3

Democratization by Launching the Sixth Republic of Korea (ROK)

Poverty has been my guide and my benefactor. Hence my time, twenty-four hours a day, cannot be separated from the affairs related to this guide and benefactor. The establishment of a self-reliant and independent Korea based on a mass society of austerity, diligence, honesty and sincerity, is what I wish for.[1]

Park Chung-Hee, 1963
ROK President, 1961–1979

For it is not always when things are going from bad to worse that revolutions break out, . . . generally speaking, the most perilous moment for a bad government is one when it seeks to mend its ways.[2]

Alexis de Tocqueville, 1955 [1840]

In East Asia, as in Western Europe, liberalizing autocracies laid the groundwork for stable liberal democracies.[3]

Fareed Zakaria, 2003

This chapter addresses the question of *how and why* the constitutional crisis of political transition and regime change took place, while the South Korean economy was undergoing a relatively rapid and high-growth trajectory in the 1970s and 1980s. The forces associated with the democracy movement exerted their relentless pressures and demands for political change in the midst of economic success and prosperity rather than the failure and slowdown of the economy. Alexis de Tocqueville was among the first to recognize this paradox of regime change (i.e., revolution) triggered by reforms in his study of the ancien régime and the French Revolution (Tocqueville, 1955 [1840]). This so-called Tocqueville paradox underscores the dynamics of democratic transition in South Korea's ancien régime of the Fifth Republic.[4]

South Korea's political transition from authoritarianism toward democracy began with its democratic opening in 1987. Timed with the historic hosting of the 1988 Summer Olympics in Seoul, South Korea made great strides toward democracy. The Republic of Korea (ROK) government's attempts to consolidate democratic gains in

the ensuing years, however, have proved to be more difficult. We will examine here the topic of democracy building from the broad historical perspective of the modernization of Korea. The dynamics of transforming the tradition-bound Korean society into a modern democracy have been the continuing challenge for political leadership in the last decade of the twentieth century.

Related to modernization is the idea of democratization. The initial stages of democratization, involving the decay of authoritarian rule and democratic transition, will be the primary focus of this chapter. The objective is to see how the idea of democracy has evolved from an authoritarian political environment, albeit with economic development, and also to anticipate prospects for institutionalizing political democracy in Korean society. By the mid-1980s South Korea had moved away from conditions of abject poverty toward relative prosperity. What role did culture play as a causal explanation for overcoming the sociology of poverty? Was it a strategy of action for mobilizing the energy of entrepreneurship or the talent of technocracy and bureaucracy?

This chapter shows how South Korea's domestic politics of the Fifth Republic (1981–1988) eventually led to the authoritarian withdrawal and democratic opening, as proclaimed on June 29, 1987, and furthered subsequent political change. The origins and background of the launching of the Sixth Republic, through democratization that resulted in the successful regime change, will be examined first. It was uncertain initially whether the values of democracy, as agreed on by political leaders subsequent to the proclamation, could be institutionalized. But the continuous popular demand for democracy and economic growth helped the leadership to pursue the policy agenda and goals of modernization. The discussion on launching the Sixth Republic will end with an analysis of the political economy of democratization and an assessment of the extent to which the Roh Tae-Woo administration in the Sixth Republic accommodated democratic norms and principles in pursuit of the idea of political democratization.

Subsequent analysis will begin by examining the first and second stages of democratization in South Korea (i.e., the decay of authoritarian rule and democratic transition); the discussion on the third and fourth stages of democratization (i.e., democratic consolidation and maturing of democracy or institution building) will be continued in Chapters 4 and 5. Since democratic transition originated from the prior political process of democracy movement and liberalization, we will begin by raising both theoretical and practical questions of what democracy entails and how democratization culminates into an orderly democratic transition.

Democracy Movement and Democratic Transition

Democracy, simply put, is "rule by the demos," or government by the people. In defining democracy, differentiation is usually made between its substantive and procedural aspects. Substantively, democracy is a form of government based on the consent of the people and it serves the general interest of the governed. Proce-

durally, democracy is a form of government where the people, through elections that are "fair, open and periodic," select the leaders. Candidates are expected to compete for votes (Schmitter and Karl, 1991: 73; Pae, 1986: 1–14).

The differentiation between the substantive and procedural aspects of democracy reflects the values underlying the conception of democracy. Substantive democracy gives an emphasis to such values as justice and equality. Procedural democracy, on the other hand, promotes such values as fairness, due process, transparency, and the rule of law. Recent empirical research on democratization tends to favor a procedural or minimalist conception of democracy over a substantive or maximalist conception that embraces political equality and social justice (Shin, 1994: 142). The procedural conception of liberal democracy, according to many, is said to have gained greater acceptance today, not only by the elites, but also by the mass public (Huntington, 1991a; Mainwaring, O'Donnell, and Valenzuela, 1992; O'Donnell and Schmitter, 1986).

The social science literature is full of studies on democracy as a theory and practice (Dahl, 1989; Held, 1987; Sartori, 1987). Democracy, as a political science concept, means a political regime that permits free and competitive elections, where the adult population enjoys not only universal suffrage, that is, franchise, but also the protection of basic human rights by the government. A democratic regime must provide an institutional mechanism for its citizens to enjoy the basic freedoms of speech and the press, as well as the rights of political association and political competition (Share and Mainwaring, 1986: 177). A democratic regime must also enable an alternation in political power through periodic general elections.

Two observable and empirical indicators of democracy, as Robert A. Dahl observes, are the presence in the political system of political contestation and popular participation in the political process (1971, 1989). A political system is democratic, as Samuel P. Huntington notes, "to the extent that its most powerful collective decision-makers are selected through periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote" (1984: 194). An operational definition of the term "democracy," therefore, will require the presence of both the regime and political opposition forces in society, a society governed by the institutional rules and arrangements for peaceful and orderly political change via election and the electoral process (Dahl, 1989; Di Palma, 1990, Huntington, 1989; Lawson, 1993; Mainwaring, 1993; Sartori, 1987; Schmitter and Karl, 1991).[5]

Democracy, as such, reflects primarily Western values that have acquired universality or universal appeal in the late twentieth century. Democratic values are somewhat alien to an East Asian traditional culture that draws on the beliefs and norms of Confucianism (see Chapter 2). Although East Asian civilization had some notions of democratic values and value orientation, as noted in the Asian values discourse in Chapter 9, the dominant paradigm of the traditional culture of East Asia was family centered and hierarchical in human relations and value orientation.

Democracy Movement and Liberalization

Democratization is one of the three principal ideas, values, and beliefs, as already noted in Chapter 1, that have affected the political and socioeconomic life of the ROK in the last quarter of the twentieth century. Because of its centrality in shaping the political landscape of contemporary Korean society, we need to expand on the theory of democratization. Democratization consists of two separate steps: democratic transition and democratic consolidation. The dynamics of democratic transition will need additional analysis here, while the challenge of democratic consolidation through reform will be examined in Chapter 4.

Democratic transition occurs when the authoritarian state is replaced by the democratic state. This regime change takes place either by the use of force against the government by opposition forces, resulting in the overthrow of the government and revolution, or the peaceful and orderly transfer of power between the government and opposition through an electoral process. The latter involves the strategic choices of key actors—the supporters and opponents of the incumbent government—through negotiation and bargaining on the modality of power transition.

In some recent studies on democratic transition, "choice" has received greater emphasis than the contextual factors of both institutional and economic "constraint" (Haggard and Kaufman, 1995: 5). The most influential study in this tradition is Guillermo O'Donnell, Philippe Schmitter, and Laurence Whitehead (1986), who build on earlier works by Dankwart Rustow (1970) and Juan Linz (1978). They highlight "the high degree of indeterminacy embedded in situations where unexpected events (fortuna), insufficient information, hurried and audacious choices, confusion about motives and interests, plasticity and even the definition of political identities, as well as the talents of specific individuals (virtu) are frequently decisive in determining outcomes" (O'Donnell, Schmitter, and Whitehead, 1986: 5). This choice-based approach has been further refined and developed by Adam Prezeworski (1991) into a game-theoretic format that displays both elegance and deductive rigor. These relatively abstract models of strategic choice will need to be supplemented, however, by detailed case studies with empirical data and comparative analysis of the new democracies.

Stephan Haggard and Robert R. Kaufman (1995) meet this requirement by undertaking a comparative study of the political economy of democratic transition in the 1970s and 1980s in terms of how authoritarian withdrawals had taken place in the context of either "economic crisis" or "noncrisis." Their study is built around a comparison of twelve countries: seven in Latin America (Argentina, Bolivia, Brazil, Chile, Mexico, Peru, and Uruguay) and five in Asia (Korea, Taiwan, the Philippines, Thailand, and Turkey). What makes the Korean case of democratic transition rather unique and special, they argue, is that in 1987 the democratic transition occurred at times of economic noncrisis situations (1995: 91). This rather unexpected surprise of "authoritarian withdrawal" requires an explanation.

Scholars have generated a large volume of studies on democratic transition

and consolidation. These range from the broad concerns of political leadership, political structure, and political culture to more specific focuses on elite strategies and interaction, civil-military relations, and institutional designs of electoral and party systems. As a result, theories of democratic transition and consolidation, or what some experts have called "transitology" and "consolidology," have emerged as an important subject area in comparative politics (Schmitter and Karl, 1994). Three competing and interrelated paradigms have been particularly noteworthy.

The first is the "preconditions paradigm," which argues that there exist a set of preconditions necessary for democratization, such as economic development and "civic culture." Seymour Martin Lipset writes that "[t]he more well-to-do a nation, the greater the chances that it will sustain democracy" (1960: 51). Certain cultural traits, such as mutual trust, tolerance, accommodation, and compromise, are also considered essential to democratization (Putnam, 1993; Fukuyama, 1995a). The second is the "contingency paradigm," which attributes democratization to a high degree of uncertainty. As a result, the dynamics of transition revolve around and gravitate toward strategic interactions among actors. Contingency implies that political outcomes in the process of democratization depend less on objective structural conditions than on subjective rules surrounding strategic choices made by the elite (O'Donnell and Schmitter, 1986; Karl, 1990). The third is the "civil-society" paradigm, which argues that civil society is crucial in promoting, protecting, and preserving democracy (Diamond, 1999: 218, 239; S. Kim, 2000: 8–9).

Democracy movement and liberalization normally precede a democratic transition that, in turn, would lead to either the success or failure of democratization. The role of civil society in the politics of democratization is important. This was especially so in the case of Korea, as documented by a recent study (S. Kim, 2000). Korean democratization has undergone three "democratic junctures" (1956–1961, 1973–1980, and 1984–1987), according to Sunhyuk Kim, whereby the democracy movement was initiated and promoted by civil-society groups. The prodemocracy alliance of these groups became "more extensive, more organized, and more powerful over each of these periods (2000: 5).

Civil society, as Larry Diamond notes, is the realm of organized society that is "open, voluntary, self-generating, at least partially self-supporting, autonomous from the state, and bound by a legal order or set of shared rules" (1999: 221). As such, civil society is distinct from "society" in general, in that "it involves citizens . . . in a public sphere" to express their interests, passions, preferences, and ideas. Civil society, therefore, is an intermediary phenomenon that stands between the private sphere and the state. A vibrant civil society serves "the development, deepening, and consolidation of democracy" by providing "the basis for the limitation of state power, hence the control of the state by society" and, after the transition, involving the process of "checking, monitoring, and restraining the exercise of power" by democratic states and holding them "accountable to the law" and standards of responsible government (239).

The term "democracy movement" refers to a popular campaign to bring about

an end to the authoritarian rule and to establish democracy as a political system. The term "liberalization" refers to a decline in repression of the opposition by an authoritarian regime prior to a democratic opening and democratization. Whereas democracy movement is undertaken in the civil society, engaged by the leaders of political and civic organizations outside the political establishment, the ruling elite within the regime undertakes the measures of liberalization. To be successful in a democratic transition, these two processes of democracy movement and liberalization must go hand in hand and must be synchronized, either by design or by default.

An interaction between democracy movement and liberalization will determine the outcome of the politics of democratization. Whereas the democracy movement is led by opposition leaders in alliance with civic organizations to bring about an end to the authoritarian political order, liberalization represents a policy change initiated by the ruling elite within an authoritarian regime. Liberalization occurs when there is an easing of repression by the regime. As a result, the basic civil and political rights of the citizenry are extended without necessarily permitting competitive elections that would allow for an alternation in power (Huntington, 1984: 194).

Democratization, in short, encompasses the democracy movement, liberalization, democratic transition, and democratic consolidation. Democratization also entails the establishment of institutional arrangements that will make possible an alternation in political power. Democratization, according to Huntington, is about the replacement of an authoritarian government by a government selected "in a free, open, and fair election" (1991a: 9). Whereas liberalization entails a "partial opening of an authoritarian system," democratization entails the process of "choosing governmental leaders through freely competitive elections" (9). Thus defined, democratization is the dynamic process of political change that enables the broader participation of the public in the electoral process of choosing the members of the government.

Typology of Democratic Transition

Scholars on democratization have also examined how democratization and democratic transition proceed once liberalization occurs. What sequences and alternative paths are open and available to the regime and opposition as political actors? Three ideal types of transition of an authoritarian regime to democracy have been noted in the literature. These are to achieve democratization via (1) overthrow or replacement of the regime by the opposition, (2) reform or transformation undertaken by the regime itself, and (3) compromise or negotiated settlement between the regime and the opposition (Huntington, 1991a). These are useful constructs that can clarify the process of political change associated with the democratic transition of the authoritarian state.

Huntington designates these three types of regime transition, respectively, as replacement, transformation, and transplacement (1991a: 124). South Korea's demo-

cratic transition avoided Huntington's first process of "replacement" that entailed overthrowing an authoritarian regime (of Chun Doo-Hwan's Fifth Republic). Instead, the South Korean democratic transition ended up with a combination of the second and third processes. It moved from the regime "transformation" from within to regime "transplacement" through negotiation with opposition thereby overcoming an outright regime "replacement." The authoritarian regime negotiated its own mode of regime changes (transplacement) with political opposition. The ruling party chairman Roh Tae-Woo agreed to meet with the opposition leader Kim Young-Sam to work out a plan for drafting a new constitution for the new Sixth Republic that would be approved by a national referendum.

Donald Share and Scott Mainwaring introduce an alternative typology slightly in variance from Huntington's three types of democratic transition: transition through regime decline or collapse, transition through extrication by authoritarian elites, and transition through transaction between the regime and political opposition (1986: 178–179). No historical case seems to conform exactly to any of these threefold ideal types of democratic transition, but the typology introduced by Share and Mainwaring could be used also as the basis for establishing the case for Korean democratic transition. From this perspective, the South Korean experience clearly belongs to the third type of democratic transition, that is, "transition through transaction," or what Huntington calls transplacement, or simply "compromise" and "negotiated settlement between the regime and the opposition."

The first type of democratic transition through regime decline or collapse is the most common. In these cases, the authoritarian elites exercise almost no control. These may take the form of military defeat at the hands of an external force (as in the case of democratization of Japan by the U.S. occupation authority after World War II) or of profound internal crisis in which the authoritarian regimes become thoroughly discredited and delegitimized (as in the case of the Philippines in 1986). This type of transition to democracy involves significant institutional changes and a rupture in the pattern of political authority. Historical examples include, in addition to Japan in 1945, Germany and Italy after World War II, Greece and Portugal in 1974, and Argentina in 1982–1983. The case of South Korea does not fit into this type of democratic transition, although the national liberation of Korea from Japan by the allied powers in 1945 affords a distinct possibility for this type of democratic transition.

The second type of transition, transition through extrication, happens when authoritarian elites set limits of their own regarding the form and timing of political change, although they have limited ability to control the transition beyond the moment of the first elections. These authoritarian regimes generally tend to withdraw from power because of their low level of legitimacy and internal cohesion, although they still retain some control over the transition. Examples include Peru in 1980, Bolivia in 1979–1980, and Uruguay in 1982–1985. This was exactly the type of transition that President Chun Doo-Hwan would have fallen into but was saved from because of the "transplacement" plan worked out by Roh Tae-Woo at the

eleventh hour. Roh, Chun's handpicked successor, was enticed to issue the dramatic announcement of a democratization reform package of his own.

The third type of democratization, transition through transaction, is the negotiation between the ruling elites of the authoritarian regime and the democratic political opposition, although the negotiations are not initially between equals. Typically, the regime takes the initiative in the process of liberalization and remains viable as an agent for influencing the course of political change. Over time, however, a genuine process of negotiation takes place as the opposition begins to make headway and to redefine the political agenda. Examples, besides South Korea in 1987–1989, include Spain in 1977 and Brazil in 1982–1985.

This was the way South Korea's democratization worked from 1987 to 1989. Liberalization by President Chun Doo-Hwan and democratization by President Roh Tae-Woo came about as conscious choices and decisions made by the authoritarian elites. These authoritarian elites, including Roh, initially exercised their capacity to control and shape the contours of the political process, although their regimes' control progressively declined as a result of popular mobilization, foreign pressures, and domestic opposition.

There are a wide range of experiences in the "third wave" of democratization of the developing countries, starting with the fall of dictatorships in southern Europe in 1974 and Latin American militaries withdrawing from power in the late 1970s. In discussing the political economy of democratic transitions of these countries, Haggard and Kaufman (1995) draw a distinction between the two types of "authoritarian withdrawals" in new democracies: the context of either economic crisis or noncrisis situations. At the time of the 1979 assassination of President Park Chung-Hee, the ROK economy was experiencing some problems even though the economy was on a high growth trajectory. But these political and economic crises did not materialize into "authoritarian withdrawal" at that time. Eight years later in 1987, when the Korean economy was in a noncrisis situation, with a high growth rate and a current account surplus with low inflation, the authoritarian government opted—albeit out of the pressures exerted by political opposition and prodemocracy movement forces in the civil society—for "democratic opening." This illustrates that democratic transition can occur in "good times" as well as in "hard times" (Haggard and Kaufman, 1995).

These definitions and conceptualizations of democratization are important in clarifying the case of South Korea's democratic transition and consolidation. South Korea's democracy movement reached a turning point in acquiring potency in the summer of 1987, when protest demonstrations were joined by some of the middle-class citizenry. Thereafter, however, violent demonstrations died down with the waning support of middle-class citizens who detested tear gas and violent confrontation in the streets. The South Korean democratic transition began with the December 1987 presidential election and climaxed five years later with the December 1992 presidential election, thereby completing the full electoral cycle of an orderly and peaceful transfer of power.

In explaining Korea's democratic transition, some students highlight the role of external factors, especially the United States' policy and its position toward the Korean democracy movement (Gleysteen, 1999). Others address the role of domestic factors, such as the role of civil-society groups (S. Kim, 2000). Still others note the role of "elite calculation and interaction," such as a grand compromise between the soft-liners (*blandos*) and the hard-liners (*duros*) in the ruling structure (Cumings, 1989). According to some scholars, however, the elitist paradigm does not provide a complete explanation for the Korean democratic transition for three reasons. First, the visibility of elite interactions does not necessarily mean that they were causal. Second, excessive focus on elites tends to overlook the fact that their interactions were also subject to structural constraints. Third, strategic choices that mass publics also make sometimes prompted elites to move in the first place (S. Kim, 2000: 4; Tarrow, 1995).

Tracing the historical context of democratization in South Korea will require a brief survey of the ways in which authoritarian political order preceded the launching of the Sixth Republic of Korea. The subsequent discussion will proceed in five steps. First, the political economy of South Korea's authoritarianism will be surveyed in order to show how modernization ideas inspired soldiers-turned-politicians to emerge. Second, the constitutional crisis of the developmental state will be examined with the liberalization of the regime and the downfall of the Fifth Republic. Third, the democracy movement in and outside parliament will be analyzed to see how the process moved toward the democratic opening. Fourth, the political economy of democratization under the new regime of President Roh Tae-Woo will be examined. Finally, this chapter will derive certain lessons and reach a conclusion concerning the South Korean experience of democratic transition.

Modernization Ideas Inspire Soldiers-Turned-Politicians

The historic task of modernization of post-Confucian society of South Korea in the second half of the twentieth century was undertaken in the historical context of Korea as a divided nation-state. The Cold War system of confrontation, after World War II, provided the structure within which the ROK had to pursue its political and socioeconomic development. In terms of the modernization strategy, South Korea adopted a capitalist and market-oriented paradigm of development, while North Korea chose to follow a socialist path, using a centrally planned program and command economy strategy of development (Yang, 1994; Kihl, 1984, 1987).

With the founding of the ROK on August 15, 1948, South Korea had launched an experiment with a type of constitutional democracy. These early experiments in democracy were doomed to fail, however, because of an inept leadership of politicians and the failure of the government to attain economic prosperity for the people. Following the Korean War (1950–1953) and during the First Republic (1948–1960) under President Syngman Rhee, South Korea started moving away from constitutional democracy toward authoritarian politics. The Second Repub-

lic (1960–1961), following the student-led revolution of April 1960 that overthrew the Rhee regime, was short lived. Although it was democratically constituted through parliamentary procedure, the Chang Myon government proved to be politically weak, with incessant partisan infighting, and economically inept, with a lack of ideas and indecisive leadership. This provided the opening for military intervention in civilian politics.

With the failure of the Second Republic, South Korea pushed ahead with authoritarian politics. The soldiers-turned-politicians were inspired by the ideas of modernization, especially overcoming poverty through modernization and industrialization of the economy. During thirty-two years, from 1961 to 1993, the three presidents of the ROK were all soldiers-turned-politicians. First, Major General Park Chung-Hee led a coup on May 16, 1961, but subsequently was elected as civilian president three times in popular elections, in 1963, 1967, and 1971, and in electoral college elections, in 1973 and 1977. Second, Major General Chun Doo-Hwan carried out the December 12, 1979, coup, but subsequently was elected by an electoral college, in 1981, as civilian president to serve a seven-year term. Third, retired General Roh Tae-Woo ran for president as head of the Democratic Justice Party (DJP) in the 1987 presidential election and was popularly elected as president to serve a five-year term. Roh Tae-Woo, a coleader of the 1979 military coup, was a classmate of General Chun Doo-Hwan in the Korean Military Academy class of 1955.[6]

All of these soldiers-turned-politicians were directly inspired by the ideas of modernization that acted as the driving force during their respective terms in office. The idea of democratization also acted as the driver of the political and economic processes during these years, and acted as a negative force during the tenures of President Park Chung-Hee and President Chun Doo-Hwan, while acting as a positive force during the tenure of President Roh Tae-Woo.

The guiding principle of soldiers-turned-politicians, such as Park Chung-Hee, was to transform Korea into "a wealthy nation with a strong army" (*puguk kangbyong*) via a self-reliant and independent spirit of nation building (Park, 1963: 292). In the process, however, the cause of democracy was pushed aside by the immediate concerns for modernization of the economy and an ambitious program of rapid economic growth to be carried out with a military sense of efficiency. An economic miracle of development was manufactured by the successive authoritarian regimes of the capitalist developmental state (CDS). The policy instrument to bring about this change was an export-led strategy of rapid industrialization of the economy (Haggard, 1990) and co-optation of the chaebol (big business conglomerates) as an instrument for attaining heavy industrialization of the economy in a hurry. This was also the case with the authoritarian state of the Fifth Republic under President Chun Doo-Hwan. "Interests and institutions" matter, much as do "ideas," in Korea's political economy.

When former President Park Chung-Hee was assassinated on October 26, 1979, his prime minister, Choi Kyu-ha, became acting president in accordance

with the constitutional procedure. Choi remained as a figurehead, however, because the military faction led by then–major general Chun Doo-Hwan carried out a two-stage coup d'état (the first on December 12, 1979, and the second on May 17, 1980).

The second coup was met by a nationwide antigovernment demonstration, including the Kwangju uprising, which lasted for nine days beginning May 18 and was suppressed by the military. On August 16 Choi Kyu-ha resigned from the presidency and Chun Doo-Hwan was elected president by the rubber-stamp electoral college, created by former president Park Chung-Hee, on August 30, 1980. The next day, Chun assumed his presidency, but he was not inaugurated until March 1, 1981, when the new constitution came into effect.

The constitution of the Fifth Republic, drafted by a government-appointed committee, was completed on September 29. It was subsequently approved by plebiscite, winning 91.6 percent of the votes cast in a national referendum, held on October 22, 1980. With the general election for the National Assembly held on March 25, 1981, the process of founding the new Fifth Republic was completed.[7]

Since the early 1960s, the Korean economy has been on a rapid growth trajectory. The average annual growth rate of the gross national product (GNP) per capita between 1965 and 1990, for instance, was 7.1 percent, making South Korea the second fastest growing economy in the world (next to Taiwan) (World Bank, 1993). Its GNP per capita was $5,400 in 1990, up from $82 in 1961, placing South Korea in an upper-middle-income economy by the standards of the World Bank. Income distribution has also been relatively equitable, although the picture has deteriorated somewhat since the 1970s.

Starting in the early 1960s, the economy transformed itself from an agrarian to an industrial economy in less than two decades. Between 1961 and 1980, the proportion of people employed in agriculture, forestry, fishing, and mining decreased. Those in agriculture, for instance, declined from 66 percent to 35 percent of the employed population, while those in manufacturing rose from 9 percent to 22.6 percent, and those in service grew from 25 percent to 43.4 percent. By 1980, the labor force structure resembled more industrialized economies, rather than agrarian and raw material-extracting developing economies (Cho, 1994; Song, 1994).

From the outset, South Korea's authoritarian state lacked political legitimacy because of the ways in which successive political regimes were established. Starting with the Third Republic, an authoritarian state resulted from the military coup of May 16, 1961, led by then–major general Park Chung-Hee. Park turned into a lifelong dictator by amending the constitution in 1972 to establish the Fourth Republic. He did not live to enjoy his guaranteed term in office, however, due to his assassination on October 26, 1979. The successive regimes of the Fifth and Sixth Republics, under Presidents Chun Doo-Hwan and Roh Tae-Woo, respectively, suffered from a lack of political legitimacy due to military intervention in civilian politics.

The military-dominating authoritarian states, from 1961 to 1988, were in-

strumental in achieving the developmental goals of modernization. But the lack of political legitimacy hampered progress in South Korea's political development and democratization. The attempt to overcome the inertia of tradition-bound post-Confucian social norms and institutions came under the influence of the military and bureaucratic political culture during the phase of consolidating an authoritarian state.

The political institution that has emerged from the experiment in economic development by the soldiers-turned-politicians is called the CDS. It has been responsible for transforming post-Confucian South Korea and exhibits several characteristics of a state political economy, including a strong state, readily intervening in the market to influence the economy; a high degree of state autonomy vis-à-vis civil society; an efficient bureaucracy; and an authoritarian style of leadership (Johnson, 1982, 1989).

The terms of entry into the political economy were dictated by the authoritarian state. The state favored big business, through preferential treatment of the chaebol (Johnson, 1987). Civil bureaucracy was mobilized in the service of the military regime. The highly trained technocratic elite, in turn, staffed the resultant bureaucratic authoritarian state. In this process of recruiting government elites, the cultural legacy of Confucianism favoring officialdom, scholarship, and merit-based recruitment no doubt played a role in strengthening the bureaucratic authoritarian state.

The authoritarian state also had an exclusionary regime. Certain popular sectors in civil society were excluded from political participation. These included the workers, farmers, progressive intellectuals, students, and certain religious leaders. The state, for instance, openly acted to repress organized labor, depriving its right to collective bargaining.

With the successful attainment of its developmental goals, however, South Korea's post-Confucian society began to change. The authoritarian regime was confronted by certain difficulties both at home and abroad. From 1986 to 1987, there was a greater demand for political participation by the popular sectors, which were led by political opposition that demanded the restoration of democracy. Radical university students waged violent antigovernment street demonstrations. Labor began to become more militant by waging strikes in demand for higher wages and better working conditions. Progressive Christian clergy also joined the movement to restore democracy.

Thus, the legacy of authoritarian politics in South Korea was rather ambiguous. Confucian culture is moralistic in tone and condemnatory of illegitimate and immoral political acts. The challenge of the questionable legitimacy of an authoritarian state, therefore, led to the crisis of a developmental state in 1987 and the subsequent liberalization and democratization reform in the Sixth Republic under President Roh Tae-Woo. Under the traditional Confucian state and ideology, the military was subservient to the civilian scholar-gentry. However, because of the military dominance in civilian politics, the authoritarian state could not restore

and solidify its legitimacy by performance alone. Yet, in the task of building a strong economy, the military-dominant authoritarian state did bring about an economic miracle, thereby helping post-Confucian society to transform itself into a modernizing society.

The success of a developmental state also prepared for the democracy movement to take hold in civil society. The democratization and democracy movement in post-Confucian South Korea, on the other hand, was led by the opposition party leaders in alliance with the popular sectors of radical students, intellectuals, labor leaders, and progressive journalists and clergy. Contrary to the expectation of a fragmented political opposition in post-Confucian society, the democracy movement in 1987 was unified as an effective political force in opposition to the authoritarian regime both in parliament and civil society.

A recent study documents the role of a vibrant civil society in Korea's democratization (S. Kim, 2000). There have been three time periods in South Korea's constitutional history, according to Kim Sunhyuk, when civil-society groups could have forged an alliance with political opposition to bring about democracy: the first democratic juncture (1956–1961), the second democratic juncture (1973–1980), and the third democratic juncture (1984–1987). It was not until the last of these three occasions that the prodemocracy movement successfully pressured the authoritarian regime to seriously negotiate with political opposition for its withdrawal from politics in June 1987 (S. Kim, 2000).

The Korean case of democratic transition is similar, in many ways, to the game-theoretical situation of strategic interaction and bargaining carried on between the regime and political oppositions in the third wave of democratization. Yet, the 1987 bargaining in Korea was not so much an interelite strategic bargaining as an authoritarian withdrawal dictated by democratic opposition forces winning the political contest. The opposition leaders led the democracy movement but the civil-society groups at the grass-roots level, like the university students, church leaders, labor unions, and the middle-class citizens, actively supported their political cause.[8]

Democratic transition was also made easier because the regime itself was divided between the hard-liners and soft-liners over the question of constitutional revisions. The soft-liners, led by Roh Tae-Woo, who favored liberalization, eventually prevailed over the hard-liners (Im, 1995). The impetus for democratization of South Korea in 1987 had less to do with the cultural legacy of Confucianism and more with the dynamics of the capitalist development that led to activating civil society and weakening of state autonomy. The regime change was guided in 1987 by elite machinations "from above" and the political opposition aided by popular mobilization "from below." This was sparked by the activism of civil-society groups outside parliament.

Democratic transition is the process of liberalization of authoritarian regimes and their replacement by democratic forms of political organization. This phase lasted for three years, from February 1985 until the Sixth Republic was launched in

February 1988. The process of democratization was made possible by Roh Tae-Woo's June 29 pronouncements of democratic reform measures, but was not completed until the election and inauguration on February 25, 1993, of a civilian president to replace Roh Tae-Woo. During the period of democratic transition, liberalization led to activation of the civil society and the weakening of the state.

In the 1987 democratization movement, the new middle strata (*jungsangch'eung*) that sided with the cause of the democracy movement against the authoritarian regime initially joined the popular sector. With industrialization, urban white-collar workers, which constituted the bulk of the new middle strata, rapidly increased in number. This group, highly educated and modern in outlook, with professional skills, was relatively young and strategically based in various social organizations and institutions (Dong, 1991; S. Lee, 1993: 354). At the time of the uprising, this group was also reform-oriented and directed the course of Korean development, according to Han Sang-Jin (1991: 246).

Once the regime change took place, however, the new middle strata now began to pay greater attention to the activation of civil society by becoming involved in neighborhood activities. Su-Hoon Lee (1993) documents two such cases of the Korea Anti-Pollution Movement Association and the Citizens Coalition for Economic Justice. The result of this increase in power of civil society was the relative decrease or erosion of state capacity and autonomy (S. Kim, 2000).

Constitutional Crises of the Developmental State

Much as the economic miracle of development became reality in South Korea in the 1970s and 1980s, the political miracle of democratization or democracy building got underway in South Korea in the 1990s. In explaining the process of South Korea's democratization, some of the contributing factors to South Korea's "economic miracle" are equally relevant. South Korea's rapid economic growth in the post-1961 period was due to a host of interconnected international, political, social, and cultural factors that facilitated the process of industrialization of the economy. These factors included, among others, international political support, access to foreign capital and technology, a small core class of entrepreneurs, a reserve of actual and potential workers, and the ability to learn quickly and remain cost-competitive in the international market (Eckert et al., 1990: 403).

Although some of these factors are equally important for understanding the political modernization of Korea, it was the success of economic development that provided the context and conditions for the subsequent political miracle of South Korea. The process of movement toward democracy, and the sustained momentum of democratization of politics, owed as much to the vision of modernization ideas upheld by Korean intellectual elites as to the display of leadership by political elites, in and out of government service.

The economic miracle of development was achieved by the CDS that adopted the policy and programs indicative of a rapidly industrializing economy. An au-

thoritarian regime was established to pursue an ambitious program of economic growth that was carried out with considerable success and efficiency. The authoritarian state was instrumental in achieving the developmental goals of modernization of the country, moving it away from a tradition-bound and underdeveloped society into a newly and rapidly industrializing country. Its aspiration was to build a dynamic modern, democratic, and prosperous society for South Korea.

The CDS, as already alluded to, brought about the successful economic transformation of South Korea (Woo, 1991; Woo-Cumings, 1999). The nature and characteristics of the CDS included several features of the political economy of the state: a strong state influencing the economy, a high degree of state autonomy, an efficient bureaucracy, and an authoritarian regime and leadership style (Johnson, 1982, 1989). Park Chung-Hee and Chun Doo-Hwan both exercised authority over the chaebol regarding the terms of their entry into the market through preferential treatment, while punishing certain popular sectors in civil society, like depriving organized labor of its right to collective bargaining (Johnson, 1987: 136–164). In addition, the military bureaucracy supported the regime, while the civil bureaucracy was mobilized in the service of the regime. The bureaucratic authoritarian regime, in turn, was staffed by a highly trained, technocratic, elite corps of civil servants co-opted by a soldier-turned-politician leadership.

With the successful attainment of its developmental goals, however, South Korea began to exhibit certain constraints and limits of a developmental state (E. Kim, 1993: 118–139). The economy was confronted by the structural problems exemplified by labor militancy and demand for higher wages. This resulting crisis in the CDS, triggered by the consequences of the deepening of problems associated with rapid industrialization, advanced the political crisis. The success and failure of resource allocation, for instance, in implementing the heavy chemical industrialization policy in the late 1970s, led to both economic strains and acute crises in authoritarian politics (Moon, 1988: 67–84).

The activation of popular sectors in civil society, including labor demands and student protest movements, also contributed to the onset of political crisis in the late 1970s. The assassination of President Park Chung-Hee in October 1979 was preceded by political disturbances, including antigovernment riots in the Pusan and Masan areas and the Y.H. Company labor disputes in Seoul in 1979. The strikes and sit-in demonstrations, led by female textile workers of the Y.H. Company in Seoul, became a political issue, as the opposition party supported their higher wage demands and protest. Kim Young-Sam, then the opposition leader in the National Assembly, was forced to resign and was expelled from parliament because of his antiregime stance. He was voted out of the National Assembly on the grounds of violating the provision of the emergency decree enacted by an earlier rubber-stamp legislative body of Park Chung-Hee's Yushin Korea. This episode weakened the authoritarian regime control and grip of the CDS and helped to precipitate the political crisis.

Political Repression Under Chun Doo-Hwan

Park's assassination created a political vacuum that was temporarily filled by Prime Minister Choi Kyu-ha, who as acting president restored law and order with the help of the martial law command. A coup-like rebellion within the military, however, was soon waged on December 12, 1979. It was led by then–major general Chun Doo-Hwan, who, as chief of Defense Security Command, pressed the Choi government to declare a state of national emergency.

The collapse of the Fourth Republic, called the Yushin system, led to a brief interval of political relaxation, dubbed by prodemocracy forces as "the springtime of democracy" early in 1980. With the collapse of Korea's Fourth Republic (1973–1979), the opportunity for democratic restoration and transition was opened up in 1979–1980. However, this democratic opening and transition did not materialize and, instead, the economic and political crises led to the reassertion of military rule under Chun Doo-Hwan and his associates.

A second military rebellion was engineered and carried out by Chun Doo-Hwan and his associates on May 17, 1980. This eventually led to a series of widespread street demonstrations throughout the country in opposition to new authoritarian political order. Prodemocracy protests in the city of Kwangju in South Cholla Province, on May 18, became a full-scale riot, which led to bloody suppression by government forces.

Under martial law, Chun also acted to produce a blueprint for a new authoritarian political order by launching, on May 31, 1980, the Special Committee for National Security Measures, with a junta-like thirty-one-member Military-Civilian Standing Committee (Kihl, 1984: 74–90). Subcommittees of this body made all key state decisions. Shortly after the resignation of the short-lived post-Park government of President Choi Kyu-hah on August 16, 1980, General Chun (who was rapidly promoted to full general) resigned from active duty. He was then elected president by a vote of 2,525 to 1 by the rubber-stamp electoral college called the National Conference for Unification. Chun was sworn in on September 1, 1980.

A government-appointed special committee, working behind the scenes, delivered the revision of the ROK constitution on September 29, 1980. This was approved in a national referendum—under martial law—on October 22, 1980. On that day, the eighty-one-member Legislative Council for National Security replaced the Special Committee for National Security Measures, also appointed by Chun Doo-Hwan. This body lasted until the newly elected National Assembly replaced it on March 25, 1981. This election was held with heavily restricted campaigning and political bans on suspended politicians whose political rights were deprived by the council.

Under the new constitution, Chun Doo-Hwan became president of a newly launched Fifth Republic (1981–1988) on March 3, 1981, and started his seven-year term in office.[9] The regime's determination to impose authoritarian political control over civil society was manifest in the use of military force against the political

dissident and protest groups (Gleysteen, 1999: 127–130; Wickman, 1999). The bloody suppression of the Kwangju riots by Chun's Special Forces aggravated the situation. The Kwangju uprising, lasting from May 18 to May 27, 1980, began as a popular protest movement against the proclamation of a nationwide martial law. The militant university students at Chonnam National University initially staged an antigovernment street demonstration; they were subsequently joined by the concerned citizenry in Kwangju. The city of Kwangju was Korea's fourth largest and the capital of South Cholla Province. It was also the home province of dissident politician Kim Dae-Jung.

The forceful suppression of the Kwangju uprising resulted in 191 official dead and several thousand wounded, although an eyewitness account puts the figure much higher (Clark, 1988: J. Lee, 1999). One source estimates a minimum of six hundred killed and a maximum of two thousand wounded (Cumings, 1999a: 114). This tragic episode left a deep schism in South Korea's body politic. The symbol of the Kwangju uprising as an antiregime political protest was said to be an albatross around the neck of President Chun.

The political instability and turmoil weakened the legitimacy of the rule of President Chun Doo-Hwan. To restore a semblance of political legitimacy, the Chun government called for the parliamentary election due in 1981 on March 25. In this eleventh National Assembly election, the ruling DJP won only 35 percent of the votes, but through a proportional representation scheme it was able to control 55 percent of the National Assembly seats. This produced a modicum of political stability in the first half of Chun's term.

In the twelfth National Assembly election, four years later on February 12, 1985, the ruling DJP once again failed to increase its parliamentary position. The election brought about an unexpected parliamentary victory of the opposition parties. As the ruling DJP failed to control a two-thirds majority in the legislature, which is necessary for an automatic majority for the passage of important legislative acts including constitutional amendments, the Chun government was now forced to adopt a new strategy of cultivating a working relationship with the opposition in parliament. However, the emboldened opposition forces now began to wage a nationwide campaign for constitutional amendment measures to bring about an orderly political change and reforms of the constitutional order.

A political stalemate soon resulted from an opposition boycott of the legislative sessions that lasted for one year. This forced the Chun government to agree, in 1986, with the opposition demand to set up a special parliamentary constitution revision committee. The strategy of Chun's ruling party was to involve the opposition in a compromise resolution that would further constitutional amendments (Kihl, 1988b: 75–90). Initially, the opposition party leadership within the legislature was willing to make a deal with the ruling party. This was, however, challenged by Kim Young-Sam, who acted to establish his own opposition party outside the legislature and to continue the prodemocracy campaign against Chun's Fifth Republic.

This tug-of-war between the regime and political opposition, subsequent to the 1985 National Assembly election, provided the setting and context for the political crisis and showdown in the summer of 1987. These protests were led by the democratic resistance movement in the civil society outside the legislature. After nearly two decades of continuous rapid economic growth, South Korea in 1980 registered a negative growth rate of -5.2 percent in GNP, for the first time. This was no doubt affected by the worldwide economic recession abroad following the 1979 world energy crisis and was exacerbated by widespread domestic violence and political turmoil.

Authoritarian Withdrawal by Design?

By 1987, however, Roh Tae-Woo emerged as Chun's successor. The Chun authoritarian regime managed to restore its grip on the economy and to continue its export-led expansion and repression of popular sectors, including organized labor and protesting students. Whether Chun's "authoritarian withdrawal" was by default or by design cannot be proven conclusively without clear evidence of testimonials given or memoirs written by Chun Doo-Hwan and his associates. What seems clear from the reading of public statements made by the leaders and the subsequent political actions taken by the Chun government, however, is that the authoritarian regime had set up its own timetable at the time of its inauguration of the Fifth Republic in 1980. This amounted to a public pledge and the possibility of its withdrawal from politics by early 1988 with the completion of a single seven-year term in office, as stipulated in the eighth amendment to the constitution proclaimed on October 27, 1980.

The political focus of Chun's rule in 1986 was to ensure an orderly transfer of power in 1988. This consisted of a program for revitalizing party politics through strengthening the ruling DJP. His subsequent strategy was to promote an interparty dialogue with the major opposition, the New Korea Democratic Party (NKDP), on the matter of revising the constitution, which he hoped would be put to a referendum in 1987 and would soon be followed by a general election. From Chun's vantage point in the summer of 1986, the process of party politics had finally become revitalized and lively, because the arena of politics was shifting from confrontation outside the parliament to interparty negotiation within the National Assembly.

Following a series of meetings held in early June 1986 between President Chun Doo-Hwan and each of the two opposition party leaders, a consensus emerged on a way to overcome the political crisis. The DJP yielded to the NKDP demand for the creation of a basic law-revision committee in the National Assembly. The forty-five-member Special Constitution Revision Committee was set up in the National Assembly to be led by a ruling party member as chair, but divided equally between the ruling party and opposition parties in parliament. Under this formula, the membership consisted of twenty-three members from

the DJP, seventeen from the NKDP, four from the second opposition Korea National Party, and one from the independents.

On the substantive issues of how to revise the constitution, however, the fragile interparty consensus would break down, unless a quid pro quo solution was attained. The ruling DJP was seeking a cabinet-responsible parliamentary form of government, while the NKDP subscribed to a presidential form of government based on direct popular election. The Fifth Republic constitution was based on the presidential government system and the power was concentrated in the executive branch, with a weak legislature and a subordinate judiciary and with the president chosen indirectly by an electoral college.

Ironically, the positions of the ruling and opposition parties on constitutional revision were sharply in contrast with their historical stands. Historically, the minority parties in Korea tended to support the cabinet form of government, while the ruling majority party supported the presidential form of government. During the First Republic (1948–1960), the ruling Liberal Party caused the constitutional amendment that brought about a presidential form of government, while during the Second Republic (1960–1961), the Democratic Party, as the predecessor of the subsequent NKDP, had an opportunity to put the parliamentary system into effect. During the Third and Fourth Republics (1961–1979), the presidential form of government was enshrined in the constitution, while the opposition held its preference for the cabinet system of government. But in 1986, the positions of the respective parties on the structure of government were completely reversed.

Whereas the 1979–1980 political and economic crisis failed to produce a democratic transition, the 1987 political crisis was undertaken in economic "good times" rather than "hard times." The Korean economy in 1979–1980 was clearly in difficulty, with the inflationary pressure of the consumer price index rising from 18.3 percent in 1979 to nearly 30 percent in 1980 and the GNP growth registering a negative growth rate of –3.3 percent for the first time, down from 7.0 percent growth in 1979, and the slowed export growth and worsening of the current-account deficit associated with the oil crisis of 1979 (Haggard and Kaufman, 1995: 83–84). The Korean economy in 1986–1987, however, was better off, with an efficient macroeconomic and trade policy that established better control over fiscal and monetary policy. The Korean economy in 1987 was the beneficiary of the so-called three blessings or three lows—low interest rates, low oil prices, and a depreciated won to dollar exchange rate. The Korean economy was also boosted by massive public investments, associated with an infrastructure-building project for the 1988 Summer Olympics in Seoul.

The 1987 authoritarian withdrawal of Korea's Fifth Republic, therefore, can be regarded as what Haggard and Kaufman call "withdrawal in good times" economically or the "delayed" democratic transitions following the failed transition in 1979–1980. Despite the authoritarian political practices of repression and human-rights violations, the Chun government was able to restore stability and stabilization of the growth-oriented economy of his predecessor by adopting an economic adjustment plan and pushing its implementation vigorously.

Table 3.1

Korean Economic Performance, 1983–1987: Select Indicators

Indicators:	1983	1984	1985	1986	1987
Annual economic growth rate (%)	10.7	8.2	6.5	11.0	11.0
Inflation: CPI increase (%)	3.4	2.3	2.5	2.8	3.1
Fiscal deficit/GDP ratio increase (%)	–1.0	–1.2	–1.3	–0.1	0.4
Current account/GDP ratio increase (%)	–2.0	–1.5	–1.0	4.4	7.5
Investment/GDP (%)	28.8	29.8	29.3	28.3	29.5
Real wage increase ratio (%)	7.4	6.2	6.7	5.3	6.9

Sources: World Bank, *World Tables 1993* (Washington, D.C.: World Bank, 1994); International Monetary Fund, *International Financial Statistics Yearbook*, various issues; "Major Statistics of Korean Economy," National Statistical Office, Seoul, 1995: 9.

The data on Fiscal Deficit/GDP ratio increase (%), Current Account/GDP ratio increase (%) and Investment/GDP (%) are calculated by using the data on fiscal deficit, current account, and investment (www.nso.go.kr).

Chun gave full backing to his economic team, even if the political effects of economic reform were largely negative for the government. Also, stabilization measures, and particularly credit policies, placed the government and the private sector at loggerheads throughout the early years of his administration. Other reform measures, such as the lifting of subsidies to agriculture and controls on government wages, were struck at previous sources of regime support (Haggard and Kaufman, 1995: 90; Haggard and Moon, 1993: 210–237). Table 3.1 shows the picture of "stellar" performance of the Korean economy during most of the 1980s, especially at the time of Korea's authoritarian withdrawal and democratic transition.

Despite weak legitimacy from the very outset, the Fifth Republic under President Chun enjoyed the popular expectation and a residue of a wider support for the promise of socioeconomic progress. Most Koreans in 1980 seemed to welcome the end of political uncertainty following the assassination of former president Park Chung-Hee and looked forward to the resumption of political stability and rapid economic growth. The negative legacy of President Chun's authoritarian rule, however, included political repression of student activists, suppression of opposition forces, the exclusion of organized labor, denial of the free press, and a poor record on human rights.

On the more positive side, however, state autonomy and capacity continued to be strong. Even if the legitimacy of the regime was weak and questionable, state capacity expanded in several crucial and important areas. The Chun government managed to restore and sustain the dynamic growth of the economy, to strengthen security through an increased alliance partnership with the United States and Japan, and to resume inter-Korean negotiation and dialogue on unification.

Korea's authoritarian withdrawal in good times was thus engineered and seemed almost to have been prearranged. Military cohesion allowed Chun from the very

beginning to count on the support of the military and police apparatus. With the political opposition forces divided, and with big business either acquiescent to or fundamentally supportive of the authoritarian project, Chun was able to consolidate and maintain his grip on power during the eight years of his tenure.

The combination of favorable external conditions, continued high levels of investment, and the reform measures themselves allowed the Chun government to reestablish the country's strong growth record with substantially lower inflation (Haggard and Kaufman, 1995: 91). The government's underlying strategy was to persist in the successful export-oriented policies that his predecessor Park Chung-Hee had initiated in the early 1960s. This economic success through political stability constituted a powerful constraint on the subsequent democratic politics that we will examine next.

In the summer of 1987, political crisis was avoided by the pronouncement for democratization adopted by Roh Tae-Woo, then successor to President Chun Doo-Hwan. Timed with the upcoming 1988 Olympics in Seoul, the world's attention was focused on political stability in South Korea. Popular demonstrations led by democracy movement forces extracted a concession and promise for liberalization of politics from the military elite of South Korea's authoritarian regime. The June 29 pronouncement promised to restore democracy and carry out democratic reform, including holding a popular presidential election (Kihl and Kim, 1988).

We turn next to examine, in more specific details, the process of how political change and democratization unfolded that led to the eventual founding of the Sixth Republic on the eve of Seoul hosting the 1988 Summer Olympics.

Democratic Opening and Political Change of 1987

A heightened popular demand for political participation and the external impact of the worldwide trend toward democracy exerted pressure on South Korea to accelerate the process of the country's political transition. The key to South Korea's initial success in democratization lies, as James Cotton argues, not only in popular demands for political participation, but also in the willingness of elites to recognize them as unavoidable consequences of socioeconomic modernization (1989: 244).

The South Korean experiment in democratization thus required both the regime and the popular sector, as well as their interaction, to bring about political change. The Korean case of democratic transition was particularly timely and illustrates the difficulties and dilemmas faced by a rapidly industrializing country in bringing about an orderly and peaceful political change in a timely fashion.

By 1985–1986, it became clear that the ongoing interparty struggle in parliament over the future shape of the constitutional order would provide the context for political stability or change in the Sixth Republic. In this sense, the constitutional revision politics of 1986–1987 were a prelude to the 1987 political crisis. The political conflict was resolved, in the end, by the formula of the "grand compromise" of August 1987. But the 1986 stalemate in constitutional revision politics, as discussed previ-

ously, had served as a bellwether of things to come and as a useful forecast of the gathering political storm forming over South Korea in 1987.

Political Development in 1987

An attempt to introduce "democratic reform" to South Korea's authoritarian rule was initiated, under the shadow of worsening political violence, in the summer of 1987. Serious constitutional crises flared up in June 1987 as the rock- and fire-bomb-throwing university students clashed with the tear gas canister–throwing combat police. The violent street demonstrations in the summer of 1987 could not easily be contained. The reason was that some middle-class citizens began to express their sympathy with demonstrating students and to side with the student demands for restoring democracy.

The deepening crisis placed the fragile constitutional structure of the Fifth Republic under stress, pushing the system close to the edge of collapse. After weeks of intense political threat and maneuvering by politicians, a formula of grand political compromise was finally produced to avert the political crisis. An eight-member constitution drafting committee, representing both the ruling and the major opposition parties, produced the text of a new constitution on August 30, 1987, after a four-week marathon session. In arranging for this breakthrough agreement, the ruling party representative Roh Tae-Woo and the opposition party leader Kim Young-Sam played key roles.

The opposition NKDP was split when Kim Young-Sam announced, on April 8, his departure from the party to set up a separate political party, the Reunification Democratic Party (RDP), after giving a vote of nonconfidence to party leader Lee Min-woo's ongoing discussion with the ruling DJP on constitutional revision. Five days later, President Chun Doo-Hwan announced his intention to suspend the talks with the opposition on a constitutional amendment until after the 1988 Olympics in Seoul; this announcement followed the split of the opposition party.

The ruling DJP held its party convention, on June 10, to nominate Roh Tae-Woo as its presidential candidate. But this event triggered a well-timed university student protest movement and the Myongdong cathedral in downtown Seoul was taken over by radical students. Even though the student demonstrations were constrained by combat police, citizens generally were sympathetic with the student cause.

On June 29, Roh Tae-Woo announced an eight-point democratic reform measure, which he entitled "Grand National Harmony and Progress toward a Great Nation," that included fair and direct presidential elections, the key demand of the opposition political parties. Also announced was the release of political prisoners. The list of proposed reforms included:

1. A constitutional amendment for a direct presidential system (the key demand of the opposition camp)

2. A revision of the Presidential Election Law
3. Political amnesty and a restoration of civil rights to dissident leader Kim Dae-Jung
4. Protection of human rights
5. Promotion of the freedom of the press
6. Local autonomy and self-governance
7. Reform of political parties
8. Social reforms for building "a clean and honest society"

Since the key opposition demand of constitutional revision was accepted, the dark cloud hanging over the political landscape dissipated.

Two days later, President Chun Doo-Hwan announced that he would accept Roh's recommendation. Overnight, a new modus operandi of interparty dialogue and negotiation began to emerge in South Korean politics. Subsequently, Roh Tae-Woo and Kim Young-Sam met and agreed on an eight-member working group to draft a new constitution. The text of the new constitution, drafted on August 30, was submitted to the National Assembly for deliberation. Three days later, on September 2, Kim Young-Sam and Roh Tae-Woo agreed to hold the referendum on the constitutional amendment before the end of October and to hold a popular presidential election before December 20.

While the National Assembly was deliberating the new constitution, the major political leaders were busy testing the political waters to decide what their next moves would be. Roh Tae-Woo left on a U.S. visit, on September 13, and also stopped in Tokyo on the way back. Kim Dae-Jung decided to test the water by touring his home constituency in the Cholla provinces. Kim Dae-Jung and Kim Young-Sam met but failed to agree on a single presidential candidate. Each urged the other to make concessions on the presidential candidacy. Kim Jong-Pil, the former prime minister under Park Chung-Hee and president of the then Democratic Republican Party, also indicated his plan to run for president after forming a new political party.

The National Assembly subsequently approved the new constitution of the Sixth Republic on October 12, 1987, by a vote of 254 to 4. The 1987 constitutional amendment, unlike the previous constitutional amendments, was genuinely reform-oriented in the sense that it expanded the rights of the citizenry and also restored and strengthened the power of the legislature, thereby reversing the historical trend of augmenting executive power. The constitutional referendum to adopt the new constitution was held on October 27 and adopted by a record 93.1 percent approval rate of those voting. The voter turnout rate was also high, with 78.2 percent of the total 26.6 million eligible voters.

Kim Dae-Jung declared, on October 28, his intention of running for president and of founding a separate party, the Party for Peace and Democracy (PPD), making his split with Kim Young-Sam official. The date of the presidential election was proclaimed, on November 16, to be December 16, 1987. The election law

stipulated that the candidates must register within seven days of the proclamation and that electoral campaigns would be allowed for thirty days; five major party candidates vied for the election.

In the summer and fall of 1987, dramatic events took place to restore democracy in South Korea. The political system of the Fifth Republic was dangerously close to the edge of defiance and decay, although it was rescued from total collapse at the last minute. When the presidential election was held, on December 16, Roh Tae-Woo, the governing party candidate, emerged as the winner with a plurality of 36.6 percent of those voting, followed by Kim Young-Sam and Kim Dae-Jung with 28 percent and 27 percent, respectively. Kim Jong Pil received 8.1 percent of the vote (the remaining 0.3 percent going to the fifth candidate). This led to the inauguration of Roh Tae-Woo as the first president of Sixth Republic on February 25, 1988, to serve a single five-year term (1988–1993).

Political Risk-Taking (Gamble) That Paid Off

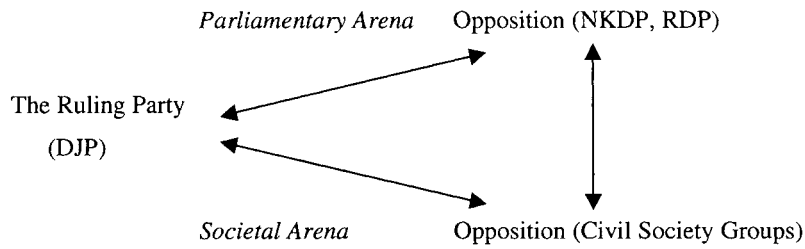
In its attempt to silence the political opposition forces in and outside parliament, the ruling DJP (with Roh Tae-Woo as its newly elected president) launched an initiative on democratization as a new policy. Roh declared that his new policy was intended to save the country from a worsening political crisis and to pursue the goal of progress and consolidating its gains (i.e., economic development and political democracy).[10] Figure 3.1 shows the political situation of confrontation between the ruling party and political oppositions on the eve of the June 29, 1987, crisis in South Korea's Fifth Republic.

The ruling DJP in parliament, which controlled approximately 160 seats out of the 276-seat National Assembly, was not strong enough to prevail over the opposition NKDP that successfully captured 116 seats in the February 1985 National Assembly election. It lacked twenty-four seats of the two-thirds majority required to pass important legislative bills and possibly a constitutional amendment that would ensure control of the National Assembly.

Prior to 1987, during the authoritarian phase of South Korean politics, the ROK president as head of the ruling party dictated policies and policy making in the parliamentary arena. It became clear, however, that the ROK president no longer was in a position to dictate his policies without involving the opposition parties in the National Assembly. The opposition in parliament was, in turn, in close consultation with the democracy movement groups in civil society. The changed context of policy making can best be captured as in Figure 3.1, which reflects political opposition in both parliamentary and societal arenas. On the issue of constitutional revision, the two opposition groups in parliament and civil society made a grand alliance of prodemocracy forces.

Confronted by the worsening political crisis caused by an escalating conflict between opposition forces and the Chun regime, Roh risked his political career by issuing the eight-point proposal for democratic reform. When Roh Tae-Woo, as

Figure 3.1 **Interaction of Key Actors During the 1987 Political Change**



chairman of the ruling DJP, demanded that President Chun Doo-Hwan accept his announced reform packages, he was perceived as acting alone. But his action was quickly endorsed by President Chun.

The escalating street demonstrations necessitated an attempt to meet the opposition's demand for democratic reform both in and outside parliament in civil society. What was crucially important for the ruling party decision to compromise was that the citizens in Seoul, who witnessed the violent clashes between radical students and the police on the Myongdong cathedral compound, were generally sympathetic with the student cause. Also, international threats to either boycott the 1988 Olympics in Seoul or change the venue of the Olympic Games worked to persuade the regime that it had no alternative but to accept opposition demands.

The national honor of hosting the twenty-fourth Olympiad in Seoul was a double-edged sword: "a great constraint" to the authoritarian regime and "a window of opportunity" for the democracy movement forces for waging their protest. The International Olympic Committee would have been forced to change the venue of the games if the Chun government had declared martial law to suppress the peaceful protest in 1985. Instead, Chun made an unexpected concession in April 1986 by going ahead with his support of the National Assembly deliberation of the constitutional amendment, as already noted.[11]

Once concessions were made, the political process of negotiation between the ruling party and the opposition in parliament moved rather quickly and smoothly. In the December 18, 1987, presidential election, the opposition party leader could have easily won the election to form a government, thereby completing the chapter of South Korea's long struggle for democracy. However, this is not what happened, because the opposition camp was hopelessly fractured into competing factions. The two opposition party leaders, Kim Young-Sam and Kim Dae-Jung, failed to join hands to produce a single presidential candidate to oppose the ruling party candidate, contrary to their repeated public pledges on the eve of the 1987 presidential election campaign (Kim and Kihl, 1988).

The failure to produce a single candidate in the democracy camp made it pos-

sible for the ruling party candidate, Roh Tae-Woo, to win the four-way contest with three Kims in opposition: Kim Young-Sam, Kim Dae-Jung, and Kim Jong Pil. The third Kim was an opportunist politician whose chance of winning the presidency was not very high. He was a former prime minister who had served under President Park Chung-Hee of the Third and Fourth Republics (1961–1979). President Roh was a former military general and a handpicked successor to the discredited outgoing President Chun Doo-Hwan. The two rival candidates, Kim Young-Sam and Kim Dae-Jung, together polled a total of 55 percent of the votes, a large enough plurality to have won the election.

It is clear, in retrospect, that an institutional procedure for a run-off election between the first two candidates, who received the largest plurality of votes but failed to receive a simple majority, would have avoided the resulting election of a minority candidate. Nevertheless, the inauguration of Roh Tae-Woo as the first president of the Sixth Republic on February 25, 1988, marked the first peaceful transfer of power in the republic's forty-year history.

When judged from a comparative perspective, it seems that South Korea's democratic transition progressed smoothly. However, Chun Doo-Hwan and his associates were criticized for spoiling the historical opportunity for South Korea's democratic transition in 1979 after the assassination of former president Park Chung-Hee. It was clear that it would have been possible to avoid the successor state of the Fifth Republic leadership of the military-turned-civilian leader, President Chun Doo-Hwan, if the opposition forces had been politically organized and united. What was less clear is that without the third democratic juncture (1984–1987) the smooth and dramatic democratic transition to the democratic Sixth Republic in 1987 might not have occurred.

The process of democratic transition has had its own ups and downs as well as unforeseen turns and twists. In this sense, the story of the South Korean journey toward democratization is an ongoing process. Its experience will need to be evaluated from the perspective of both comparative and theoretical analyses of what could have happened to Korea, if an alternative path were taken in 1979–1980. Park Chung-Hee's authoritarian grip on power on the eve of his 1979 assassination, symbolized by the Yushin system instituted in December 1971, was met by an equally determined and efficient underground political resistance.[12]

In his memoirs, published in January 2000, former president Kim Young-Sam recalls his face-to-face encounters with three of his predecessors while he was engaged in the prodemocracy movement and antiregime campaigns prior to 1987. Kim was bitter about the political repression that he personally endured in the 1970s under Park Chung-Hee's authoritarian rule. Park had the Korean CIA search his house four times and placed him under house arrest.

At one point, Kim recalls exclusive face-to-face meetings that he had with Park Chung-Hee, on May 21, 1975, and with Chun Doo-Hwan, on June 24, 1987. Kim's encounter with Chun was animated, he emphatically urged Chun to accommodate his democratization cause. As Kim notes:

> I emphasized to Chun, "Accommodation of democratization is the only way for the country to surmount the current crisis and for you to survive." Whenever difficult issues came up, Chun persisted that I discuss the matter with Roh Tae-Woo. When he informed me of a lunch appointment, I countered: "Is there anything more important than the subject we are discussing?" Then Chun had his appointment cancelled through an internal phone. Chong Wa Dae announced "I expressed thanks," which was untrue. I had nothing to thank Chun for. (Kim Young-Sam, 1999: 2)

In this same memoir, Kim Young-Sam seems to have a more sympathetic and compassionate viewing toward former president Park:

> My exclusive talk with Park Chung-Hee took place on May 21, 1975. Hearing my consolation over the assassination of his wife a year previously, he said, pointing at some birds fluttering outside the window, "I'm like those birds," and wiped tears from his eyes with a handkerchief. When I told him that I'm a democrat, Park was quoted as saying, "With my wife shot to death by a Communist, I've no intention to live long in such a temple-like place. Give me some time."
>
> Had he not wept, I would have asked him, Kim continues, "When do you intend to resign?" But his (Park's) tears softened my resolve to press him further. Park then told me, "Were my presidential resignation known in advance, strange guys would emerge immediately. Many problems would arise impeding the conduct of my presidency. Consequently, I promised to keep what he said secret." (1999: 1)

If we are to give face value to what Kim Young-Sam writes about his 1975 meeting with Park Chung-Hee, it seems that Park was even considering an authoritarian withdrawal from politics four years before his assassination in 1979.[13]

Analyzing the Political Economy of Democratization

In analyzing the political economy of democratization, two theoretical questions regarding the causes and consequences of democratic transition will need to be addressed.[14] Who were the principal actors and agents responsible for bringing about political change and the democratic transition? What consequences, both intended and unintended, arose from the democratic transition in regard to the trade-off between regime types and policy payoffs? Answers to the first question were given in the preceding discussion of the unfolding political drama of 1987, and the step-by-step progression of the dynamic of political change. To answer the second question, we turn next to the policy outputs in the areas of attempted democratic consolidation and actual economic growth, with particular attention to the success and failure of economic policies during the administration of President Roh Tae-Woo.

Democratic Consolidation Under Roh Tae-Woo

During his campaign for the presidency, Roh made a promise that, if elected, he would do his best to usher in what he called "a great era of ordinary people." Although vague, he apparently intended to introduce an era of popular democracy

in which all Koreans would have equal access to the political process and a welfare society where all Koreans would be able to enjoy a decent standard of living (Kihl and Kim, 1988: 243–251). Roh's promise raised popular expectation and led to the enhanced political involvement of what Roh termed "the common man" or the middle-class citizenry in the electoral process.[15]

Despite Roh's electoral victory, the ruling Democratic Justice Party (DJP) failed to capture a simple majority in the subsequent twelfth National Assembly election on April 26, 1988. This created the phenomenon of *yoso yadae* (ruling minority and opposition majority) in Korean politics, where a "hung parliament" could not function effectively to enact major legislative bills. While Roh Tae-Woo's DJP won 125 seats in the 299-member unicameral legislature, Kim Dae-Jung's Party for Peace and Democracy (PPD) captured 70 seats, Kim Young-Sam's Reunification Democratic Party (RDP) claimed 59 seats, and Kim Jong Pil's New Democratic Republican Party (NDRP) had 35 seats, with the remaining 10 seats going to others, including Independents (H. Kim, 1989).

The 1988 parliamentary elections showed that, while urban voters predominantly supported the opposition parties, the Korean parties were hopelessly divided according to their regional interests. Whereas Roh's DJP support came from the Yongnam region (including the third largest city of Taegu), Kim Dae-Jung's PPD was the sole winner in the Honam region (including the fourth largest city of Kwangju). Kim Young-Sam's RDP strengths lay in Kyongnam Province (including the second-largest city, Pusan), while Kim Jong-Pil's NDRP support came exclusively from the Chungchong provinces. All four presidential candidates were favorite sons of their respective home provinces and regions.

In an attempt to break the deadlock in parliament, President Roh Tae-Woo, Kim Young-Sam, and Kim Jong-Pil announced a remarkable and drastic measure: a three-party merger on January 22, 1990. Together, they founded a new Democratic Liberal Party (DLP), leaving Kim Dae-Jung's PPD in isolation. The creation of a new conservative ruling coalition party broke the stalemate and restored the semblance of stability to South Korea's Sixth Republic. By skillful political moves and negotiation, South Korean politics moved from the 1988 system of "the four-party stalemate" to the 1990 system of "the conservative alliance" (Park, 1990). As a result of this three-party merger, which was called an "unholy alliance" of two Kims with Roh, the new ruling coalition of DLP now controlled 217 of 299 seats in the National Assembly. With a working majority now obtained in parliament, President Roh's administration was able to focus on the passage of major legislative bills through parliament and to take on new initiatives in foreign policy, including the Northern policy (or Nordpolitik) and the inter-Korean dialogue with North Korea.

On the matter of three parties merging in 1990, opinions were generally divided as to who took the initiative toward the notion of "grand compromise" to begin with: it was described as a political gamble by Kim Young-Sam (M. Lee, 1990: 127–138). The conventional view is that it was brokered by Kim Jong Pil, as the leader of the weakest partner of the NDRP, who persuaded Roh Tae-Woo of the

DJP to join hands with Kim Young-Sam's RDP. The Roh Tae-Woo camp also claimed that the three-party-merger plan was the brainchild of the ruling DJP, an attempt to save the nation from the unfolding crisis of political stalemate and immobilism in the National Assembly.

The recent release of former president Kim Young-Sam's memoirs, however, gives a different version of Kim taking the initiative on the idea "to bring about a seismological change in Korean politics." During an exclusive meeting Kim Young-Sam had with Roh Tae-Woo in June 1989 on his return from a trip to Moscow, the idea of merging the parties was made by Kim as a counterproposal to Roh Tae-Woo's plea and proposal for a policy alliance, so Kim Young-Sam claims (Kim Young-Sam, 1999).

The ruling conservative coalition, based on an expedient marriage of convenience, produced "three parties under one roof" that suffered from occasional political in-fighting. Many of Kim Young-Sam's followers, for instance, felt "betrayed" by what they perceived as Kim's "unprincipled" political maneuvers: switching his long-standing position as an opposition leader to join the conservative coalition (Oh, 1999: 118). Clearly, Roh Tae-Woo enhanced his political stance by obtaining support from the two Kims in parliament, while Kim Young-Sam used the occasion to capture the possible DLP nomination as next presidential candidate for the 1992 election and Kim Jong Pil waited to benefit from his successful role as power broker.

It was no surprise that the voters gave the ruling party less than overwhelming support in the thirteenth National Assembly election held on March 24, 1992. In so doing, the Korean voters resoundingly repudiated the machinations of the three politicians (*New York Times,* March 27, 1992). The ruling DLP managed to win only 149 seats of the 299-seat National Assembly, one vote shy of a simple majority, despite the three-party merger early in 1990. The opposition Democratic Party (DP), led by Kim Dae-Jung, won ninety-seven seats, and the Unification People's Party, organized only two months before the election by Chung Ju-yung, the honorary chairman of the Hyundai group, won thirty-two seats. Chung had campaigned on a platform that criticized the government's handling of the economy. The government party mustered a simple majority vote in parliament only by wooing some of the independently elected assemblymen.

According to a constitutional provision, President Roh Tae-Woo could not succeed himself after completing his five-year term in 1993. During his tenure, President Roh was credited with three major accomplishments: domestic reforms, Nordpolitik, and inter-Korean dialogue (*Korea Review,* June 27, 1992: 4; February 22, 1992: 4–5). Of the three major policies promoted by President Roh, the Nordpolitik was the most successful, while democratization and inter-Korean dialogue found limited success. Democratization of politics enhanced South Korea's international standing and diplomatic status. Roh's gesture on promoting a domestic agenda of reform, no doubt, helped the regime's foreign policy in successfully attaining the objectives of Nordpolitik (see Chapter 7).

Inter-Korean dialogue resulted in a mixture of success and failure. Given the great interest in and desire for achieving national reunification, Roh wanted to see further progress made in inter-Korean relations before he stepped down as president in February 1993. This desire to bring reunification to Korea was the motivating factor behind the signing of a series of agreements with North Korea in 1992. However, implementing these agreements was painstakingly slow.

There was no substantive progress on the North–South Korean Red Cross talks, regarding the reunion of divided family members. The proposal was important for aging Koreans, who would be allowed to travel and meet with lost family members across the border. This basic humanitarian cause was not achievable, however, because of the intransigent political stance of a North Korea that was then intent on keeping its population isolated from adverse external influences.

Democracy or democracy building during Roh's term was far from an accomplished fact. Many of his efforts at promoting a democratization agenda, like the freedom of the press, were positively evaluated by his critics both at home and abroad. Although democratic gains came slowly during his tenure in office, Roh was careful not to divert progress toward full democracy for Korea (Kihl, 1990a: 67–73).

Hoping to leave a positive legacy, on the eve of the 1992 presidential election Roh announced that he was resigning from the position as president of the ruling DLP to remove himself, he claimed, from a possible partisan entanglement. He then appointed a new prime minister and a neutral cabinet to manage the December 18, 1992, presidential election that would choose his successor. This unusual act was an expression of Roh's unflagging commitment to attaining full measures of democracy through a smooth and orderly transition of power.[16]

The official account stated that more than 98 percent of Roh's campaign promises on a reform agenda had been carried out, a claim to be taken with skepticism. The list of some of these pledges, totaling 459 measures, were featured in a special issue of Seoul's *Sisa Journal* that focused on the assessment of Roh's Sixth Republic (*Sisa Journal,* November 26, 1992: 52–53).

Unlike his predecessors, Roh wanted to make certain that his successor's regime would enjoy a full measure of legitimacy accrued from an open and fair election. This self-promotive account of the alleged accomplishments of the Roh Tae-Woo administration must be taken with a grain of salt. A listing of forty-four major policy mistakes were noted and likewise publicized in 1992 in the publication of the Consultative Association of Academic Organizations (*Sahoe Pyongronsa Monthly,* 1992).

The fourteenth presidential election of December 18, 1992, which resulted in the victory of the ruling DLP candidate Kim Young-Sam, strengthened the process of democratization. The election of a civilian president, the first in thirty-two years, was certainly a milestone. The new government was challenged to continue the democratic reform agenda initiated by its predecessor.

This presidential election campaign symbolized the coming of age of the Korean people in a thriving, albeit fragile, democracy. With the election of Kim Young-Sam, South Korea finally lived up to the goal of establishing democracy through an orderly and peaceful transfer of power (Kihl, 1992). The democratization movement, unleashed by Roh Tae-Woo's Sixth Republic, was completed and South Korea was now poised to enter an era characterized by democratic consolidation. Just as South Korea had built an economic miracle, the country proved that the political miracle of smooth democratic transition was within its reach.

South Korea's 1992 presidential election, unlike the 1987 election, was less violence ridden and less emotionally charged. No street protest demonstrations or voter boycotts were noticeable in this election. Perhaps this reflected the growing confidence of South Korean voters and their resolve to build a successful democratic state. The voter turnout of 81.7 percent of the eligible voters in 1992 was not as high as that of 89.2 percent registered in the 1987 presidential election. Regardless, this figure was higher than the 80 percent projected by political pundits before the election of 1992 and certainly higher than the voter turn out in most democracies. Kim Young-Sam, running as the ruling DLP candidate, received 42 percent of the popular vote, while opposition candidates Kim Dae-Jung and Chung Ju Yung received 34 percent and 16 percent, respectively.

The voting in the 1992 presidential election was relatively orderly and peaceful, and there were less frequent charges of campaign excesses and voter irregularities. The ruling and opposition party candidates, for instance, avoided the scheduled mass rallies in Seoul, although Chung Ju-Yung's third party had a public rally. While the electoral returns were still being counted, the losing candidates, Kim Dae-Jung and Chung Ju-Yung, made conceding speeches to congratulate Kim Young-Sam on his victory. This marked the first of a kind in the annals of South Korean politics. The subsequent election five years later in 1997 continued the institutionalization of an orderly political succession and the democratic politics of fair play.

Roh won praise at home and abroad for his steadfast commitment to democracy and the character of the democratizing regime of the Sixth Republic. Roh had "the wisdom and guts to move his nation toward democracy and free elections, though this progress gradually eroded his party's power and his own" observed Leslie Gelb. He praises President Roh Tae-Woo's "good work of matching his word [because] Mr. Roh, pronounced No, said yes to the peaceful transfer of power, a basic principle of genuine democracy" (1992: A-13).

Moreover, Roh Tae-Woo was able to solve what Huntington (1991a) calls the Praetorian problem of the potential rebellion by the military and its intervention in the political process. As a general-turned-civilian leader, President Roh curbed military power by controlling its factionalism and by pacifying the military, urging it to remain politically neutral and committed to professionalism (231–250).

With the inauguration of Kim Young-Sam, the country embarked on a new path in the democratic consolidation era. As the regime-state relationship was being

fine-tuned, the role of the state in shaping the economy was not so fine. During the phase of democratic transition, the role of the state in controlling forces in the marketplace was bound to change. State control over the marketplace within a democracy was not as strong as it had been in the predemocratization era. In fact, during the 1992 presidential campaign, all three leading candidates went on record with pledges of reducing the role of the government in the economy.

This suggests that the era of the developmental state was finally over and government could no longer dictate and manage the economy. Instead, the new Korean state would become more liberal and the government would play a minimal role. The South Korean economy had become too strong and complex for the government to dictate policy. Business-government relations had changed from government-directed with intervention in the market to promoting government nonintervention and a laissez-faire marketplace.

Economic Performance Under Roh Tae-Woo

Before proceeding with the discussion on the economic performance of the Roh Tae-Woo administration, it is useful to revisit the literature on the theory of democratization and clarify why the democracy movement in the Korean context culminated in an orderly process of democratic transition and consolidation. The challenge of democratic transition boils down to the two basic questions of political will and strategy. The question of whether to negotiate with the political opposition must be answered first. If the ruling elites decide to go ahead with that strategy of liberalization, the next logical question is how to conduct negotiations with the opposition. The more substantive questions of where to draw the line in a compromise settlement and how fast or slowly to proceed with liberalization measures also arise.

Since political uncertainty becomes an inherent part of the process of political change toward democratization, the ruling elites of an authoritarian regime must be willing to negotiate and bargain for an outcome of the political settlement that is clearly favorable and advantageous to themselves. The important question in this regard is the timing, the shape, and the form of the constitutional order to be arranged in negotiation with the opposition. The question of whether to allow general elections and, if so, what types of elections and at which levels, had to be dealt with. Constitutional amendments and referenda would be a safer and more orderly procedure for both the regime and the opposition to follow. The details of the procedural questions regarding holding elections, such as the time schedule, also needed to be worked out.

During democratic transition, civil society becomes activated and state autonomy is correspondingly constrained (Cotton, 1991). Since the democratizing regime can no longer exclude the popular sectors of the labor union and working class from the political process, it usually develops popular policies tailored to their needs in order to solicit their support. For example, the fifth Five-Year Plan of

Economic Development adopted by the Chun government included new social goals and expanded its task to address the question of social welfare. The sixth Five-Year Plan was redefined to encompass the goals of building the welfare state. Also, during his tenure in office, Roh Tae-Woo felt compelled to carry out his campaign promise of building 2 million apartment units to ease the housing shortage. Unfortunately, the result was to overheat the economy and divert funds from needed investments.

Roh's accomplishments included, among others, planned cities where high-rise apartment complexes were built, such as the new cities of Bundang and Ilsan near Seoul. During the democratization process, intellectuals became more vocal and open in articulating their democratic values and norms. They began to exert pressure on the regime to incorporate these liberal norms in the reform agenda. University students also became more active and vocal in their demands for participation in campus self-governance.

Popular elections for representatives, both at the national and local levels, were also inaugurated to provide popular input into the policy-making process. As the middle class became politically more attentive, the democratizing regime and state were pressured to promote and protect the interests of a larger number of constituencies and interest groups (Cheng, 1990). With an activated civil society now in full swing, the regime saw no recourse other than to address the popular concerns and demands expressed by interest groups for participation in the policy process.

During the five-year term of the Roh Tae-Woo administration, the Korean economy continued to grow, but not as quickly as it did during the Chun era. The Korean economy also experienced high inflation and land price speculation.

In the context of South Korea's democratic transition, the regime type of either authoritarianism or democracy seems to have bearing on public policy outcomes, especially on the making and implementation of economic development policy (Cheng and Krause, 1991: 3–25). The historic task of putting the ideas of modernization into practice via the strategy of rapid industrialization was fulfilled by the authoritarian regimes of President Park Chung-Hee in the Third and Fourth Republics (1961–1979) and President Chun Doo-Hwan of the Fifth Republic (1981–1988). However, South Korea's democratic state in the Sixth Republic of President Roh Tae-Woo (1988–1993) was not successful in sustaining as high an economic growth rate as its predecessors, although it was able to fulfill the minimum requirements for maintaining the momentum of a growth-oriented economy.

Democratization and Economic Growth

According to the skeptics, South Korea's twin objectives of political democratization and economic growth were not compatible as policy goals. During the tenure of President Roh Tae-Woo, the country managed to attain a reasonable economic

Table 3.2

Korean Economic Performance, 1988–1992: Select Indicators

Indicators:	1988	1989	1990	1991	1992
Annual economic growth rate (%)	10.5	6.1	9.0	9.2	5.4
Inflation: CPI increase (%)	7.1	5.7	8.6	9.3	6.2
Land price increase (%)	27.5	32.0	20.6	12.8	1.3
Real wage increase ratio (%)	7.8	14.5	9.4	7.5	8.4
Unemployment ratio (%)	2.5	2.6	2.4	2.4	2.5

Source: Bank of Korea, *Economic Statistics Yearbook*, various years; also cited in D.J. Kim, 1996: 25, 73, 87; "Major Statistics of Korean Economy," National Statistical Office, Seoul, 1995: 137 (www.nso.go.kr).

growth rate, more than doubling the GNP per capita from $3,110 in 1987 to $6,498 in 1992. But this performance record was not as high as in the preceding administrations. The defenders of Roh's democratization policy, on the other hand, argued that an overall average of 7 to 8 percent GNP growth per year during five years of the Roh Tae-Woo administration was certainly a high and respectable economic performance when measured against the world standard.

The reasons why this claim of "alleged" incompatibility between the idea of democratization and economic growth was advanced are linked to the changing nature of state-society relations and the dynamics of regime change in an era of democratic transition. With democratization, the fundamental character and the role of the state in society change. State autonomy was now constrained as civil society became activated. The state's potential to intervene in market forces was greatly reduced in a democratizing country like South Korea's Sixth Republic.

Another reason for the claim of alleged incompatibility between the idea of democratization and economic growth was the logic of collective action theory. Not surprisingly, Roh Tae-Woo made a campaign promise in the December 1987 presidential election that he would press on with building the welfare state during his tenure in office. Subsequently, a government program of support for the construction of 2 million housing units that eased the housing shortage for working families was fulfilled in late 1991. This measure, however well intended, caused the overheating of the construction industry and accompanying strong inflationary pressures and diverted funds away from other potential investments.

The consumer price index remained consistently high during President Roh's tenure in office, as Table 3.2 shows. It grew steadily from the low annual rate of 3.8 percent in 1987 to the high rate of an 8.6 percent increase in 1990 and a 9.3 percent increase in 1991. The failure to withstand inflationary pressures was identified as one of the critical policy mistakes of the Roh Tae-Woo administration (an Achilles' heel of Roh's Sixth Republic), according to one critical study by the Academic Organizations Consultative Association (*Sahoe Pyongronsa Monthly,* 1992: 551).

Moreover, aggravated by land price speculation, the absolute shortage of housing worsened as the price of dwellings skyrocketed and apartments were pushed out of the reach of many worker families. Although the overall housing-supply ratio was enhanced, Roh's policy also raised housing expenditures as a percent of the GNP from 4.1 percent in 1987 to as much as 8.5 percent in 1991 (Korean Statistical Association, 1992: 246).

In a democratizing society, the expectations of those seeking benefits from rejuvenated sectors of civil society also arose. Roh's overall economic policy exacerbated inflation, for instance, and resulted in hurting the pocketbooks of enraged workers who had been saving but could not afford to buy high-priced apartments. In South Korea, rental apartments were scarce and workers had to struggle to save and pay cash for an apartment purchase. The price of a modest apartment, by 1988, was more than $100,000. Under these circumstances, the workers were now prepared to resort to strikes, often stretching the limits of their newly gained political rights for collective bargaining (*Sahoe Pyongronsa Monthly,* 1992: 551).

Until 1987, the labor unions, operating under a harsh working environment, were doubly handicapped as they were mostly controlled by enterprises at the local level and by the government at the national level. With the onset of democratization, harsh labor laws were targeted and labor disputes began to erupt and spread like wildfire. During August 1987 alone, for instance, there were 2,552 labor disputes, most involving strikes, compared to 276 in all of 1986 and 265 in 1985. For all of 1987, there were 3,749 labor disputes, more than in all previous years combined (*White Paper on Labor,* 1991: 484).

During the years 1987 and 1988, the South Korean government relied on a laissez-faire policy on labor disputes, allowing unions to experience collective bargaining and membership expansion. In 1986, the existing Federation of Korean Trade Unions had 940,000 dues-paying members who belonged to 2,263 local unions that were affiliated with 16 national unions.

A new National Labor Union Alliance (called Chonnohyop) was organized in January 1990 and claimed a membership of 700 unions to represent 200,000 workers, most of them in small- and medium-sized enterprises. The Solidarity Conference of Large Company Unions, in turn, was formed in November 1990, with member unions coming from 16 large industrial firms and representing firms with at least 1,000 workers and up to over 10,000 workers (U.S. Department of Labor, 1991: 3–4). This union subsequently became the more militant Korean Confederation of Trade Unions (Koo, 2001: 197).

In early 1989, the government was increasingly concerned, as union members started to push their actions to excess and violence. For instance, in late 1988 worker-management confrontation intensified as unauthorized and sit-in strikes lengthened in duration and the incidence of violence increased on both sides (U.S. Department of Labor, 1989: 7). Consequently, the Roh government started to abandon its hands-off stance and began to employ a new policy to break up unauthorized strikes.

Strike leaders were sentenced to prison terms, invoking the existing labor-legislation clauses. Up to 1,500 teachers were fired for refusing to renounce their newly organized teachers' union, which was prohibited as a public-sector union. Some 364 workers were arrested during the first five months of 1990 alone, according to Chonnohyop, while another 134 were on the police wanted list (U.S. Department of State, 1991: 940). The resumption of this practice of jailing free unionists for violating rules was stacked against them, however, although it did serve to end open labor unrest in South Korea.

There were many students who supported the labor unions by disguising themselves as workers in the 1980s. Thousands of college students quit school and joined the ranks of industrial workers by falsely presenting themselves as having only a high school education on their job applications. Their goal was to gain the confidence of fellow workers and transform them into activist workers.

One Western observer with connections to the dissident community in Korea estimated that as many as 3,000 students participated in such endeavors (Ogle, 1990: 99). Many of the student workers were eventually identified and arrested on charges of falsified personal identification and forgery. Labor unrest momentarily ended by 1992, but the price was high, with an expensive union suppression and an economic slowdown, the worst seen in many years.

The role of the state in the capitalist market system was clearly different between the era of the authoritarian developmental state and the democratizing state. The successful industrialization during the authoritarian era eventually led to the rise of new social classes and a new set of interest groups. New elements of civil society were occasioned by the democratization of politics. Successor regimes had to tailor their policies to suit the interests and demands advanced by the newly activated groups and classes in civil society (Koo, 2001: 153–187).

In the transition process, middle-class support was the key determinant in implementing democratization (Dong, 1991: 257–282). Yet, in the postdemocratization phase, the middle class might desire greater political stability and change its position to support a conservative regime that was able to sustain law and order. The role of the state in the era of democratic transition became more diversified and its policies more multidimensional. The policy of economic growth was oftentimes made less of a priority by a regime that was more preoccupied with maintaining continuous political stability.

With the progress toward democratization, middle-class voters seemed more interested in domestic policy than in foreign policy issues. In Korea in 1992, the middle class desired greater economic security and welfare above all else. This was the reason why, during the 1992 presidential election campaigns, neither foreign policy nor unification policy captured the attention of the South Korean electorate. The public was interested more in the economy and leadership and less in the foreign policy or unification policy issues.

Although all three leading candidates had their own visions and strategies for what kind of Korean reunification to bring about, they were not questioned vigor-

ously about these issues during the presidential campaign. In fact, the initial enthusiasm for North–South Korean agreements on reconciliation, nonaggression, and exchanges and cooperation, signed on December 13, 1991, and put into effect on February 19, 1992, actually died down during the campaigns.

The issues of peace and reunification were effectively nonissues during the presidential election campaign of 1992. Just before launching the presidential election campaign, President Roh made a trip to China in November 1992, preceded by a trip to New York to deliver his speech at the UN General Assembly in October 1992. During the campaign, President Boris Yeltsin, the Russian president, made an official state visit. However, none of these highly visible diplomatic moves influenced the presidential election to a measurable degree.

Foreign policy in the postdemocratization era was not likely to capture the center of attention or to emerge as a main focus for the country. Economic growth and social welfare continued to be more salient to middle-class voters than Roh's Nordpolitik, a subject to be fully discussed in Chapter 7. The public perceived Nordpolitik to be a policy of a past era rather than a vision of the future, despite the success that President Roh Tae-Woo attributed to it.

The relationship between democracy and economic growth in a new democracy like South Korea's Sixth Republic remains at issue. In drawing a linkage between democracy and economic development, in the context of South Korea's democratic transition, Tun-jen Cheng and Lawrence Krause (1991) asked three sets of questions: One, was an authoritarian regime a prerequisite for economic development? Two, was economic development required as a preparation for democracy? Three, what were the economic consequences of democratic transition? Clearly, the first and second questions could be answered positively because South Korea's rapid industrialization of its economy was engineered by an authoritarian regime that, in turn, precipitated the prodemocracy movement. The answer to the third question was more ambiguous because the experience of the Roh Tae-Woo administration led to mixed results in terms of economic performance.

The contribution of a certain type of authoritarianism, such as the bureaucratic authoritarian regime and a CDS, was clearly identifiable in terms of South Korea's forced march toward a rapid industrialization of the economy (question one) as proven by the Korean state from 1962 to 1987. The trend toward possible negative economic consequences of democratization (question three), however, was inconclusive as shown by the more volatile economic situation of the Roh Tae-Woo administration following the democratic transition in 1987.

Findings from the Korean case show that the timing of democratization matters as do its effects on state-business-labor relations. The economic impact of Korea's democratic transition in 1987 was clearly unique and different from that of a more mature economy because the Korean economy was more labor-intensive in industrialization than capital-intensive or technology-intensive.

Also, the Korean case shows that democratic transition resulted in the economic consequences of higher consumption, thereby inducing inflationary pres-

sures and the demand for wage increases in excess of productivity gains. These were all immediate results of the democratic transition, but the long-term impact would depend on the type of democracy toward which the country was evolving (Cheng and Krause, 1991).

A growing body of evidence also suggests that, at a minimum, authoritarian regimes do not grow faster in per capita income than democracies. "There is no trade-off between development and democracy," and a "democracy need not generate slower growth" (Diamond, 1999: 7; Prezeworski et al., 1995; Prezeworski and Limongi, 1997: 178). Thus, while democracy may generate fewer economic miracles, it is better suited to avoiding or correcting disasters, as Adam Prezeworski and Fernando Limongi observe, and also better suited to achieving steady progress in human well-being.

Finally, while the relationship between democracy and inequality is also in dispute, democracies seem in the long run to respond better to the needs of the poor and the marginalized, as Diamond notes, because they enable such groups to organize and mobilize within the political process (1999: 7).

Democratic transition in South Korea was about change in the political regime that would permit free and competitive elections, and the adult population enjoyed not only universal suffrage, but also franchise. The first stage of democratization was completed by the 1987 presidential election. However, democratization involved more than the procedural aspects of election. It also enabled the protection of basic human rights by the government. In fact, democratization is incomplete without consolidation. By virtue of electing a civilian president in December 1992, South Korea went beyond the first phase of democratic transition into the second phase of democratic consolidation.

By completing the reform agenda adopted by the civilian democratic regime, South Korea realized the full measure of political democracy. A democratic regime provided an institutional mechanism for its citizens to enjoy the basic freedoms of speech and the press, the rights of political association, and political competition (Share and Mainwaring, 1986: 177). The democratic regime also enabled an alternation in political power through periodic general elections. By 1993, South Korea went beyond this process of democratic transition and democratization and began to address the challenges of consolidating democratic gains.

Conclusion

Since 1987, South Korea has undergone an epochal process of drastic political change. Its democratic experiments required several steps. First, it adopted the measures of a democratic liberalization and opening toward the end of an authoritarian regime of the Fifth Republic under President Chun Doo-Hwan. Second, South Korea advanced into a democratizing regime or transitional democracy under the popularly elected President Roh Tae-Woo in the Sixth Republic. Third, with the election of civilian President Kim Young-Sam in December 1992, South Korea's Sixth Repub-

lic completed the process of an orderly democratic transition and entered a new era of democratic consolidation.

Whereas South Korea under Roh Tae-Woo could be seen as making a new beginning of democratization, Korea under Kim Young-Sam could be seen as entering a new era of democratic consolidation politics, with greater and restored legitimacy and with a newly elected civilian democratic government (Cotton, 1993). This historical fact of democratic transition lends credibility to the modernization hypothesis that popular demands for political participation and the willingness of elites to recognize them are likely consequences of the idea of modernization (Cotton, 1989: 244; Harrison and Huntington, 2000).

Modernization of South Korea over the years, with the economic miracle attained in the 1970s and 1980s, provided the context and impetus for the democratization of the country's politics and society from 1987 to 1993. This chapter examined the context, process, and problems of South Korea's political change and democratic transition from 1985 to 1993, followed by an analysis of the dilemma and challenges of democratic consolidation in terms of South Korea's ongoing reform agenda. With the election of the opposition party leader Kim Dae-Jung five years later in the December 1997 presidential election, South Korea's Sixth Republic became a full-blown democracy. At that point, one can argue, as does Diamond (1996, 1999), that the third wave of democratization in the late twentieth century was now over and the saga of Korean democratization was completed.

Contemporary South Korean politics has undergone a series of breathtaking political and regime changes. The collapse of an authoritarian rule and its replacement by democracy through the democratic opening and transition was clearly one of the most dramatic political developments of South Korea in modern history. This process of political change and democratic transition, begun with the twelfth National Assembly election in February 1985, ended with the fourteenth presidential election in December 1992 and the inauguration of a civilian government on February 25, 1993. The fifteenth presidential election in December 1997 that led to an election of an opposition party candidate and the change of government party added new vitality to South Korea's democracy building.

In this process of democratization of politics, the changing role of the state and state-society relations were central as determinants in the historical transformation. During the authoritarian phase of economic development, the relative autonomy of the state was high and the state readily intervened in the market. Civil society was not given autonomous status in politics since certain social groups such as organized labor were repressed and excluded from participation in politics. During the democratization period, state autonomy became constrained by newly activated social groups in civil society, such as the working- and middle-class citizens.

South Korea represents the case of a country undergoing late-stage industrialization. South Korea's industrialization and entry into the world capitalist market economy was dictated by South Korea's geopolitical location and historical con-

dition as a newly independent, yet divided nation-state after World War II. As a CDS, it switched from an import-substitution to export-led strategy of industrialization in the 1960s with the help of a strong authoritarian state (Haggard, 1990: 51–73). During this time, a state-led, rather than a market-led and -driven process of economic growth, was the engine of economic development and modernization.

Now that South Korea has achieved the economic miracle of industrialization, the civil society has become strengthened and the social sectors have also become activated politically. The enlightened public is no longer passive, accepting and taking for granted the dictates of the bureaucratic authoritarian regime. As democracy emerged, a postdemocratization regime came into being. This new democracy enjoys political legitimacy with a substantial mandate for carrying out political reforms and preparing for a just society and a welfare state for future generations.

The winds of political change and reform are sweeping across the region of East Asia. South Korea has joined the global march toward democracy along with its neighboring countries of Taiwan, which has been involved in reform since 1989, and Japan, which began its democratic reform in 1993. In this process of democracy building, South Korea will be affected continuously by such modernization ideals and values as economic development and a movement toward greater equity in a pluralistic and diversified social structure. At the same time, it will be involved in an external environment of greater interdependence and integration of the world economy through salutary impact in the new era of economic globalization.