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Values, Governance, and International Relations: The Case of South Korea

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DIFFERING CULTURAL HABITS can facilitate the resolution of disputes involving parties from other countries. But very often the hidden cultural premises that inform human behavior impede, or obstruct altogether, reconciliation between disputing parties. Elites socialized in different cultures may behave in different ways and make different choices, even when placed in similar situations. To understand how a country's elite views dispute-resolution mechanisms designed to deal with international conflicts, it is necessary to examine domestic attitudes and practices. Members of different societies attribute conflicting significance to social, economic, and political disputes and their resolution because their assumptions about the world and themselves vary. And cultural values, sometimes in very subtle ways, are embodied in institutions, the main mechanism of policy implementation and feedback.[1]

The purpose of this chapter is to outline various ways in which culture, economy, governance, and international relations are linked. Topics include the following. How does culture, as reflected in values, affect South Korean politics and economic practices, and how has governance affected South Korea's international relations? Is the tradition of Confucianism compatible with liberal democracy? What are the main value systems specific to South Korea? And how have these cultural elements impacted on South Korea's foreign relations?

In fact, few societies have changed as rapidly or as dramatically since the end of World War II as South Korea. Annexation by Japan, the Korean War, and the division into North and South have contributed

to abrupt social changes. Rapid economic growth has engendered profound changes in values and human relationships. And yet there has also been continuity with the past, as manifest in deference to authority based on Confucianism,[2] nationalism based on ethnic homogeneity, and clientelism based on the organic structure of South Korean society. Regional and global changes during the past half century, but particularly since the end of the cold war, have faced South Koreans with the dilemma of conflicting ideas: nationalism versus globalism, individualism versus communitarianism, liberal democracy versus paternalistic authoritarianism, and centralization of power versus regional autonomy in domestic politics.

These conflicting values and ideas have also had a great impact on South Korea's foreign policy. A number of factors have contributed to the unique pattern of South Korean diplomacy. The volatile situation on the Korean peninsula, strong nationalistic sentiment born during the period of Japanese colonialism, idiosyncrasies of leaders' behavior and orientation, the ups and downs of domestic politics, and the geostrategic pressure of South Korea's setting—all these factors have made Koreans oscillate between the two extremes of confrontation and accommodation, between xenophobia and toadyism toward bigger powers, and between bilateralism and multilateralism in dealing with security and economic issues. Toward North Korea, policies of isolation and engagement have competed as choices for South Korea's political leaders. This is perhaps a natural phenomenon for a relatively weak country struggling to survive external as well as internal pressures. Moreover, the relatively short experience of modernity and political development has compounded the problem of adaptation to changing circumstances. Lacking in institutionalization, South Korean behavior both in domestic politics and international relations has revealed a mind-set characterized by the absence of agreed-upon rules of the game and the spirit of compromise, which has led to emphasis on a zero-sum orientation and the prevalence of a winner-take-all way of thinking.

Culture, Modernization, and Governance

Modernization and Democratic Transition

In 1988, South Korea managed a peaceful transfer of power through a democratic process. Only a year before, few had thought such a development possible. This political change also came after three decades of

rapid growth and industrialization during which South Korea developed into one of the important manufacturing centers and the twelfth-largest trader in the world economy. Was there a causal relationship between these two developments? It is reasonable to believe there was —but there were other causal relationships, as well.

The nexus of the relationship is to be found in the modernization process, a complex syndrome of social and economic changes involving rational and secularized thinking, political awakening, industrialization, and social mobility that accompanied the rapid expansion of the economy. One consequence of these changes was to destabilize authoritarianism. Secularization undermined the traditional bases of political authority, and increased awareness created demands and expectations that could not be met by the government. Industrialization tended to create new social and ideological cleavages and conflicts. Social mobility and urbanization made people more susceptible to ideological agitation and disorderly mass action. A second consequence was to stimulate change toward democracy. Improved communication and greater awareness made it difficult to maintain an authoritarian government. Rational thinking made the acquisition of government office by election more feasible and necessary. Economic growth and social development contributed to the rise of social groups, such as the middle class, that generally support a democratic system.

Nevertheless, these tendencies did not unfold smoothly. A number of factors distorted or delayed their evolution. One such factor was the nature of traditional society. Before the process of modernization began in the late nineteenth century, Korea was an authoritarian society ruled by a highly centralized bureaucracy under an autocratic monarch. This was in sharp contrast with such feudal societies as Japan, which, although equally authoritarian, maintained a pluralistic and decentralized polity. The concentration of power in the central government in Korea was further heightened in the twentieth century during Japanese rule, which imposed on Korea a highly centralized colonial administration. Until the end of World War II, Koreans experienced only a highly centralized executive authority that was neither checked nor balanced by countervailing power groups, such as regional lords or elected representatives. In South Korea today, there is still a highly unbalanced development of political institutions—that is, "underdevelopment" of input organizations such as political parties and interest groups.

A second factor that impeded the political changes that the

modernization process might otherwise have engendered was the uncontrolled and indiscriminate way in which social change took place. During the colonial period, the traditional elite lost its power and social status; many of its values were discredited and practices discarded. Moreover, Korea experienced a total dismantling of its political institutional and authority structures. Socioeconomic modernization was introduced by a foreign elite that had no interest in preserving the country's traditional institutions. Thus, when South Koreans had the opportunity to form their own government after their liberation from Japanese colonial rule, they had to build their political structure from the very foundations. They had not preserved any traditional mechanisms by which loyalty to the new government could be generated, and this placed excessive burdens on new means of legitimacy, such as elections, which were yet to be fully institutionalized.

Third, the kind of politics a modernizing society is likely to experience at any given time depends on the sequence of its political experiments from the beginning of the modernization process onward. South Korea began its experiment in modern politics only four decades ago. It did not have satisfactory results with either the charismatic leadership of Syngman Rhee (1948–1960) or the parliamentary democracy of the 1960–1961 period. This unsatisfactory experience with other systems might be called "legitimacy by default"—that is, the acceptance by the people, albeit without enthusiasm, of a military-backed authoritarian system out of the feeling that the alternatives had not proved more desirable. Now authoritarianism has had its turn—a long one at that—and has been definitively rejected as a suitable system for South Korea today.

As for the fourth factor, South Korea has been under a constant and acute security threat since 1948. A devastating war took place from 1950 to 1953, leaving the peninsula divided and the South under a continuous threat thereafter by a formidable foe in the North. For this reason, South Korea had to maintain a large military establishment, a government capable of mobilizing national resources for defense purposes, and a society oriented toward maximizing security against internal subversion and external attack. Such requirements tended to favor the rise of a "firm and strong" state. A substantial portion of the people seem to have felt that a "soft" state would not be able to cope with the security problem or handle the task of economic development, which was deemed necessary for security. A corollary of this argument for

much of the postindependence period was that a strong state was not compatible with a democratic system of government.

Finally, the dilemma of liberal democracy was especially acute in South Korea because of the serious social and ideological cleavage between the conservatives and the radical left. The division of the country between the communist-controlled North and the anticommunist South was primarily responsible for armed forces, the police, the bureaucracy, and individuals in the "establishment." On the other hand, radicalism grew, particularly among students and those who considered themselves to belong to deprived groups, to the extent that it was seen by the conservatives as posing a genuine threat to the survival of the nation, not to mention to the existing socioeconomic order.

Radicalism in South Korea exhibits traits of strong nationalistic and egalitarian beliefs (Han 1974, 5). The appeal of radicalism derives from the perception among many of an uneven distribution of the benefits of socioeconomic change and of the country's excessive dependence on foreign powers. Radical activists have thus demanded a complete overhaul of not only the political system but also the socioeconomic structure itself. This, however, hinders the democratization process. As the defenders of the socioeconomic status quo see it, the choice is between revolutionary change and the existing socioeconomic order rather than between liberal democracy and dictatorship. In the past, the result has been a vicious circle of oppressive measures and radical demands. South Korea has thus had a tortuous path to democratization.

Nevertheless, the December 1987 presidential election and earlier events that year contributed to resolving, at least in part, the thorny question of legitimacy that had loomed large throughout the Chun Doo-hwan government (1980–1988). Despite the fact that Roh Tae-woo, the ruling Democratic Justice Party (DJP) candidate, won a mere 36 percent of the vote, and notwithstanding charges of election fraud, most people accepted that the election of the president by direct popular vote had passed the democratic test in that it led to the selection of a government through an open and competitive election that respected the basic freedoms of expression, assembly, and organization. The candidates campaigned unhindered by government restrictions, and each of them, including the DJP candidate, was subject to spirited debates and tough questioning.

On balance, what is it that brought about this dramatic political transformation? Surely, part of the explanation is to be found in the Chun government's ineptness in dealing with the opposition

politicians, its indiscriminate policy of oppression and rigidity helping to unite the very foes it sought to divide. Moreover, it lacked logic and consistency in its approach to the constitutional issue of legitimacy and could not retain existing supporters or gain new ones. The personal unpopularity of the president also helped to strengthen the antiauthoritarian movement. With a more popular and charismatic leader, the authoritarian circle might possibly have lasted longer. It can also be argued that Chun was hamstrung by his very success. He could hardly have saved his regime by calling out the troops, in view of the damage that could have been done to the economy and to the 1988 Olympic Games in Seoul, for which the regime took credit and in which it had so much pride (*Korea Herald* 20 November 1996).

Part of the explanation is to be found also in the pragmatic attitude and approach of South Korea's military leaders and soldiers-turned-politicians. Faced with an overwhelming show of force by demonstrators and political opponents, those leaders, including Chun and the DJP presidential candidate, Roh, decided to accommodate the opposition rather than mobilize troops and risk a breakdown of the political system with a resulting plunge in the country's economy and international prestige. It is also possible that the United States, with which South Korea is allied and which counseled prudence and restraint particularly on the part of the military, was instrumental in their decision to try the democratic route. Equally important, perhaps, was the DJP's assessment that, given the factional divisions within the opposing forces, it had at least an even chance of winning the next presidential election even with a direct popular vote. In fact, the DJP made every effort to boost the image of its candidate by giving him sole credit for the democratization gestures of the DJP and the government. How ironic that the ruling party of an authoritarian government should adopt a democratization strategy to retain power.

Even more of the explanation is to be found in the persistence, strength, and determination of the opponents of the Chun government, including the opposition politicians, antigovernment students, and ideological dissenters whose character and very existence were in large part accounted for by the economic growth the Park Chung-hee (1961–1979) and Chun regimes had so assiduously promoted.[3] First of all, economic growth increased the size of the middle-income group, which was politically aware, interested, and assertive. A 1987 survey showed that as many as 65 percent of South Koreans identified themselves as members of the middle class, indicating the emergence

politicians, its indiscriminate policy of oppression and rigidity helping to unite the very foes it sought to divide. Moreover, it lacked logic and consistency in its approach to the constitutional issue of legitimacy and could not retain existing supporters or gain new ones. The personal unpopularity of the president also helped to strengthen the antiauthoritarian movement. With a more popular and charismatic leader, the authoritarian circle might possibly have lasted longer. It can also be argued that Chun was hamstrung by his very success. He could hardly have saved his regime by calling out the troops, in view of the damage that could have been done to the economy and to the 1988 Olympic Games in Seoul, for which the regime took credit and in which it had so much pride (*Korea Herald* 20 November 1996).

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of a social base upon which democratic politics could be built (Park 1987). Rapid economic development was also accompanied by increasing complexity and pluralization of society. This made it difficult if not impossible to sustain a government that was weak in popular support and legitimacy.

Moreover, as a result of the government's forward-looking strategy, South Korean society had become permeated by outside influences. These influences, including external pressure for democratization, tended to favor democratic values and procedures. Thus, rapid economic growth as a national objective was replaced by the goal of becoming an advanced society—and in the minds of South Koreans such a society had to be not only affluent but also democratic. Finally, economic advance elevated South Korea to a position stronger in defense capabilities than North Korea's. In the minds of many South Koreans, this change greatly reduced the possibility of a North Korean invasion and to that extent raised questions about the national security argument used to justify repressive measures.

The Shift to the Period of Democratic Consolidation

If the Roh administration (1988–1993) can be considered one of democratic transition, President Kim Young-sam's (1993–1998) can be considered one of democratic consolidation. Roh, who was elected with only 36 percent of the vote in a four-way race (with Kim Young-sam, Kim Dae-jung, and Kim Jong-pil, who received 25 percent, 24 percent, and 10 percent of the vote, respectively), proved to be an appropriate person for the transition. He was from the military and therefore acceptable to those who had prospered and benefited from the authoritarian system. At the same time, he had entered the presidential race as the champion of democracy with a June 29, 1987, declaration that not only accepted popular election of the president but also completely exonerated Kim Dae-jung from his sedition charges of 1980.

Although there was optimism and acceptable economic growth during the first two years of Roh's administration, his tenure was characterized by increasing dissent (particularly from the leftist students), government inefficiency, big spending (especially in connection with his plan to build two million units of housing), and political volatility (particularly involving the merger in 1991 of the three parties led by Roh, Kim Young-sam, and Kim Jong-pil into the Democratic Liberal Party [DLP]). No sooner had the Roh government been inaugurated than labor activities intensified. This resulted in higher wages, more

strikes and work stoppages, and longer strikes. In 1989, for example, pay increases averaged 17.8 percent, South Korea suffered more than one thousand major strikes, and the average length of strikes was close to twenty days. Inasmuch as strikes had been illegal until 1988, these were astounding figures, which caused fear of excessive wage hikes that would make South Korean products less competitive internationally and bring the economy down from the euphoria of the immediate post–Seoul Olympics period.

Roh, either because of his indecisive personality or by force of democratizing trends, was seen as a feeble president who was reluctant to make and had difficulty implementing hard decisions. His government was pressured from the beginning by the opposition parties of Kim Young-sam and Kim Dae-jung to bring to justice the perpetrators of the 1980 Kwangju massacre. Instead of allowing them to be called as witnesses before a special parliamentary committee, at first Roh had former President Chun and his wife sent into domestic exile at Paektamsa, a remote Buddhist temple in the mountainous northeast. Eventually, however, Roh succumbed to the pressure of the opposition and the public and allowed Chun to testify before the National Assembly on the last day of 1989 and thus be humiliated before a national audience that watched the extraordinary event live on television.

In the meantime, dissident activities became increasingly violent, causing fear that the conservative social order could be shattered once and for all. At a demonstration in May 1989, student protesters on the campus of Dongui University, in Pusan, set fire to a building with riot police trapped inside, killing six policemen.[4] Rampant strikes and the violence that often accompanied them made the public fear that the country and society were falling apart as a result of democratization.

The Roh government appeared especially weak vis-à-vis the National Assembly, where the majority was held by the opposition parties as a result of their lopsided victory in the April 1988 parliamentary elections. However, this situation was "corrected" by an extreme and unexpected turn of political events: the 1991 merger of three conservative parties—the ruling DJP, the Democratic Party of Kim Young-sam, and the Democratic Republican Party of Kim Jong-pil. In addition to underlining the cliquish character and lack of policy differences among the parties, the merger succeeded in creating a pro-government party, the DLP, that gave the government a stable majority and assured Kim Young-sam's prospect of becoming the next president.

Partly as a result of the democratizing trend, the economy began to

show many signs of structural limitations. The trade balance, which had gone into the black for the first time in 1986, fell into deficit again. Several factors contributed to the problem. First, a few years' trade surpluses weakened the incentive to make the necessary adjustment from labor-intensive to more technology-intensive industry. Second, many of the economic problems were due to sharply rising wages relative to productivity. Between 1988 and 1990, South Korean workers' wages increased about 23 percent more than their productivity (Lee 1992, 68). Third, rising land and other real estate prices as well as the cost of transporting goods and services pushed up production costs while encouraging speculation and high consumption. Fourth, the macroeconomic policies of the Roh government aggravated the economic difficulties. To carry out Roh's election pledge of building two million units of affordable housing, the government embarked on huge construction projects, diverting capital and labor away from the manufacturing sector and pushing up interest rates and wages.[5] Fifth, with real estate prices rising and inflationary pressures increasing, excessively conspicuous consumption by the wealthy and an accompanying erosion of the work ethic and entrepreneurship undermined social cohesion and economic health while contributing to the boom in the consumption sector, including services and entertainment. Under these circumstances, businesses tended to invest in speculative enterprises that promised quick and easy profit rather than in the manufacturing sector or research and development.

Thus, voters went to the polls for the presidential election in December 1992 with little enthusiasm. That was in stark contrast with the mood that had surrounded the 1987 presidential election, when most voters had had a clear favorite, whether it was Roh, or one of the two Kims, Kim Young-sam and Kim Dae-jung. In the 1992 election, none of the major candidates ignited such public passion. But voter apathy may have also indicated another political shift: Democracy was gradually maturing in South Korea. None of the candidates, South Koreans increasingly believed, could or would reverse the democratization process.

The 1992 election did not seem much different from the previous one. It was being held under the same general rules: a direct popular contest without a runoff vote. But the winning candidate, Kim Young-sam of the DLP, while not winning a majority, did receive a plurality of less than 42 percent of the vote, which was substantially higher than Roh's 36 percent in 1987. Regional loyalty remained a key element in

the election.[6] To be sure, the election was not without ugliness. Laws were broken and bribes handed out; mudslinging was rampant. The government's approach to allegations that Hyundai Corporation had illegally poured funds into Chung Joo-young's campaign was heavy-handed, both before and after the election. Nonetheless, when the election was over, people recognized that the new man, Kim Young-sam, had won a hotly contested election. His legitimacy could not be challenged, and his popularity soared during the first few months of his presidency. It was clear that Korea had turned another corner toward democracy.

The Political Economy of Democratic Consolidation under Kim Young-sam

Upon assuming office, Kim embarked on a campaign of "reform and change" that was aimed at rooting out corruption and money politics. He pledged not to receive any financial contributions from businessmen; decreed disclosure of the assets of all high public officials, a practice subsequently codified in legislation enacted by the National Assembly; initiated an all-out cleanup campaign, including systematic investigation of public officials; cleansed the military of corruption, especially involving arms purchases; and instituted the so-called real-name account system, which was intended to check illegal money transfers, including slush funds. The president's popularity initially shot up as high as a 90 percent support rate.

Kim's cleanup campaign took on a momentum of its own. Two years after he took office, the public was treated to the spectacular view of the arrest and imprisonment of former presidents Chun and Roh on charges of insurrection and corruption. Businessmen, many of whom were owners of the largest corporations in Korea, were charged, paraded on television, and tried on charges of contributing illegal funds to Chun and Roh. The public also witnessed the jailing of a son of Kim for money laundering and tax evasion and the punishment of close associates on charges of corruption. By the fifth year of his presidency, Kim's popularity had plummeted to under 10 percent in opinion polls.

To what extent was Kim's reform effort successful, and what explains the partial failure and discrediting of him and his reform efforts? In large measure, the real-name account reform brought some if not all underground money to the surface. However, it also succeeded in squeezing financial sources, particularly of small and medium-sized companies, which failed in record numbers. It also turned out that corruption had

not been rooted out, as evidenced by revelations of bribery and other illegal money dealings and the arrest and trial of some of Kim's closest associates, including his own son.

Kim's most serious misjudgment was his emphasis on dealing with the corruption of the past (hence the jailing of many leading politicians and businessmen) rather than of the present and the future. Mindful of the public cheering, he took measures that disrupted orderly and predictable business activities. Furthermore, the Kim administration appeared to lack a coherent and consistent economic policy. To be sure, the "new economic plan" enunciated at the beginning of his administration emphasized hard work and sacrifice, but it relied too little on the profit motive and the encouragement of spontaneity and private initiatives.

In fact, the Kim government consciously resorted to traditional Confucian symbols in pushing through its radical reform policies. Not only symbols but also some of the actual policies and reform measures were clearly Confucian inspired. This rather surprising turn of events showed the extent to which the political discourse in South Korea was still Confucian derived. Kim's administration derived its legitimacy by staking out the moral high ground in the Confucian sense and the economic reform measures were regarded as its most potent weapon. Implementing the real-name account system, making public officials disclose their assets, punishing *chaebol* (conglomerate) leaders for bribing politicians, and arresting former presidents in the name of correcting South Korea's distorted history were all done to restore so-called morality. However, the reform measures came under increasing criticism. Even though most South Koreans agreed with the spirit of the reform policies, they began to question the motives behind their implementation. Just as the government could accuse officials, business leaders, and politicians of indulging in corruption, so too could critics accuse the government of engaging in reform politics for private rather than public reasons.

Democracy, it seems, affected corruption in two opposing ways. On the one hand, a freer press and greater access to information tended to discourage corruption. On the other hand, the high cost of elections, weakened leadership control in a more pluralistic political setting, and the strengthening of local governments tended to make it difficult to root out corruption. Furthermore, policies aimed at promoting the national and public good tended to be stultified by political considerations on the one hand and local and parochial interests on the other.

Deregulation was an even more difficult task as the bureaucracy, which had been built up and strengthened during the growth-driven period, put up stiff resistance to efforts to scale down its role and power. When the Ministry of Finance was merged with the Economic Planning Board to form the Ministry of Finance and Economy in 1994 in accordance with a government reorganization plan, the idea was to reduce the power of the former, which had wielded a disproportionate influence over banking, finance, and other economic matters. However, rather than bring that ministry under the control of the Economic Planning Board, the result was to give the Finance Ministry the additional power of economic planning, thus creating what some observers called a "bureaucratic monster." The banking system continued to be under the influence of the government, with resultant inefficiency, producing scandals such as the Hanbo case.

In fact, Kim's image as "Mr. Clean" was irreparably damaged with the outbreak of the Hanbo scandal. The scandal arose from the fact that the Hanbo Group had borrowed some US$6 billion from government-controlled banks that it could not pay back. Investigation revealed the involvement of some of Kim's closest associates. Most decisively, his own son was accused of several serious improprieties, including influence peddling, illicit involvement in state affairs, and the laundering of money (in violation of the very law that his father took such pride in) supposedly left over from his father's presidential election campaign in 1992. Ever since the revelation that former President Roh had amassed a huge fortune and was suspected of having made a large contribution to Kim's campaign, the so-called presidential campaign money issue had been a time bomb waiting to explode. With his son in jail, doubts arose as to whether Kim would have sufficient authority and power to act as president during the remainder of his term.

As stated earlier, South Korea's economy did not do well in 1997, the last year of Kim's presidency, and there was more pessimism than optimism regarding its short-term prospects. Signs of the difficulties were seen not only in lower growth rates (9 percent in 1995, 7 percent in 1996, and 5 percent estimated in 1997) but also in the rising current account deficit (US$8.9 billion in 1995 and US$23.7 billion in 1996) and the resultant snowballing of foreign debt as well as in the increasing number of bankruptcies among small and medium-sized businesses. The government, along with independent analysts, attributed the economic troubles of the last two years of Kim's presidency to a cyclical downturn and to a number of serious structural problems summed up

by the phrase "high cost, low efficiency." These problems were attributed to insufficient progress in promoting structural reforms in the domestic economy, where the ever-increasing costs of South Korean products were seriously weakening their competitiveness. The areas identified as those in which reforms were crucially needed included the labor, financial, and real-estate markets, as well as the government regulatory sector.

One result of this perceived economic crisis has been the reemergence of a protectionist impulse. This is a product of the imbalance of progress in external and internal economic reforms. There has been steady progress on the external policy front, in part due to foreign pressure. On the internal front, however, there has been insufficient progress toward deregulation, whose lack has contributed to the current economic difficulties. Many hold the continued market opening responsible for the present difficulties, but the real culprit is the imbalance of policy reform on the external and internal fronts. Insufficient internal progress can be explained by the lack of an internal counterpart to the foreign pressure for market opening. In the absence of strong political leadership capable of formulating and implementing macroeconomic policies, democratization and pluralization have proven to be a hindrance to promoting domestic reforms.

The financial crisis in 1997 and the consequent denial of fresh loans by banks caused big corporations to fail, raising the specter of a severe recession. Seven of South Korea's top thirty *chaebol* collapsed or sought bankruptcy protection in 1997.[7] Faced with a balance-of-payments crisis, South Korea sought help from the International Monetary Fund (IMF). It was uncertain how the IMF could reform the relatively closed, family-run, government-aided system that had made this nation an industrial power but had also overbuilt, overspent, and left a mountain of debt. South Koreans had known for years that the system had to be changed, but no one could do it. The bankers, business people, and government just accused one another of responsibility for the financial crisis (Zielenziger 1997).

The core problem is that South Koreans have not had leadership, and they now have to pay for it. When the *chaebol* got into trouble, they ran to the banks for more loans, using their political connections. Banks usually had no choice but to keep the money flowing, and the government decided who could borrow; small and medium-sized business usually got squeezed out. During the early catch-up phase in the 1970s and 1980s, the *chaebol* effectively mobilized capital and labor

to build the factories and heavy industries that powered the nation's fast growth. But in later years, arrogance and abuse of privilege took over. From 1993 to 1996, South Korean firms doubled their investment in new plants, products, and equipment to US$820 million a year. Most of this investment did not generate extra profits. The companies expected demand to grow 12 percent or more for four years straight, and it just did not happen.

In fact, democratization of the political structure helped push the system out of control. It allowed rich business leaders to shower bribes on bureaucrats and powerful politicians, not only from the government party but from opposition parties as well, in order to keep the cheap loans coming. People thought that the *chaebol* were too big to fail, but the burden of loans became too heavy. Thus, the first challenge was to change the structure so that bad companies and bad banks could be eliminated from the market. Meanwhile, according to some optimists, the IMF bailout meant that South Korea would finally be forced to clean up its corrupt practices and restructure its economic system. In a word, the bailout could be a good excuse to make changes that had been impossible so far.[8]

For almost a decade, economists around the world debated the proposition that business and government leaders in East Asia had discovered a new strain of capitalism more potent than the free market system so often trumpeted in the United States. Many experts discerned a uniquely Asian economic model that combined the dynamism of the market with the advantages of centralized government planning. This new system thrived, some admirers argued, thanks partly to traditional Confucian virtues: hard work, collective enterprise, and respect for authority. But this notion now appears as feeble as Asia's stock and currency markets (Chandler 1997). In a word, the "Asian model" seems to have no special magic (Krugman 1994). The so-called Japanese developmental model was a fantastic catch-up model, but it was not a model for all seasons. Now the model has fallen apart, and the problem seems to be that no one has figured out how to change it even if everybody realizes the significant need.

Phases of Political and Economic Linkage and the Impact on Governance

The past thirty-five years of rapid economic development in South Korea present an interesting case of the linkage of political and economic development. The first phase, which coincided roughly with the

1960s, represented a period when an authoritarian government pushed for rapid industrialization according to a deliberate economic plan. The first five-year economic plan was implemented during the 1962–1966 period, when the foundation for future rapid industrialization was laid. But it was also a period of semimilitary rule during which soldier-turned-politician Park gradually consolidated his authoritarian regime. Although there is debate regarding the functionality of authoritarian government for rapid economic development, the Park government clearly contributed to setting out the industrialization process with its systematic planning and reasonably effective implementation.

The second phase coincided roughly with the 1970s, when Park's dictatorship reached its peak and economic development continued. In this case, however, authoritarian rule benefited from economic development, which gave the regime a measure of legitimacy because of economic performance. Thus, the economic benefits that the people perceived they were receiving contributed to sustaining and even consolidating an authoritarian government. However, during this period, economic success was already sowing the seeds of democratic dissent, which was becoming more intense and strong. The result was mass uprisings in the Pusan and Masan areas in 1979, which the Park government attempted to quell with force. Disagreement within the ruling clique proved to be the undoing of the authoritarian regime, which collapsed with Park's assassination by a close aide in 1979.

Industrialization in the 1960s and 1970s created a middle class that was becoming increasingly assertive and intolerant of an authoritarian regime, while the exchange and communication with the outside world that were required for export-led industrialization made it impossible for the regime to insulate domestic politics from the liberalizing influence of the wider world. The economic development process also created a private sector consisting of business groups, student movements, media, and other social organizations that were becoming increasingly more difficult to control.

Thus, while rapid economic development initially helped the authoritarian government, it resulted in social changes that made it difficult to sustain authoritarianism. Under such circumstances, the early 1980s should have brought about democratization. However, during the third phase of political-economic linkage, democratization was suspended during much of the 1980s in what can be described as another period of rapid economic development combined with authoritarian

rule. Thus, until democracy was restored in 1988 following the stepping down of Chun and the election of Roh, the balance between politics and the economy remained uneven. This effectively brought about the fourth phase of linkage, during which the process of economic development had to be carried out by a democratic government.

Toward the end of the 1980s, as South Korea was experiencing its democratic transition there was much speculation and doubt both at home and abroad as to whether the nation would be able to continue its economic strides without an authoritarian government. A democratic government, the argument went, would find it impossible to implement economic policies without succumbing to popular whims and parochial interests. Allocation of resources would be made more by political considerations than by considerations of economic rationality. There would be more corruption, since elections would cost more, and the government would have less control of both officials and business. Labor costs would skyrocket, because the government would not be able to control or coordinate the unlimited demands of the labor unions. The institution of local governments, a practice that South Koreans are generally unfamiliar with, would make it difficult if not impossible for the central government to implement policies based on the interest of the larger national community rather than local interests.

As it turned out, some of these concerns did materialize, affecting the economy adversely. At the same time, what the pessimists on democracy did not foresee was the difference in the nature of economic management between a period of early growth driven by the government and a period when pluralism, spontaneity, and flexibility—more consistent with democracy than with authoritarianism—became the necessary ingredients of a more mature, open, and complex economy.

Democratization and Foreign Relations

Most observers agree that democracy was restored to South Korea in 1988, after twenty-seven years of successive military regimes. The first five years of democratization should be understood as a period of transition from military authoritarian rule to a phase of democratic consolidation. In 1993, after thirty-one years of political domination by the military and soldiers-turned-politicians, a bona fide civilian leadership emerged as a result of a relatively peaceful and fair election. The so-called consolidation phase seemed to get into full gear when Kim's government was inaugurated in the spring of 1993 and took the

initiative for political and economic reforms.[9] Thus, the first four years of the Kim period offer an opportunity to study possible linkage between domestic politics and foreign relations, with particular focus on the impact of democratic consolidation on foreign policy.[10]

Needless to say, the lack of institutional arrangements, the predicament of a divided state, an authoritarian culture, and South Korea's historical legacy made foreign policy far more complicated and difficult to understand than the democratization process alone would have. Therefore, in studying the linkage between democratic consolidation and foreign relations in South Korea, it is necessary to take into account the following three sets of theoretical considerations: the linkage of democracy and foreign policy, the linkage of democracy and foreign relations during the democratic consolidation period, and factors that pertain specifically to South Korea, such as national division and political culture. This chapter thus attempts to characterize the foreign policy of the Kim government and to assess the congruity and discontinuity of its policy alternatives compared with those of the prior authoritarian, military-controlled regimes.

The Foreign Policy of the Kim Young-sam Government

South Korea's modern diplomacy was born in the aftermath of its independence and the Korean War, a precarious time that rendered state survival the foremost national preoccupation. Its diplomacy has since been pursued in the context of the ongoing inter-Korean rivalry. For over forty years, since the armistice that ended the Korean War, both North and South Korea have been preoccupied with the "threat" from the other side. For most of this period South Korea had no diplomatic relations with any of the socialist countries, including the Soviet Union. The two Koreas poured personnel and resources into military preparedness; they had to seek and strengthen alliances with foreign powers to oppose their own brethren; and they could justify social regimentation and repressive regimes in the name of defense against the brother enemy.

In the South, first civilian dictatorship and then military dictatorship combined lasted for thirty-five years before giving way to a democratic transition. South Korea underwent several stages of authoritarianism, but in 1988 it began undergoing a rapid political transition. With democratization, it became a full-fledged member of the United Nations in 1991. By 1992, it had normalized relations with both the Soviet Union and China, as well as nearly a dozen former socialist

countries with which it had had no diplomatic relations. The advent of a fully civilian government and the arrival of democracy seemed to make it possible for the South Korean government to pay more attention to universal values and global issues as well as its own immediate problems.

However, the Kim government would be preoccupied with the North Korean nuclear issue for much of the first four years. No sooner was the government launched in February 1993 than the North Korean nuclear issue came to the fore as Pyongyang declared its intention of withdrawing from the Nuclear Non-Proliferation Treaty. During the next nineteen months, until October 1994, when the Geneva "framework agreement" was reached between the United States and North Korea, Seoul would be preoccupied with the issue, caught between the conflicting demands of having to maintain peace on the peninsula on the one hand and making Pyongyang comply with the nonproliferation requirements on the other.

Initially, South Korea's main concern was the possibility that the United States would respond to the North Korean challenge with military means. Therefore, during the first few weeks of the diplomatic ordeal, efforts were concentrated on persuading the United States to find a way to resolve the issue by peaceful means, such as dialogue (Chung 1996). After talks between North Korea and the United States began, however, South Korea began to worry about being left out of the negotiating process and about the possibility of the United States "giving in" too much to North Korea. When the conservative press in South Korea began to accuse the Kim government of toeing the American line and being "too soft" on North Korea, Kim adopted a more hard-line policy, complicating U.S. efforts to arrive at an early resolution and giving the impression to U.S. policymakers of inconsistencies in South Korean policy (Friedman 1993). Ultimately, however, the government was persuaded to accept what amounted to a package deal whereby North Korea froze its nuclear activities in exchange for promises of energy supply, including the construction of light-water reactors.

The less than happy experience with the nuclear problem would have repercussions later on the question of whether to provide assistance to North Korea during its severe food shortage. Initially the government was reluctant, but when it became clear that Japan was going to provide assistance, Seoul hastened to supply 150,000 tons of rice. However, when the government was criticized for having helped North Korea, which was ungrateful and continued to show hostility to South

Korea, policy hardened, to the extent of appearing to be uncooperative with international aid efforts.

Again in 1996, despite international efforts to resolve the nuclear issue and defuse tension between the two Koreas, relations deteriorated with every passing month, though North and South were not yet on a collision course. A North Korean submarine's infiltration in September 1996 gave South Korea another reason for taking an even tougher stance toward the North.[11] This led to a vicious cycle of mutual antagonism and hostility, with preconceptions and hasty conclusions dominating public opinion. Rigidity and inability to see the broader picture on both sides only created further stumbling blocks to peace and stability on the Korean peninsula.

The submarine incident stymied all kinds of initiatives related to inter-Korean issues, including the Korean Peninsula Energy Development Organization (KEDO), which was supposed to implement the 1994 Geneva agreement and the proposed four-party talks among the two Koreas, the United States, and China. The KEDO operation, which had been going relatively smoothly, was temporarily suspended, and the prospect of holding the four-way talks proposed by South Korea and the United States dimmed. In fact, Seoul had a big stake in holding the four-way talks, because they could open the way for direct dialogue with Pyongyang without feeling alienated by Pyongyang's improving relationship with Washington. But during this period, when the hard-liners were in the driver's seat, it was difficult for pragmatic options to be taken seriously. It looked like the hard-liners would not accept the price of peace, whereas the moderates were very conscious of a possible escalation in conflict between the two Koreas. Eventually the submarine issue was resolved by North Korea's "apology" and its acceptance of a three-party briefing session, which the South Korean government felt satisfied domestic considerations.

The Kim government exhibited a similar lack of determination in dealing with the Uruguay Round (UR) of multilateral trade negotiations held under the aegis of the General Agreement on Tariffs and Trade. Despite the fact that 1993 was the last year of the UR, the government kept reiterating until the eleventh hour its pledge that the South Korean rice market would not be opened to imports, despite knowing that the promise could not be kept, because of the fear that allowing rice imports would invite unmanageable criticism and protest not only from rice producers but also from the general public, which regarded this as an issue more of sovereignty and national self-respect

than of trade relations. Ultimately, toward the end of 1993, the president had to make a major speech apologizing to the people for having made a promise he could not keep.[12]

South Korean relations with Japan during the first three years of the Kim government demonstrated the extent to which foreign policy could be linked to the constraints and motivations of domestic politics. When Kim took office, the South Korea–Japan relationship was at its lowest point since the normalization of diplomatic relations in 1965, owing to the issue of "comfort women," women forced into sexual servitude during World War II. The main cause of the strife was Japan's reluctance to admit government involvement in mobilizing comfort women. After painful negotiations between Seoul and Tokyo, a major stumbling block in relations was removed as the outgoing Miyazawa Kiichi cabinet admitted the responsibility of the prewar and wartime Japanese government in the operation.

However, the two countries' relationship deteriorated again as a series of "unrepentant" remarks by several Japanese political leaders caused anger among South Koreans that the government could not ignore. By the end of 1995, the relationship had gone from bad to worse over the issue of possession of the Tokto islets, located off the eastern coast of Korea. It was not the first time Japanese politicians had raised the issue of sovereignty over the islets. But given the fact that the South Korean government considers them to be the undisputed territory of Korea in light of both history and international law and that they are under its effective control, there was little reason for the government to get excessively excited. Even if South Korea took additional measures to strengthen its case against Japan, it was improbable that Japan would accept them because of the political sensitivity of the issue within Japan. Therefore, one could argue that the best policy for the government would have been to show a diplomatic calmness toward or even ignore the Japanese argument rather than arouse emotional nationalism among South Koreans.

There were some brighter notes of constructive diplomacy in other areas where domestic politics played a relatively minor role, however. At the outset, the Kim government enunciated what were termed the "five fundamentals" of Korean diplomacy (Han 1995, 15–16).[13] The enunciation was useful, not only in systematically presenting a comprehensive set of foreign policy goals and objectives for the first time but also in giving notice to the world that South Korea was placing universal values, such as human rights and global peace, high on its list

of diplomatic priorities. Such a feat would not have been possible if South Korea had not been well on the path toward democracy. South Korea became active in world human rights forums, participated in peacekeeping operations, and increased contributions to international organizations, particularly the United Nations. In 1995, South Korea was elected to serve as a nonpermanent member of the U.N. Security Council for a period of two years beginning January 1, 1996.

In still other areas, the Kim government exercised a great deal of pragmatism. Building upon the broadened diplomatic relations that resulted from the successful implementation of the "Northern Diplomacy" of the preceding administration, the Kim government further expanded relations with China, Russia, and East European countries, although the record in this regard is somewhat uneven (Lee and Sohn 1995, 35–36). The government also succeeded in reestablishing relations with Taiwan, with which official ties had been severed by the previous government as a result of normalization of diplomatic relations with China.

Given the foreign relations record of the Kim government, what are some of the generalizations that can be drawn from that period? There is no dearth of studies of the linkage between domestic politics, particularly democracy, and foreign policy. Samuel Huntington (1991) and Bruce Russett (1990) have hypothesized that democracies are not likely to fight among themselves. But a less benign view of democracy, held by such renowned commentators as Walter Lippmann, argues that the masses in a democracy can be temperamental and shortsighted (Lippmann 1955, 20). Other thinkers, including Alexis de Tocqueville and so-called realists like Dean Acheson, George F. Kennan, and Henry Kissinger have complained about a similar problem. Democracy, some contend, can be less prone to peace during periods of transition or consolidation than when it is mature (Mansfield and Snyder 1995).

These three hypotheses may not be directly applicable to the Korean situation in every instance. However, they do provide a checklist of tendencies and developments to look for as we try to ascertain whether any connection exists between democratic consolidation and foreign relations in Korea. Following are a few observations offered for discussion regarding the characteristics of foreign relations and policy during the Kim government.

During that period, such sensitive foreign policy issues as inter-Korean problems became a major target of domestic pressure and criticism, but they were also utilized as a way of diverting attention from

domestic problems. In early 1997, the domestic situation surrounding the government posed the greatest challenge to Kim. The ruling New Korea Party's contretemps over unpopular legislation in regard to labor and national security laws were followed by strikes. The Hanbo loan scandal, in which Kim's close associates and senior government officials were deeply involved, threatened the president's political legitimacy. The government tried to distract public attention from its domestic misdeeds by highlighting the 1997 nuclear waste–disposal deal between Taiwan and North Korea and the February 1997 defection of a top North Korean ideologue, Hwang Jang-yop. Although these two diplomatic issues were significant enough in their own right to attract attention, at the same time they could overshadow the seriousness of the domestic problems Kim faced. In this regard, the tendency to divert public attention from internal problems to external ones was as common during the Kim government as in former governments.

Domestic Politics–Foreign Policy Linkage

Democratization and "Domesticization" In all systems, both democratic and nondemocratic, the domestic politics–foreign policy linkage is a two-way street; the former affects the latter and vice versa (Putnam 1988). More important, however, there seem to be two ways in which they affect each other. On the one hand, domestic politics serves as a constraint on foreign policy behavior. On the other hand, those in power often see foreign relations as an opportunity to enhance their political position at home. Generally speaking, the former is applicable to a situation of democratic consolidation, whereas the latter is usually relevant in the closed system of an authoritarian regime.

For example, in the 1970s the highly centralized Park government succeeded in further strengthening itself in the wake of the fall of Indochina, and many domestic and foreign critics of Park appeared to prefer a semblance of stability to chaos in South Korea. By using this crisis, the government prolonged its mandate in the overall atmosphere of permanent emergency, and the feeble opposition to Park was almost completely divided, humiliated, and neutralized. Meanwhile, the Park government showed far more flexibility in foreign affairs than the two previous governments, those of Syngman Rhee and Chang Myon. It was eager not only to normalize relations with Japan[14] but also to establish contact with the Soviet Union and China. Furthermore, Park initiated dialogue with North Korea by renouncing what amounted to a South Korean version of the Hallstein Doctrine,[15] which

would be much harder for democratic leaders to pursue in a society with anticommunist sentiment strongly shared by the leading military elements. Simply put, Park's policies of external accommodation and internal regimentation had a mutually reinforcing linkage (Lee 1973, 101).

During his seven years of harsh military rule, Chun made the maintenance of a good relationship with the United States his priority because he lacked domestic legitimacy. His pro-U.S. policy and close connection with President Ronald Reagan made this coordination more effective in dealing with North Korea. The unpopular Chun regime tried to exploit the development of North-South talks to make up for the president's weak legitimacy. This tendency continued in Roh's government. Even though Roh was the first leader elected democratically in twenty-five years, his political power base was very weak. By seeking a breakthrough in North-South relations his government sought to enhance its political standing with the general public, which was becoming increasingly dissatisfied with it.

Thus, South Korea's diplomacy has always been preoccupied with the relationship with North Korea, and the direction and objectives of its foreign policy have largely been defined by the inter-Korea relationship. Therefore, the division of the country into North and South is an issue that is inseparably and directly linked to both domestic politics and foreign policy. This was particularly evident during Kim's government. South Korea's policy toward North Korea had a stronger linkage with domestic politics than ever before, which in turn was influenced by scanty facts and numerous myths about North Korea.

An interesting contrast is that while Roh sought a breakthrough in inter-Korean relations in order to enhance his political base, Kim tended to take the opposite course, with tougher measures based on the same political motivation. The Roh government successfully pursued diplomatic recognition from the Soviet Union and China by initiating the Northern Diplomacy, which advocated cross-recognition of the two Koreas by the four major powers as well as improvement in inter-Korean relations. Contrary to South Korea's achievement through its Northern Diplomacy, North Korea failed to get diplomatic recognition from either Japan or the United States. Therefore, the Kim government saw no need, while enjoying a favorable economic and diplomatic position, to encourage either the United States or Japan to normalize relations with the North. Moreover, North Korea's intention of driving a wedge between South Korea and the United States

irritated Kim and the media so much that South Korea may have felt less compelled to engage the North than earlier.

Thus, during its first four years, the Kim government took an increasingly tough stance toward North Korea compared with other countries, such as China, Japan, Russia, and the United States. This can be explained by populist sentiment against accommodation, sentiment in large part encouraged by the authorities and the media. Therefore, although South Korea and the United States shared the goal of peaceful reunification and stability of the Korean peninsula, they displayed a lack of coordination and differences in their approaches toward achieving it.

Symbolism and Personality in Foreign Policy Since the linkage between domestic politics and foreign policy issues received disproportionate attention from both the public and the government, issues that had to do with pride, symbolism, and emotions were emphasized over substantive issues. With democratization, there was a growing expectation on the part of the general public that the government would carry out a foreign policy that was more assertive, independent, and nationalistic. This was reflected especially in the popular press, which tended to play on the pride, symbols, and emotions of the people, who developed a sense of newly achieved political power and expected their government to be less "dependent" on foreign powers, particularly the United States.

Under the earlier authoritarian regimes, the less-than-competitive nature of the polity contributed much to the government's capacity to ignore the views and pressures of its critics. The government's coercive ability to limit the damage from criticism of its foreign policy was only one element in this foreign policy–domestic politics nexus. To be sure, domestic political considerations affect leaders in authoritarian societies, as well. They too must worry about how their policies will impact upon internal political and economic developments even in their tightly controlled states. Nevertheless, they are better able to conduct diplomacy in secret than are their democratic counterparts. They do not have to worry about the vigorous press of a free society, which often foils leaders' attempts to shield their foreign policies from public view.

In South Korea during the democratic-consolidation period, however, the press often came up against constraints in covering domestic issues and found an outlet in covering foreign policy issues instead in

a freewheeling, sensationalizing way. Policy making on inter-Korea issues was often strongly influenced by short-term swings of public opinion as reflected and interpreted by the press. This was an inevitable consequence not only of the newly won democratic nature of the political system but also of the relative absence of a consensus or strategic vision at the leadership level. The press adopted a more nationalistic tone than before in reporting and analyzing policy outcomes as a way of appealing to the public. This created the main difference in foreign policy between the Kim government and prior governments. Although the tendency toward selectively providing and intentionally manipulating public opinion remained as an instrument of upholding the government's stance, the government was also sensitive to the reactions of the public as represented by the mass media.

It is not certain whether domesticization of foreign policy was due mainly to the peculiar circumstances of South Korean foreign (inter-Korea) policy or to the leadership style of Kim, who seemed to pay an inordinate amount of attention to the day-to-day public reaction, particularly of the media, to his performance. Nonetheless, to the extent that Kim's style was a reflection, at least in part, of the consolidation phase of South Korean democracy, one must conclude that domesticization was related to that particular phase of democratization. By the leader's own choice, more emphasis was placed on domestic politics regardless of whether that was in the national interest. And because domestic politics matter, the bureaucracy (ministries) had to pass the buck (decision making) to the top when dealing with politically sensitive foreign policy issues.

Furthermore, the personal background of the leader who assumed power in the consolidation phase made it likely that he would be highly domestic politics–conscious and combative in foreign relations. According to Henry Kissinger (1977, 29), leadership groups are formed by at least three factors: their experiences during their rise to eminence, the structure in which they must operate, and the values of their society. In regard to the first factor, political leaders of democratizing regimes are likely to emerge from a long period of political struggle against dictatorship. They are likely to be fighters rather than managers and more zero sum–game oriented than interdependence minded. South Korea during the period of democratic consolidation was no exception.

There was an additional point of contrast between Kim and the

leaders of earlier governments: the legitimacy factor. Unlike his predecessors, Kim came to power by means of a democratic election after a long struggle in the democratic movement and therefore had little need to seek legitimacy through the support of external forces, particularly the United States. In fact, earlier governments had attached a highly symbolic significance to American expressions of approval even if on some occasions these governments tolerated and even encouraged certain forms of anti-Americanism. Kim's domestic legitimacy led him to believe that he could afford to stand up to the policies of South Korea's allies. Thus, in the foreign policy area, the president reigned supreme, at least within the government, so that his style and orientation (or lack thereof) were directly reflected in the country's foreign relations. Ultimately, he institutionalized a regime that was democratic in form but notably authoritarian in practice, especially within the government. And the authoritarian elements in his personality, along with his strong penchant for domestic politics, made it more difficult for the government to field a united front with its main allies, such as the United States, regarding the North Korean issue.

Parties and Bureaucracy in Democracy The role of the parliament and political parties remained minimal despite democratization. Political parties are usually formed and operate around a political boss, in whose hands the power to nominate political candidates to elective positions is concentrated.[16] In short, an inevitable corollary of the president's exercising preeminent power in foreign policy matters was the continued minimal role played by the parliament and political parties, including the government party. Certainly in South Korea's case, democratization of politics did not necessarily mean democratization of foreign policy or development of institutional arrangements. Despite democratization of certain essential elements, such as elections and freedom of speech, South Korea retained much of its authoritarian legacy, particularly the way presidential powers and prerogatives were exercised.

In addition to the constraints imposed on the legislature and parties by the political realities, there were legal and practical constraints. There were neither legal requirements nor precedents for the legislature's having to approve presidential appointments, the only exception being the prime minister, who rarely exercises "real" power, especially

in foreign policy.[17] Legally, the legislature has power over the budget. In practice, however, it is mainly interested in achieving more "efficient" use of budgeted funds and rarely uses its nominal power over the national purse strings to influence policy matters.

Partly because of the weak nature of the legislature and partly because of the personalistic and rather autocratic party structure, the government party, aside from isolated grumblings, hardly has an independent voice from its leader, especially in foreign policy matters. The opposition parties look for foreign policy issues they can turn to political advantage, but since the government is already preoccupied with the domestic angle of any foreign policy issue, such opportunities are usually preempted by the government in power. This was especially the case during the Kim period.

At the same time, the bureaucracy (ministries) tends to pass the buck to the top on major decisions, while the relative lack of direction and cohesion tends to intensify bureaucratic infighting and competition. Bureaucratic buck passing is a universal phenomenon, one found in all political systems. The problem is further aggravated when the greater part of foreign policy is subject to domestic political considerations. This creates policy inconsistencies that make policy recommendations unhelpful at best and dangerous for the careers of public officials at worst. Few would wish to be responsible for long-term policies that might invite short-term setbacks and criticisms. This tends to make ministries and officials look for guidance from the top rather than take the initiative. Even if initiatives are taken, they are likely to be ignored or overridden by decisions made at the top. Moreover, frequent cabinet reshuffles based on the president's unilateral decision without any kind of confirmation by the legislature have made cabinet members passively conform to or reinforce the president's policy direction; this ultimately is the main reason for the inconsistency and inflexibility of South Korea's foreign policy.

In every political system, there is likely to be incoherence and competition among the bureaucratic agencies and principal policymakers. In the absence of coherent policy orientation, lines of communication and authority tend to be blurred or confused, with the result that inter- and intra-agency conflicts are more likely. In South Korea during the period of democratic consolidation, such conflicts were rather common, particularly in the foreign policy area, not only among agencies dealing with diplomatic issues but also among those dealing with economic issues. Thus, South Korea seemed to experience the worst

of both worlds, enjoying neither democratization nor coherence of foreign policy. Those government agencies that were more sensitive to domestic politics had an increasingly powerful voice in foreign policy, especially as it related to inter-Korean relations.

Governance, Foreign Policy, and International Relations

In the preceding pages, I have attempted to identify some characteristics of South Korea's conduct of foreign relations during the period of democratic consolidation. In doing so, I have pointed out that the manifestations were linked to factors related not only to democracy in general but also to the timing (that is, the consolidation phase) of democratization, to the authoritarian past, and specifically to South Korean circumstances. Put differently, South Korea's foreign policy manifests the weakness of democracy (sensitivity to public opinion represented by the mass media), the problems of democratic consolidation (the pursuit of emotional nationalism and lack of institutional arrangements), and difficulties caused by historical and contextual constraints (an authoritarian legacy in policy-making structure and the division of the nation).

Of course, we have seen that while South Korean diplomacy during the Kim government tended to be highly politicized, pragmatic policies could be implemented in areas that were not directly tied to domestic politics. But the degree of politicization increased with the passage of time. This can perhaps be explained by the fact that political pressure as well as the need for political use of foreign policy increased during the government's term. In this context, one could also witness a situation in which foreign policy was swayed by public sentiment and in which open and rational debate of issues on their own merits was stultified. Another consequence of the domesticization of foreign policy was an increased tension in relations with the United States. The government could not be seen as overly accommodating either to North Korea or to the United States. The result was a rather rigid hard-line policy toward North Korea, the common enemy of South Korea and its most important ally, the United States, which sought a cost-effective solution of issues on the Korean peninsula.

Finally, I would like to explore the possible effect of foreign relations on democratic consolidation. I think it can be argued that, on the whole, South Korea's foreign relations during the period of democratic consolidation had a positive effect on democratization. Unlike Spain or Portugal, whose democratic efforts were boosted by the European

Union, which they joined after ridding themselves of authoritarian rule, South Korea had no regional democratic community upon which to lean. However, there were several ways in which external linkages played a positive role in its democratization. To begin with, its external commitments regarding universal values, such as human rights, global peace, welfare, and justice, were more than simple rhetoric, having binding effects on internal developments, especially in the area of democratization. The desire on the part of both the government and the public to have South Korea recognized as a democratic and peace-loving nation, reflected in the aspiration to have it become a nonpermanent member of the Security Council, was another element that kept the democratic process moving forward.

On the economic front, the need to sustain an interdependent relationship with the rest of the world served as a powerful incentive to maintaining an open and liberal society both internally and externally, providing a crucial check on isolationist urges. Thus, South Korea's admission in 1996 to the Organization for Economic Cooperation and Development (OECD), an association consisting of industrial democracies, is likely to have a very important liberalizing influence not only on the economy itself but also in the political sphere, as seen in the government's reaction to the OECD's 1997 criticism of a revised labor law that presumably failed to meet international standards on workers' rights.[18]

Most important, however, increasing interaction and growing interdependence with the rest of the world will inevitably require domestic leadership that is more pragmatically oriented, functionally able, and internationally minded, holding out the possibility that the country's democratization process will be enhanced and its diplomacy in the next phase less politicized and more pragmatic. In this sense, the conduct of foreign relations during the period of democratic consolidation represented a transition from an authoritarian to a more democratic system; it was the diplomacy of transition.

Conclusion

In the preceding sections, I have dealt with the causality between authoritarian leadership and economic takeoff and between economic modernization and political democratization in South Korea. I have also addressed value factors and their impact on economic adaptability

to changing situations and the relationship between democratization and foreign policy.

It is evident that South Korea needed to employ so-called Asian values, such as deference to authority—frequently legitimized and even capitalized on by authoritarian leaders—and emphasis on hard work, education, and group orientation, in order to achieve economic takeoff within a short period. While rapid economic development initially helped the authoritarian government, it also resulted in social changes that made authoritarianism difficult to sustain. Under such circumstances, and thanks to growth in the size and stature of the middle class, democratization was brought about in the late 1980s. But the democratic government found implementing economic policies without succumbing to popular whims and parochial interests an arduous task. More than that, a downturn in the economic cycle and a number of serious structural problems summed up by the expression "high cost, low efficiency" accelerated the economic slump, raising the question of the relevance of Asian values in sustaining development. Put differently, the South Korean economy was suffering from two problems: one caused by democratization, and the other caused by certain cultural factors still widespread in society. With regard to the linkage between political development, represented by democratization and democratic consolidation, and international relations, including foreign policy, cultural factors stemming from South Korea's historical legacy, such as the authoritarian factor and a preference for face saving and symbolism over substantive interests, had a serious impact.

It is true that the prevalent political ideology of South Koreans is without doubt "liberal democracy." But except for the last thirty years or so, one would be hard pressed to find any trace of liberal democracy as the political ideal of South Korean governance. The undesirable aspects of South Korean politics in the past, such as factionalism, personality-centered politics, regionalism, authoritarianism, and closed-door politics, have been played up enormously as remnants of Confucianism in order to publicize the merits of democracy. But despite efforts to eradicate traditional political practices from the South Korean mind-set, the traditional political discourse still has a stranglehold on people's thoughts and actions. Their notion of what is "humane," "just," and "moral" is still governed by Confucianism. The family orientation witnessed in the business practices of *chaebol*,

formalistic decision making, and emphasis on "moral politics" rather than democracy based on self-interest, compromise, and the rules of the game—these are all Confucian as well as South Korean ideals.

Hence, South Koreans, despite thinking and talking of liberal democracy as their governing political principle, actually behave in accordance with the Confucian influence of the past. In other words, they unconsciously choose to be Confucian while consciously defining liberal democracy as their political ideology; they are Confucian in the private arena, democratic in the political arena. These social and cultural factors shape different aspects of economic and national security policy, at times in ways that contradict the expectations derived from other theoretical orientations. Culture is a broad label that denotes a collective model of the nation-state's authority or identity as shaped by custom and law. Culture also refers to both a set of evaluative standards (such as norms) and a set of cognitive standards (such as rules) that define what social actors exist in a system, how they behave, and how they relate to one another (Katzenstein 1996). These factors result from social processes, purposeful political action, and differences in power.

There is no doubt that South Korea is a nation whose modernization was achieved only after new ideologies and systems were brought in from the West. However, it is also a nation whose modernization differed somewhat from that of the West, as indigenous cultural and traditional elements were added to the newly introduced Western ideologies and systems, thus creating a unique path of modernization. Consequently, a new modernity that embodies influences of both Western thought and traditional culture is in the process of creation.

For example, the idea of "moderation" has been corrupted into clientelism, confining individuals to the small world of ties of blood, school, and acquaintance rather than nurturing open minds. The degeneracy of South Korean politics, clientelism, regionalism, and plutocracy are in fact the result of a distorted interpretation of tradition, which in its true form calls for harmony between regulation and reality, the expansion of common traits, and virtuous conduct. While tradition has made some positive contributions to Korea's political and economic development, it has also contributed to arbitrary "rule by personality." The reform policies of the Kim government are a case in point. While the strong moral stance that Confucianism allows can be used to great political effect, it can easily lapse into "personalism," thus leading to

political instability. The challenge for South Korean politics is to overcome or at least modify the tradition that has driven its political and economic successes (Hahm 1996).

It is clear that Confucian values made a great contribution to South Korea's economic takeoff, with their emphasis on hard work, deference to authority, education, bureaucratic governance, and so on. Curiously enough, in the 1980s Confucianism was suddenly resurrected from the ashes of traditional relics and accorded the prestigious stature of the Weberian Protestant ethic (Eisenstadt 1991, 360–366). Confucianism has been at the center of some interesting and controversial debates concerning economic and political developments in East Asia. Ever since Max Weber (1964), Talcott Parsons (1968), and Karl Wittfogel, it has been the received wisdom that Confucianism and the tradition it represents are inimical to, or at least incompatible with, capitalism. The economic success of East Asian newly industrialized economies has sorely tested the hypothesis of some of the greatest social scientists of this century.

It should be noted, however, that in South Korea the kind of authoritarianism and attendant statism, or belief in the centrality of the state in social life, that enabled mobilizational modernization were not purely Confucian in nature but represented a version of the bureaucratic authoritarianism introduced and reinforced by Japan's militaristic, autocratic colonial rule. Moreover, South Korea's own experience of war required strong mobilizational state authority. Both forms of authoritarianism had little to do with the Confucian ideals of social order and rulership (Kim 1997). Samuel Huntington (1993) identifies several typical orientations of East Asian political culture as being Confucian in origin and argues that Confucianism is either undemocratic or antidemocratic, but a closer examination of Confucianism reveals that some of its ideas are quite conducive to democracy.

Still, it is uncertain whether Confucian values can be compatible with liberal democracy, as some optimists argue, and ultimately have a positive effect on economic as well as foreign policy. Furthermore, it remains to be seen whether the Asian values represented by Confucianism will play a facilitating or constraining role in regional economic cooperation and the ultimate formation of a "globalized" and "open-minded" regional regime, and whether such values are in harmony with or totally in conflict with the Western values of pluralistic democracy, individualism, and a contractual orientation. Perhaps it is time to converge the merits of the two different sets of values for sake

of the well-being of South Korean society as well as democracy and prosperity in the global village.

Notes

1. It is not clear whether culture should be seen as an independent variable, the single most important explanation of how to understand the "other side," or whether culture is more usefully seen as an intervening or residual variable of explanation to be invoked when all else fails. In some cases, culture can be considered a dependent variable in that culture is as much a conscious choice as it is the product of history and socialization. Culture is not immutable, nor is it self-contained. Values and norms do change, as contemporary international relations demonstrate. Thus, culture is constantly being modified and requires servicing by organizations and governments. Culture can also be manipulated and invoked in international disputes.

2. Confucian influence has been most evident in the tremendous value placed on education, a major factor in South Korea's economic progress. Equally evident has been the persistence of hierarchical, often authoritarian modes of human interaction that reflect the neo-Confucianism emphasis on inequality.

3. Between 1967 and 1987, the South Korean economy grew at an average annual rate of over 7 percent, converting South Korea from an underdeveloped, low-income country to a newly industrialized economy with a per capita income of nearly US$3,000. This rapid economic growth brought about social changes that not only increased the pressure for democratization but also facilitated that process.

4. Although this led to tougher measures for controlling student radicalism, student activism and other dissident activities did not cease. In the same year, some twenty thousand farmers staged a violent demonstration in front of the National Assembly building in Seoul, demanding government purchase of surplus agricultural products and abolition of the irrigation tax.

5. The manpower shortage was most keenly felt in the production sector, although the construction projects were brought to a halt before they were completed.

6. Kim Young-sam received solid backing in his native South Kyongsang Province, in the southeast, while Kim Dae-jung got the bulk of his votes from the Cholla Provinces, in the southwest. By contrast, many of the votes for Chung Joo-young, the founder of Hyundai Corporation, came from the central provinces, where people were tired of the regional bickering between the Kyongsang and Cholla provinces. In addition, Chung received the lion's share of votes among émigrés from the North (estimated to be some three million), as well as in sparsely populated Kangwon, his native province.

7. They had combined debts of 27.92 trillion won (US$28.5 billion), including 10 trillion won from Kia Motor Company alone.

8. The IMF demanded less government spending, higher interest rates, liquidation of failing banks, and broad deregulation of financial markets as it tried to get a wobbly South Korea back on its feet. Those reforms were likely to trigger massive layoffs and slowing growth, phenomena not normally associated with fast-growing South Korea.

9. Whether the Kim administration can be regarded as the consolidation period of Korean democracy may still be controversial, but there is no question that it was far more democratic than any other in South Korean politics.

10. In this chapter, the term *democratic consolidation* is used to mean not the consolidation of democracy but a process of consolidation whereby an attempt is made to institutionalize democratic procedures.

11. South Korean hard-liners hold contradictory views. They are still afraid of North Korea and think it is a serious military threat that is still scheming to overthrow the South. But many of them also believe that the North Korean economy is in such straits that the regime itself may collapse soon.

12. The agreement on rice caused an uproar among farmers, as anticipated, and on December 16, 1993, Prime Minister Hwang In-sung resigned to defuse the anger against the Kim government.

13. Mindful of changes in the international arena, the Ministry of Foreign Affairs laid out five fundamentals for Korea's "New Diplomacy": globalism, diversification, multidimensionalism, regional cooperation, and future orientation.

14. It is true that the Chang Myon administration, with its "open" system, tried to establish diplomatic relations with Japan during its short life in 1960 and 1961. But it is reasonable to argue that it would have had far more difficulty than the Park government in persuading the public and the legislature to accept a normalization treaty with Japan.

15. This was the West German policy of not according full diplomatic recognition to any state that had diplomatic relations with East Germany.

16. This arrangement naturally attracts financial contributions from those who want to approach the power center.

17. Prime Minister Lee Hoi-chang was summarily dismissed in April 1994 when he attempted to have a "real" involvement in foreign policy.

18. Under the domestic pressure of nationwide strikes and international pressure from the OECD and the International Labor Organization, Kim decided to reconsider and, ultimately, revise the law once again.

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