family and business has indeed repeatedly become entangled in debates over the place that family dynasties—which are so prevalent in Korea's business world, which is heavily invested in the maritime sector—should have in modern-day capitalism. Order, in the case of Hanjin, was eventually restored by bringing the technocrats in, who made sure to clinically remove the element of human error that this family-led Korean business model seemingly has built into its system. Meanwhile, the business unit itself—and its tens of thousands of blue-collar workers—all proved to be expendable in the midst of such undertakings.

By parsing out the "waterborne" elements of our global economic system, I have argued, we may be able to learn more about the aggregation of corporate, familial, and state interests that are in many ways the motor that propels the global economy forward today. Family businesses are certainly no exception in today's maritime industry, but this business form can become a major source of contention during times of crises. Given how deeply entrenched familial forms of business are in the maritime sector, the separation between family and corporation, as authors like Yanagisako convincingly showed, is indeed nothing but a fiction that at the same time is still an extremely productive artifact. The contested corporate form that is the chaebol has time and again received great attention in Korea and beyond when it comes to the question of (il)legitimate cuts being made between kinship and business.

The controversies around Hanjin and its Cho family, as we have seen, have also served as an opportunity for the Korean state to engage in a kind of domain-making that involved the singling out of one chaebol as particularly "bad," given how much it had allowed itself to be affected by internal family disputes. The "too big, but failed" moments that Hanjin has experienced twice over the course of three years should certainly be understood within larger discussions in Korea and elsewhere as to what a waterborne capitalism of the twenty-first century may look like. In its many twists and turns, the story of how Hanjin built ships, and during the process fell apart, also shows how "container economies" are seemingly iron-cast constructions that during rockier times often turn out to be made of thinly threaded fabric that can easily unravel.

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Notes

1. This article, while not ethnographic in nature, is the outcome of a longer-term research interest of mine that involved seven months of fieldwork in Subic Bay and multiple shorter-term visits to South Korea that I have undertaken since 2013 in order to study the Korean shipbuilding industry.
2. This paradoxical situation was summed up in a sub-headline used in a Korean newspaper article that simply stated "Too big but failed" (Kim 2017).
3. Møller and Olsen—that is, the founding families that stand behind Mærsk and Fred Olsen—

are household names in Denmark and Norway (see Gulbrandsen and Lange 2009; Iversen and Tenold 2014). For an investigation of family firms in Greece and the United Kingdom, see Harlaftis and Theotokas 2006.

4. A picture of the ship being held up at a protest features in a *Nikkei Asian Review* article (Venzon 2019).
5. The entanglement between kinship networks and economic practices is a key theme that anthropologists have explored since virtually its inception. However, it was not until Sylvia Yanagisako and Jane Collier's critique of the blind spots in traditional kinship studies (1987), and similar interventions undertaken by anthropologists like Marilyn Strathern (e.g. 1985) that the interlinkages between production and reproduction in contemporary societies became an important theme (see also McKinnon and Cannell 2013). Noteworthy other explorations from a more Marxist angle around the transmission of wealth through kinship networks are Chris Gregory's work on mercantile families in South Asia (1997) and Pnina Werbner's *The migration process* (2002).
6. McLean spent years experimenting with what would become the intermodal shipping container. Starting out as a trucker like Cho, McLean became obsessed with finding a solution that would ease the transportation of goods from truck to ship and back onto truck again. This eventually led to the construction of the first modern container ship, which sailed on April 26, 1956 with fifty-eight containers on board (Levinson 2006; see also Leivestad and Markkula, this issue).
7. The relationship between business families and Korean shareholders is a very complex one. Family control over individual firms within the conglomerate does not often translate into holding a majority of shares—control does not equal ownership. Instead, the "creative" use of nonprofit organizations, the establishment of new companies together with strategic mergers versus splits that shift ownership structures in times of crisis toward the family are part of the chaebol playbook. This dependence on various maneuvers to keep control, while also avoiding heavy taxation and liability for losses, also means that a family in the midst of a feud, unable to cooperate any longer, becomes vulnerable to outside shareholder and state demands.

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