POLITICAL LIBERALIZATION AND ECONOMIC DEVELOPMENT IN SOUTH KOREA*

SOOK-JONG LEE
Yonsei University

This paper examines how the strategy of economic growth with exclusionary politics in South Korea was undermined by the very success of its industrialization policy. It argues that the recent political liberalization of South Korea resulted from popular pressures applied to the authoritarian regime. The social force for the democratization of the authoritarian regime in South Korea is defined as mass populism rather than as class struggle. In particular, the paper focuses on the different roles of social classes in the regime transition. The working class is described to be weaker in its role in the recent democratization process, compared to the protagonist role of university students and to the progressive elements of the middle class. Although South Korea's on-going democratization sometimes shows signs of retrogression, her dramatic movement toward democratization in 1987 and the social consensus for democratization demonstrate that participatory democracy accompanies economic development and industrialization.

INTRODUCTION

Modernization theory, which dominated the development literature during the 1950s and early 1960s, posited first the smooth transition of developing countries to industrial society and second the simultaneous development of political liberalism with industrial capitalism. But these tenets were largely discredited, particularly by scholars in the dependency theory tradition, whose work was motivated by development in Latin America. Events in that region clearly violated the modernization model. On the one hand, autonomous economic development did not always follow the introduction of capitalistic industry into a country. On the other hand, bureaucratic-authoritarian regimes paved an alternative path of political development with “late-industrialization” (O’Donnell 1973; Collier 1979). As a result, the paradigm of dependency/bureaucratic-authoritarianism prevailed as an alternative perspective.

However, with the new political trend toward democratization in the Latin

*This is a revised version of a paper presented at the Annual Meeting of the American Sociological Association, August 24-28, 1988 in Atlanta. I would like to thank John A. Hall for his encouragement to write on this issue initially and for his valuable and generous advice.
American countries during the last decade, the bureaucratic-authoritarian model has become subject to serious revision (O'Donnell and Schmitter 1986). Analysis of recent democratization in South Korea sheds light upon regime transition from authoritarian rule. It makes one rethink modernization theory's old premise that the demand for popular political participation accompanying socio-economic modernization presses for democratic political institutionalization. Among East Asia's Newly Industrializing Countries (NICs), South Korea has been most politically turbulent and, at the same time, the first to successfully transfer political power in a democratic way. One can argue that the recent democratization of South Korea since June, 1987 was aborted, since the elements of the power bloc of the sixth Republic were not much different from those of the fifth Republic, including the new President Roh Tae-Woo, who was a co-coup leader with the ex-President Chun Doo-Hwan in 1979. Cumings argues that the 1987-88 democratization of South Korea has proceeded without dismantling the repressive state structures, so that "the bureaucratic-authoritarian capacity is for now mostly latent but capable of imminent mobilization ... always retarding progress and unnervingly ready to terminate an unacceptable outcome" (1989, p. 27). The fact that the state structures are so much stronger in Korea than in Latin America means for Cumings that democratization of South Korea is more inherently abortive and remains to be a controlled process of opening channels and valves for the voicing of excluded interest rather than a consolidation of stable pluralist representation. Who controls this process? Cumings answers, "it is the result of conflict and negotiation amongst the state, military and business elite, cushioned and succoured by the United States, with the goal of demobilizing the volatile popular sector" (p. 32).

It is certainly true that workers and farmers have not secured their effective representation in the new regime, and this limits democratization of South Korea to formal than substantive democracy. However, if we consider that the regime paved the way for the first open presidential election in seventeen years, the political liberalization of South Korea can be evaluated very positively as encouraging the development toward democracy. In addition, limited to the external sources of democratization, largely South Korea's dependency upon the United States, Cumings neglects the recent internal dynamics of the weakening state vis-a-vis the society in South Korea. Subjected to electoral competition and legitimacy, the regime has been forced to restrain its coercive capacity. On the other hand, workers and farmers, who organized more strategically after the political liberalization of 1987, have become much more vocal and are attempting to contest for power. If political liberalization was achieved by students and the educated urban middle class, further democratization of South Korea would be led by popular classes. Once the pandora's
box is open, the popular sector will make its way into the institutional political arena as South Koreans saw recently the organization of the minjung (mass) party in November 1990.

One can consider the external sources of past and future democratization of South Korea. South Korea is dependent on the United States for national security, export markets and industrial technology. At the same time, the U.S. maintains a strong interest in this anti-communist nation for the military defense of the Pacific region. This geo-political arrangement once favored the stability of the regime, which helped South Korea's past authoritarian regimes secure power. Following the revolution in the Philippines, however, the United States began to support unpredictable democratization, although the Reagan Administration intervened in a less positive fashion in the case of South Korea, failing to pursue an alternative solution to her political crisis. But its warnings to the Chun regime not to resort to physical suppression of popular demonstrations played a significant role in the concessions of the regime, which was concerned very much about the success of the 1988 Olympic Games. A new and important development favoring democratization in international relations surrounded the Korea Penninsular after the 1987 political liberalization. Unthinkable new events both for the regime and Koreans rushed in: the opening of socialist Eastern European countries and President Roh's pursuit of diplomatic and economic relationships with them, new détente since the late 1980s between the United States and the Soviet Union, the establishment of diplomatic relationship between the Soviet Union and South Korea in 1990, and the reopening of dialogues between North and South Korea. Despite the continuing practice of repressing radical opposition physically, these events are likely to dilute the regime's black and white logic of anti-communist ideology and make it increasingly contradictory to repress labor and student movements on the charge of communist infiltration.

The U.S. also pressed South Korea to open Korean markets after South Korea developed a trade surplus since the mid-1980s. But this economic pressure could not harm the state's ruling capacity since the South Korea economy was booming amidst the political crisis of 1989. Unlike some Latin American countries (O'Donnell and Schmitter 1986), where economic crisis created pressures for the loosening of authoritarian rule, the South Korean economy has not experienced a similar economic impetus toward liberalization. South Korea has managed to stabilize its economy. Inflation has remained low and an economic boom has followed the relatively slow growth of the early 1980s, under the favorable international conditions of lower oil prices and the overevaluation of Japanese currency. The recent drive for political liberalization in South Korea emerged out of its internal political crisis. This paper will focus on analyzing the internal sources of political crisis
that occurred in the middle of economic prosperity.

The internal sources of the South Korean political crisis can be best analyzed in terms of a changing balance of power between the authoritarian state and civil society. Until now scholars of contemporary East Asian authoritarian capitalism have shared the perspective of a strong state versus a weak society. While the strong and autonomous state has led rapid economic development and has shaped the national bourgeoisie and social classes, the populace passively acquiesces to the authoritarian state, which offers economic benefits as a substitute for limited political freedom. Indeed, the authoritarian state capitalism of East Asian NICs—with the state playing an entrepreneurial role, disciplining the working class, and creating the middle class—appears as another viable strategy for late-developers.

Can this strategy still be viable after two decades of rapid industrialization and economic prosperity? Winckler (1984) says yes for Taiwan. He interprets the recent informal political liberalization in Taiwan as the systematic transition from one-man ruled "hard" authoritarianism to collective, party-ruled "soft" authoritarianism. This systematic transition emerged as part of the ruling strategy of a "gerontocratic-authoritarian" regime to continue the Nationalist dominance in the midst of a generational succession from mainland-based to Taiwan-based leadership. In case of South Korea, authoritarian state capitalism does not seem to hold. South Korea's ruling party has never been hegemonic like Taiwan's Nationalist Party, and it has relied upon a strong president backed by the military. A massive uprising in June 1987 suggests that the Presidential succession problem of the authoritarian regime in South Korea could not be solved by the regime's systematic transition and had to be legitimized through a popular election. After the period of political turbulence, the ruling regime gave in to the anti-government populism and offered political liberalization, the so-called "June 29 Proposal." Its key point was to hold a direct presidential election after seventeen years of banned to hold a direct presidential election after seventeen years of banned electoral competition. The subsequent Sixth Republic under President Roh earned its legitimacy by formally opening up the regime and adopting some

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1In a similar vein, Cumings (1987, p. 71) describes the "bureaucratic-authoritarian industrializing regimes" of South Korea and Taiwan. The state is ubiquitous in both economy and society, penetrating, comprehensive, highly articulated, and relatively autonomous of particular groups and classes.

2It consists of eight points promising: the peaceful transition of government through a direct presidential election based on new constitution; fair election procedures; amnesty of a popular opposition leader Kim Dae-Jung and the restoration of his rights and the release of political prisoners; enhancement of human rights; freedom of speech and press; formation of local assembly and democratization of university administration; responsible and harmonious party politics; social purification for a healthy society. *Hankuk Daily Newspaper*, special issue, June 29, 1987.
socio-economic reforms. However, three years of rule by the new government has not yet solved the problem of political stability. The new regime is described as too weak to converge the rising expectations of popular social classes into a strong and consistent policy. Once the coercive political control of the society is lifted, farmers, workers, and consumers will press the new government for their political voice and economic demands. The government has to meet those demands partially without taking risk of losing the support of the military and bourgeoisie, which are its crucial social base.

This paper argues that the liberal concessions the Chun regime had made lay in its ability to compromise the rising popular demands with the interest of dominant classes. I define this popular pressure as “mass” or “citizen populism,” in which university students and the educated middle class have taken a leading role. Korean populism has been responsive to anti-government causes and has contributed to the change in the regime by deepening the crisis and tipping the political balance away from equilibrium. South Korea’s recent liberalization calls into question the idea that no regime change can occur because the country lacks an independent political class. It demonstrates that protagonists for regime change do not always have to be either the liberal bourgeoisie or the working class but that mass-based anti-government populism can also manifest itself as forces for regime change.

The anti-government populism could have gained momentum in the context of the timing of presidential succession. If the anti-government populism is a continuous development, however, the growing gap between the interests of the authoritarian state and those of society can be seen as its crucial underlying reason. Therefore, the timing of political liberalization in South Korea can best be understood in terms of the conjuncture of election politics and the longterm decline in the efficiency of the ruling strategy of growth exchanged with limited political freedom. This paper focuses on the latter side. The regime is increasingly incapable of controlling structural differentiations of the society and the economy with its past ruling strategy. The rising inefficiency of this ruling strategy will be examined by analyzing the past stability and the new relationship between the state and different social classes enmeshed in mass populism.

**AUTHORITARIAN CAPITALISM IN SOUTH KOREA**

*The Past Model of the Park Regime*

Political authoritarianism has been present throughout the postwar history of South Korea. The undercurrents of authoritarianism can be traced to the
tradition of a centralized bureaucratic monarchy. But the postwar authoritarian political structure in Korea is better explained by the unbalanced state-society relation of post-colonial societies. Alavi (1972, pp. 59-81) writes that a post-colonial society inherits an “overdeveloped” state apparatus and its institutionalized practices, through which the bureaucratic-military apparatus of the state after independence can regulate and control the weak indigenous bourgeoisie and landed classes. Post-colonial Korea inherited the highly centralized bureaucratic state apparatus and superstructure which had developed during the Japanese colonial rule (Myers and Peattie 1984). The progressive land reforms during and following the American occupation (1945-48) further weakened the landed class, the traditional elements of which had been already undermined greatly during the colonial period. Then, the Korean war (1950-53) strengthened the state with American assistance, whereas it helped to destroy the independent material bases of the indigenous bourgeoisie.

A significant confluence of the authoritarian political system and economic development in South Korea began with the rule of the ex-general president, Park Chung-Hee (1963-79). Military intervention in internal security and economic development (see Stepan 1973) in South Korea originated from Park’s 1961 coup. In three years, a military junta had been transformed into a political institution legitimized by a narrow victory in the 1963 presidential election. Park’s regime fits the generic characteristics of “bureaucratic authoritarianism” in terms of both organization and the goals of the state. The state embodies the national ideology of anti-communism and economic development, and is strongly organized on the basis of the fusion of military and bureaucratic power. But exclusion politics banning competitive elections and oppressing the popular sector, such as the prohibition of strikes and restriction of labor union organization, started since the imposition of the Yushin constitution in 1973. Unlike O’Donnell’s economic analysis of Latin America, a “deepening state of import-substitution” for the rise of bureaucratic authoritarianism did not occur in South Korea (O’Donnell 1973).

The closure of the regime from competition resulted from the political crisis following the successful gains of the opposition party in two presidential and national assembly elections of 1971, rather than as a result of economic necessity. Political change to bureaucratic authoritarianism was not an outcome but a cause of the deepening stage of heavy-chemical industrialization of the 1970s (Im 1987, 1989). The South Korean state is much more stronger

³For studies of the autocratic tradition of centralized bureaucratic monarchy of Yi Dynasty or patrimonialism, see Henderson (1968) and Jacobs (1985), and for an analysis of the equilibrium interpretation of checks and balances between king and yangban bureaucrats in the central government structure, and the weak central bureaucracy’s control on local magistrates and landed aristocracy, both of which made absolute despotism impossible, see Palais (1975).
than most states of Latin America in the sense that the state in South Korea has renovated developmental strategies in an anticipatory way, and has been relatively independent of economic cycles even during recessions.

The important role of the state in South Korea's development has been widely noted. Indeed, since the Park regime launched the First Five-Year Economic Plan in 1962 and turned to an export-oriented developmental strategy at the end of 1963, South Korea has not only achieved a high growth economy, but has also undergone a rapid structural transformation of both economy and society. The average annual growth rate of the GNP was 8.7 percent during the 1965-81 period, and 11 percent during 1965-1973. The strong South Korean state has been able to impose its interest in development over heterogeneous societal interests, and it has protected the domestic economy from the encroachment of foreign capital (Evans 1987; Haggard 1986a; Haggard and Moon 1983; Lim 1985). The autonomy and capacity of the state has resided in its legal and informal regulatory and discretionary powers. The state has been able to subsidize favored businesses, discipline labor, and limit the activities of multinationals in domestic industries and markets. The South Korean state has had both “despotic” and “infrastructural” powers. The infrastructural power of the South Korean state has been well maintained by the top-down centralized elite bureaucracy. Moreover, the separation of the meritocratic bureaucracy from the military has helped make the state function more consistently and efficiently. In particular, the economic bureaucracy, which is responsible for the planning and management of the national economy in South Korea, has been empowered with a capacity independent of political elites.

Institutional Weakness of the Chun Regime

Though Chun's Fifth Republic was not officially declared until 1981, its origins go back to the December 1979 coup staged by the lower ranking generals from the eleventh class of the military academy. The purpose of this

4Mann (1986, p. 113) defines “despotic power” of the state elite as “the range of actions which the elite is empowered to undertake without routine, institutionalized negotiation with civil society groups,” and “infrastructural power” as “the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realm.”

5The Economic Planning Board, the Ministry of Commerce and Industry, and the Ministry of Finance are the three key economic ministerial agencies. They are buttressed by the supporting organizations of the Korea Development Institute, the Korean Trade Promotion Corporation, the Bank of Korea, etc. The fortnightly Economic Ministers' Meeting, the weekly Economic Ministers' Round-Table, and the Monthly Export Promotion Meeting are interministerial higher-level decision-making mechanisms, in which the president can be involved and wield influence. President Park's regular attendance in the Monthly Export Promotion Meeting showed his personal commitment to export-led industrialization.
coup was to preserve the guardian power of the military after Park's October 26 assassination. This anti-democratic restoration was challenged by the Kwangju uprising in May 1980; however, the army brutally suppressed their foes and subsequently imposed martial law, which virtually ended the enthusiastic 1980 "Spring for Democratization."

The institutional characteristics and ideology of Chun's regime (1981-88) were similar to Park's (1963-79). Although the regime transition brought a new ruling party, with new faces among the power holders, the basic structure of exclusionary authoritarian politics did not change. The socioeconomic basis of the Chun regime was centered in the ruling coalition between the national bourgeoisie and the civilian government headed by the ex-general president with a military mandate.

Despite the institutional continuity of two military regimes, the Chun regime was weaker than the Park regime in many respects. First of all, the illegitimate foundation of the Chun regime made it much more vulnerable to oppositional challenges than its predecessor. At least early on, the Park regime was able to legitimize its rule by electoral competition until the establishment of the closed Yushin system. However, the Chun regime started with the brutal oppression of the Kwangju Incident, which was considered to be a national tragedy. Secondly, President Chun could not claim exclusive control of the military, since the 1979 coup was led by the co-leadership of a group of generals. This sharing of power in the regime's formation has prevented President Chun from imposing his own political will in decisive moments. This oligopolistic power structure contrasts sharply with the monopolistic power structure of the Park regime. Park was the leader in the 1961 military coup, and thorough his charismatic leadership, he maintained the loyalty of both the military and the technocrats during his sixteen year presidency.

Moreover, Chun's power was constrained by constitutional factors. The constitution of Chun's Fifth Republic framed a more liberal polity than did Park's previous Yushin constitution. Under the Fifth Republic constitution, the president was to seek only one seven year term in contrast to the previously unlimited number of six-year terms. Second, the president was not allowed to dissolve the parliament less than one year from its formation, nor could he disband the National Assembly more than twice for the same cause. Third, under the constitution of the Fifth Republic, the president could declare a state of emergency, a state of war, or an extraordinary situation similar only to war. Under the Yushin constitution, the president could take emergency measures whenever he believed national security or public safety was seriously threatened. Fourth, the Chun regime's control of the National Assembly was weaker than that of its predecessor. The Yushin system allowed one-third of the National Assembly members to be appointed by
President Park, while the remaining two-thirds were elected directly by the popular electorate. Under the Fifth Republic, less than one-third of the assemblymen were elected on the basis of proportional representation, while the rest were subject to popular election.

Under this system, positive support was indispensable if any government party was to sustain its electoral majority. If the government party could not control the parliament, it would have been difficult for the Chun regime to solely rely on its strong executive power and the ultimate mandate from the military. In this regard, Han characterizes the most crucial task of the Fifth Republic constitution as its "institutionalization- that is, the process of acquiring acceptance, value, and credibility," whereas the previous constitutional amendments were engineered to give the incumbent chief executive more power and longer tenure (Han 1986, p. 132).

This seemingly more harsh but institutionally weaker Chun regime had to face an ever-growing challenge from the society, which could not be contained with sheer physical force. To understand the new political dynamics of South Korean society, we must examine the coming of industrial society and the more than two decades of rapid economic development.

SOCIAL CONSEQUENCES OF TWO DECADES OF ECONOMIC DEVELOPMENT

Differentiation of Social Class

The rapid industrialization of the 1960s accelerated the migration of surplus rural labor to urban areas, and the significant shift of employment from the primary to the industrial and service sectors has followed. The 1985 figure of sectoral employment shows that 24.9 percent of employed persons were engaged in the primary sector (agriculture, forestry, and fishing), 30.6 percent in the secondary sector (agriculture, forestry, and fishing), 30.6 percent in the secondary sector (23.4 percent in manufacturing, 1.1 percent in mining, and 6.1 percent in construction), and 44.5 percent in the tertiary sector (Economic Planning Board 1986, p. 83). How should one interpret this expansion of manufacturing and service employees in terms of class structure? South Korean scholars have explained developments with reference to several models of contemporary class structure, which are essentially based on occupational categories.

A more recent and complete analysis of class structure is offered by Hong (1983). He sees the class stratification of the past two decades as a transformation toward a "diamond shaped" class structure. Both the old and the new intermediary classes rose from 20 percent (6.6 percent old and 13 per-
cent new) in 1960 to 40 percent (17.7 percent old and 20.8 percent new) in 1980. This change was complemented by a parallel increase in working class membership from 8.9 percent to 22.6 percent. On the other hand, the membership of the other class categories decreased; self-employed farmers from 40 percent to 23.2 percent, and lower under- or un-employed farmers from 24% to 8.1% and urban lower class from 9.6 percent to 5.9 percent. Hong groups these class categories into the upper class constituting 1.9 percent, the middle class 61.7 percent and the lower class 36.6 percent of population.6

Rejecting the notions of the new middle class, the marginal class, and farmers as an independent class category, Suh (1984) recognizes only three class categories: the capitalist class, the petit-bourgeoisie, and the working class. According to his study, in 1983, the capitalist class constituted 1.2 percent, the urban and rural petit-bourgeoisie 47.4 percent, and the working class 51.4 percent. If we count Suh’s rural and urban petit-bourgeoisie and white-collar salarymen as the middle class, however, it is about 60 percent, which is close to Hong’s middle class.

Two points seem to be relevant. First, self-employed farmers and farm laborers together constitute approximately a quarter of the economically active population. Second, the size of industrial workers and the new middle class has grown during the past two decades. Industrial workers have increased and account for more than a fifth of the labor force. The middle class in South Korea has expanded to more than half of the economically active population, not only because of the rise of the new middle class but also because of the remaining large numbers of self-employed small businessmen. How are these social classes related to the on-going process of democratization in South Korea? I will try to answer this question in the next section.

Activization of the Civil Society

During the last two and half decades of successful economic growth, South Korea has emerged as a modern, industrial society. One should recall that South Korea, like other NICs of East Asia, is a “late-late” developer. The rapid industrialization of this region during the 1960s and 1970s brought the “simultaneous” growth of the middle class and the working class. These expanding social classes of the urban sector are turning away from the authoritarian regime. The popular support for the opposition party was revealed in the 1985 national assembly election which effectively cut the confidence of

6Hong(1988) maintains that when we count the average five-people household monthly income of the middle class as 400,000 won (approximately $500), 74 percent of the new and 64 percent of the old intermediate classes, and 20 percent of the working class belong to the middle class. For the 1975 census analysis, see Koo (1985).
the ruling party to merge with two conservative opposition parties in the early 1990.

What is perhaps most unique about change prompted by the 1980s' democratic movement is that it drew support from diverse groups of citizens. The anger against the ruling authority is no longer limited to radical students and intellectuals. Economic classes are enmeshed in the mass populism of a democratization movement, which is perceived as ethical and nationalistic. The educated middle class has become the protagonists in this new activation of civil society. I will examine the current and future roles of different social classes in the democratic transition in South Korea, by looking at their relationship to the authoritarian state.

The State and the Agricultural Sector

Farmers have been the most loyal supporters of the past military regimes. Although state investment in the agricultural sector has been small compared to investment in the manufacturing sector, the state's corporatist strategy has been more successful in incorporating farmers than in incorporating any of the other social classes. The earliest corporatist strategy directed at the agricultural sector was a rather inexpensive, ideological one. The state kept grain prices low to alleviate the burden of inflation on city dwellers until 1969. A more serious corporatist strategy emerged with the launching of the Saemaul Undong (New Community Movement) in 1972. This new policy was motivated partly by declining rural income from a series of poor harvests and partly from the ruling party's setbacks in cities in the elections of 1971. Both the Park and the Chun regimes used the Federation of Agricultural Cooperatives (FAC) as an agency for collective sales and purchases, credit service, fertilizer distribution, and technical guidance. Around 70 percent of FAC's budget depends on borrowing from the state, and the co-operatives' leaders are closely related to local public officers. Since about 93 percent of farmers are members of the co-ops, the state can mobilize farmers quite efficiently for political support of the regime.

However, the shrinking rural population could no longer provide a social base for the authoritarian regime. Moreover, the traditional loyalty of farmers to the authoritarian regime began to decline. Recently, the newly organized Korean Catholic Farmers Association and the Christian Farmers Association began to ask for the reorientation of the state's biased industrialization policy and for the democratization of the state-controlled co-operatives. Yet, the question of whether farmers are loyal or not became less important for the stability or the instability of the authoritarian regime. The root of the instability of South Korea's authoritarian regime lies more in the fact that it
has not managed to incorporate expanding industrial workers and the educated middle class.

The State and the Working Class

Since organized labor is usually the most visible segment of civil society, the role of the labor movement in fostering a democratic transition in South Korea seems to be a logical issue to explore first. Valenzuela (1988) links labor movements to democratization in four ways: 1) the strength or weakness of the labor movement; 2) the authoritarian regime's treatment of labor and its political allies prior to redemocratization; 3) the centralization or decentralization of the labor movement, and its unity or division; 4) the modalities of the transition to democracy, and the relationship between the labor movement and the leading elites of the transition (p. 10). The Korean labor movement had been relatively weak until the political liberalization of 1987. Since the leftist labor union federation was wiped out in the late 1940s, the labor movement in South Korea has been undermined by the previous authoritarian regimes of the rapid economic growth period. The weak labor movement resulted from the partial corporatist control of labor during the 1960s-70s and the decentralization policy of the 1980s. However, neither policies were fully successful in either incorporating labor to the side of the regime or in incapacitating its grass root organizational base. As the post-1987 democratization made physical control of organized labor impossible, organized labor emerged as a new political power.

This begs a question concerning the role of labor in the post-1987 democratization. Labor unions did not play a significant role in the 1987 June struggle, and they do not appear to lead the post-1987 democratization. Despite newly gained organizational strength, the political power of organized labor appears to be limited. This is not simply due to the government’s legal and other discrete measures against the workers' political struggle. Two other things seem to be more relevant. First, there is no political party which can put the workers' demand for political change into an effective platform. Second, the class-oriented political struggle put forward by the radical segment of labor is not getting the support of the majority of workers who doubled their wage during the past several years and who subscribe to political reform rather than revolutionary change. I will focus on the treatment of labor of the past and current regimes and the relationship of the organized labor to other opposition forces in South Korea.

The authoritarian regime's treatment of labor can be divided into two realms: its strategy for organizing labor and dealing with existing unions, and its wage policy. First, with regard to labor organization, the state can attempt
two strategies. In the "corporative strategy," the state creates a centralized worker organization and controls collective bargaining through this centralized mechanism. In the "market strategy," the state tries to weaken unions, as bargaining agents interfering in market wage settings, and to decentralize collective bargaining as much as possible. The authoritarian regime in South Korea has used both strategies to contain labor. The formal labor containment in South Korea first appears to be corporatist. The state protects the Korean Federation of Trade Unions' (KFTU) monopoly of representation by the Labor Union Law, and controls its election procedure for national union leaders. The state has a legal right to recognize and dissolve labor unions, and intervenes in labor disputes through the Conciliation Commission or the Labor Committee.

It appears that the Park regime's "formal" strategy for arranging union structure relied at first on the corporatist strategy and then shifted to the market strategy around the late 1970s. However, the regime's actual politics toward labor was hardly corporatist from the beginning. The institutional corporatist arrangement did not run deep to the rank and file level. It was meant not to mobilize labor for the regime's political allies, but to prevent the development of organized labor beyond state control by coopting the labor leadership. The strong authoritarian state favored exclusionary politics rather than the mobilization of civil society. Naturally, when the state realized that its half-hearted corporatist strategy was increasing organized labor breeding dissident labor unions, it turned to the market strategy of trying to decentralize union structures into the Japanese style of "enterprise unions." This turn to a more decentralized market strategy became more visible under the Chun regime. This change reflected the state's growing consciousness of the increasing political potential of the labor movement.

Under these mixed strategies, local unions became dominated by employers, and their leaders were usually chosen under the influence of employers or the government. Choi (1983) writes that more than 85 percent of unions are enterprise-based, with the exception of three national unions in the public sector and one in miscellaneous trades. During the 1970s, the rate of organized labor has settled around 20 to 25 percent of the total work force that could be organized. The manufacturing industrial unions grew rapidly

7 The previous Rhee regime, which was closer to populist authoritarianism, adopted a more positive corporatist strategy to mobilize labor for its favor. The right-winged Korean Federation of Trade Unions (KFTU), which was established first against the soon-to-be legally banned socialist labor federation, was used for that purpose. Yet, the number of industrial workers until 1960 was too small to run a significant populist regime based on labor. Under the ensuing bureaucratic authoritarian regimes, industrial workers tripled to a quarter of the total labor force in two decades. Focusing on the formal relationship between the state and labor unions, Park (1987, p. 912) defines the regime's labor containment policy as essentially corporatist.
during the 1970s, from 24 percent in 1962 and 26 percent in 1971 to 44 percent of total union membership in all of the seventeen industrial unions in 1979 (Choi 1983, pp. 53-56). Workers in large-scale enterprises are rapidly organized. The proportion of organized labor in industries of more than 500 workers doubled from 20 percent to nearly 40 percent.

Secondly, for a wage policy, we can consider the "market-oriented" versus the "interventionist" wage policy. In the case of South Korea, the state has employed a double standard; it uses the free market principle for lower-end wage determination and the interventionist regulation for the higher-end wage hikes. The state has prolonged effective minimum wage laws until the late 1980s, while it has used a guideline policy for wage increases. The authoritarian regime could not prevent wage increases beginning in the late 1960s in response to labor scarcity and inflation. Real wages rose by 190 percent from 1966 to 1980. However, the interventionist policy against wage hikes has been effective in keeping the real wage increases much below the rate of productivity.

The regime's repressive labor policies have been targeted against the labor movement rather than wage formation. The rights of workers to collective action and collective bargaining have been restricted through three major revisions of the 1953 labor laws, in 1963, 1973-74, and 1980. The government also used both cooptive and repressive extra-legal policies, through the control of union leadership and the widespread use of police power, against labor's efforts on to increase the workers' political voice and organizational strength. The state has exercised more effective control over labor within the general framework of the regime's repressive political control rather than through any specific repressive labor policy. This is demonstrated by the fact that no disputes occurred in 1961-62 after the military coup of 1961 nor in 1972-73 after the imposition of the Yushin constitution, while labor disputes rose from the annual average of 100 cases to 227 cases in 1960 and 206 cases in 1980 during the regime's institutional crisis (Han 1986-87).

The effectiveness of the regime's political repression for containing the labor movement is clearly revealed in the eruption of 2,500 labor disputes during two months after the liberal concession of the proposal of June 29, 1987. There are two major issues involved in these labor disputes. One is labor's political right to organize workers freely and to get official recognition from employers. The recognition of "free labor unions" often triggers pent-up emotions of workers. This demonstrates that both the state and authoritarian employers have neglected the rising discontent of workers. The second is the economic issue of wage demands. Labor disputes for wage increases were the most frequent cases in the 1960s (46-66 percent of cases) and the 1970s (28-44 percent). But the drastic rise of disputes in the 1970s was often caused by
delayed payment (17-34 percent of cases) (Han 1986-1987). With increasing
unionization, labor became much more vocal in its economic demands during
the 1980s. According to a recent survey, 51.4 percent of disputes in 1987
were for wage increases, 17.2 percent for improvement of working conditions,
and 15.2 percent for welfare-related demands. Contemporary labor disputes,
such as the one in Hyundai Precision Machinery in June 1988, show more
focused economic demands. Wage demands are likely to be the key issue in
future labor disputes.

Under new political circumstances, organized labor is facing a less hostile
regime. The Roh government, which was chosen by popular mandate and
launched in February 1988, is restraining its intervention in labor disputes and
is taking a neutral position in industrial relations. One can expect that labor’s
willingness to air its grievances would be less contained by fear of govern­
ment repression. Two questions then arise: Given that the political as well as
the economic demands of the working class have been increasing, would
South Korean labor be a politically important class for the further democra­
tization of the authoritarian regime? Or will labor remain an economic class
whose militancy can be assuaged by economic gains? Deyo and others argue
that, despite its exceptional labor militancy compared to other East Asian
NICs, the political power of the South Korean working class is still undercut
by the part-time gender-subordinated proletariat and by the early establish­
ment of state controlled trade union structures (Deyo, Haggard and Koo
1987, p. 51).

However, this claim does not seem to hold. As I argued before, the earlier
state control of the elite of union leadership was dismantled with the break­
up of “free” unions and the increasing grass-roots organization of workers.
Moreover, South Korean female workers are not as docile as Deyo and
others suggest. In order to understand the nature of the labor movement in
South Korea, one has to look at a broader structural factor which binds the
state and civil society together, the pervasive anti-communism, and the legi­
timacy of national security. The overriding importance of national security
prevents any group except student radicals from favoring leftist political op­
tion.

The South Korean regime is best characterized as a “socially harsh and
politically open regime,” to borrow from Valenzuela’s (1988) typology of
authoritarian regimes. Employing a market strategy and a partial corporatist
strategy, the regime is socially harsh. It limits the channels for expressing

\[<\text{Wage increases were negotiated to 13.5 percent from the initial demand of 29.1 percent. This is higher than the average wage increase of 9.1 percent of the first half of 1987 (see Korea Employers' Federation, 1987).}>\]
collectively formulated worker grievances, for initiating labor actions, and for introducing labor's input into collective bargaining. Under this kind of regime, Valenzuela maintains that the political leadership is less inclined to organize opposition to the regime through labor mobilization, and will try to take advantage of the spaces that the regime allows it to occupy while urging restraint by labor. Under this condition, he predicts, labor leaders are likely to initiate their own course of action, eventually becoming an independent but more radical sector in the constellation of anti-authoritarian forces (Valenzuela 1988, pp. 29-30).

Established opposition parties in South Korea have stayed away from organized labor. Their pervasive anti-socialist ideology has hindered the formal alliance of an opposition party and the working class, not to mention the establishment of a working class party. Although the recently organized Mass Party aims to draw workers as well as farmers into a major political constituency, it tends to dilute its nature as a class party. At the same time, organized labor is considering changing the legal prohibition against its political participation. But organized labor has not yet shown a significant move to ally with any particular party. In contrast alliance with labor is actively pursued by the student movement leadership, which emerged as a very important political body outside the formal political arena. The current government has tried to prevent the joint struggle of workers and students against the regime. A successful alliance will depend on how the working class can share its alternative political vision and goals with those of student movement. South Korea's working class today is likely to share with the students the idea of distributive justice, but not the idea of a socialist transformation of Korean society.

The Korean working class appears to be incapable of threatening the regime's political stability. For several reasons it is still too weak to set up a politically-oriented labor movement. First, the political consciousness of the working class has not yet matured. Although young workers, especially those in large manufacturing firms, show working class consciousness and solidarity, they are still parochial and are limited to the same work place. Second, the antisocialism strongly embraced by the society in general effectively restrains labor's political demands. The political unionism put forward by the National Federation of Democratic Unions (Chun No Hyup), which the government does not recognize legally, is not gaining much support from workers. Third, after several years of substantial wage increases for workers in large manufacturing firms, the wage gap between larger and smaller manufacturing firms is increasing. Larger manufacturing firms have switched to a reformist labor control and have developed internal labor markets. If workers of larger firms in heavy and chemical industries, who are better paid and have better work-
ing conditions, lead the labor movement, the future labor movement in South Korea is likely to result in economic trade unionism rather than political unionism. If the authoritarian regime resorts to massive repression or overuses exclusionary politics against labor, however, it will increase the chance of consolidating the emerging labor movement for anti-authoritarian causes.

Students, Dissidents, and the Middle Class

Dissident groups in South Korea are drawn largely from anti-establishment intellectuals and university students. Several decades of authoritarian politics has generated distrust of political parties, including the opposition parties and brought the formation of dissident intellectuals outside the formal political arena. The so-called Jaeya, literally meaning “residing in the field,” is an informal political sphere that has provided the anti-government ideology and dissident leaders to the society. Most dissident leaders are ex-politicians or ex-student activists. Jaeya was a sort of underground civil society when the authoritarian state banned popular political participation, and Jaeya has developed a diffuse network of specialized sub-organizations. Since it consists mainly of elites of the intelligentsia, it is incapable of mass mobilization for political causes. Therefore, the more direct action which can threaten the regime has been provided by student movement whose leadership is related to dissidents. However, it is difficult to say whether Jaeya and the student movement leadership share the same value and ideology, especially since after the 1987 political liberalization the cause of the student movement changed from opposition to the military dictatorship to the promotion of a socialist transformation of society.

As Huntington (1968) has said, the two most active social forces in a praetorian system at a middle level of development are the intelligentsia and the military, so that there is a high correlation between student participation in politics and military participation in politics (Huntington 1968, p. 210). Even before military participation in politics, an increasing number of students in Seoul became the center of the opposition movement and finally toppled the Rhee regime in 1960. However, the South Korean “student movement,” as a guardian of the civil society, emerged under the Park’s Yushin system, which resorted to harsh political repression. With the rise of the Chun’s regime after its brutal repression of the civilian uprising in Kwangju, the student movement took a radical direction. Student demonstrations became a part of everyday life. During the Chun regime (1980-87), there were 3,241 violations of the Public Safety Law (Jipsibup), and 2,780 people were arrested from the 4,832 charged in these cases. Among the people charged, university students and university dropouts accounted for 65.1 per-
The student movement played a critical role in the regime transition by encouraging ordinary citizens, who were critical of the Chun regime's rejection of a popular presidential election, to join the street demonstrations after the deaths of demonstrators who were university students. The student movement successfully channeled the moral anger of the middle class into a populist demand for political change. After its success in the June 1987 struggle, the student movement dropped the cause of democratization as the current regime earned legitimacy with a popular presidential election and promised democratic reforms. The agenda of the student movement has moved to the internal democratization of their schools and to the unification problem, in addition to the repercussions to authoritarian politics. The most important change is the manifestation of Marxist ideology by the student movement leadership and the adoption of the goal of a socialist transformation of Korean society. The tactics of the student movement became radicalized at the same time. The movement of progressive elements of the middle class away from the student movement was well demonstrated in the former's antipathy to the violent student demonstrations of the May 1991 struggle.

With regard to the civilian anti-government movement, the emergence of Christian activism under the Yushin system is notable. Churches and cathedrals have provided an institutional basis for the activities of those seeking human rights and justice, and have provided public space in which people can share dissenting opinions and faiths. Especially after the self-immolation of a garment worker in 1970, catholic priests, Roman Catholic Association of Young Catholic Workers, and Urban Industrial Mission and Protestant ministers became politicized and began to represent an important part of the anti-government movement. Myongdong Cathedral in Seoul had been a symbolic site for political dissidents, as shown in the 1973 anti-Yushin rally and the students' take over in the June 1987 crisis. According to the 1980 census, 23.6 percent and 4.3 percent of believers in any religion (30.5 million believers out of total population of 38 million people) identified their religion as Protestantism and Roman Catholicism, respectively. The significance of Christians as a social group is understated by this figure, since their religious body is more formally and socially organized than other religious bodies. Christians in South Korea reside mainly in urban communities, and a significant number come from the progressive urban middle class. Although the mainstream of Christian churches in South Korea is oriented to fundamentalism and is politically conservative, the churches view the authoritarian regime as immoral and could channel their religious and ethical beliefs into anti-government populism.

As long as most social groups remain loyal or passive supporters of the
status quo, however, the stability of authoritarian capitalism in South Korea will not be dismantled by student activists and dissident groups. Consequently, the ultimate source of disequilibrium lies in the political pact of the middle class. The attitudes of the middle class as a whole are too heterogeneous and inclusive to generate distinctive political behavior. Moreover, more people think of themselves as middle class than should do so, according to their objective socioeconomic standing. In a representative national survey, more than 80 percent of the respondents identify themselves as middle class. Some scholars argue that the concept of middle class politics is meaningless due to the diffusive boundary of the middle class as demonstrated by this higher self-perception as middle class. However, I will argue that it is this ambiguous class boundary which makes the middle class politics influential as mass populism. The political pact of the middle class matters a great deal in a situation like that of South Korea's where, 1) there is no traditional elite class in civil society, and 2) the working class is in a formative stage of development and has been excluded from the political arena. Given the absence of an independent political class, it is natural for both the regime and the moderate opposition to try to co-opt the middle class, since the middle class is the predominant force that would bring moderate and gradual social change, rather than the radical social change advocated by dissidents and student radicals.

The Korean middle class, which benefited from economic prosperity, would be expected to choose stability over change. However, several opinion surveys reveal that the urban middle class, especially members who are college-educated and white collar employees, are more sympathetic to far-reaching political reforms than are members of the working class. The actions of the middle class seem consistent with these attitudes at least in the event of June 1987. The urban middle class constituted a larger part of the citizens supporting the student street demonstrations than did the workers. Middle class support of the students was crucial for helping the liberal elements within the ruling elite prevail. Several large cities in South Korea have been the central sites for anti-government demonstrations. Given that more than half of the population lives in urban areas, with more than 60 percent of total city dwellers concentrated in the three largest cities, urban mass populism has always had the potential to be aligned with university students, who are also concentrated in a few major cities.

The relatively high level of education in South Korea contributes to middle class liberalism. Most of those in the appropriate age group attend primary and secondary schools, and 19.2 per thousand population, equivalent to 27.2 percent in the college advancement ratio, attended colleges and universities as of 1980 (Park 1988). The educated middle class is an important force in
the liberalization of South Korea. As Hall (1987) notes, in late industrialism, which is increasingly dependent upon the growth of scientific knowledge, the educated middle class may encourage the softening of political rule. The educated middle class could organize itself, as it did in the citizenry movement boycotting the payment of dues of public television broadcasting under the late Chun regime. The purpose of this movement was to protest governmental control of public media. In addition, some politically committed members of the middle class began to organize diverse citizenry organizations for economic justice and welfare.

However, it must be remembered that the political goal shared by the intelligentsia and the progressive elements of middle class does not reach far beyond political democracy. The new issue of unification put forward by student activists or the radical demands of workers would appeal less to the middle class than did the anti-authoritarian cause of the 1987 drive for democratization. Once formal democracy was achieved following political liberalization in 1987, the middle class preferred political stability. In this regard, further democratization of the current regime is likely to be pressed not by the middle class but by workers or student activists.

CONCLUSION: PROSPECTS FOR POLITICAL LIBERALIZATION

According to Gellner (1976), liberalization is a generic and crucial phenomenon, which like revolution is distinctive, perilous and dramatic. South Korea was in this stage during the perilous experiment of liberalization. Unfortunately, the divided opposition and the better political skills of the ruling party made the outcome of this experiment less revolutionary.

The December 16 presidential election in 1988 turned out to be a victory for the government candidate, Roh Tae-Woo, with an "unexpectedly" large margin over two oppositional candidates (36.6 percent for Roh, 28 percent for Kim Young-Sam, and 27 percent for Kim Dae-Jung). The divided opposition has received much blame for losing this golden opportunity to transform the authoritarian regime, headed by two ex-generals since the May 16 military coup in 1961, to a pure civilian government. Nevertheless, the peaceful transition of power in the open election was positively regarded by many Koreans. In a 1988 survey of 1,500 men and women, 74 percent recognized Roh as a president who represents the people (Cho 1988). The watershed of the post-June 29 concession was the recognition that political power cannot be automatically granted by military power and that inclusionary politics will be important under open competition for political power.

However, it should be remembered that the anti-government populism in
South Korea is not oriented to class-based politics. Given the absence of a working class party, democratization in South Korea in the foreseeable future is likely to be limited to participatory democracy rather than to social democracy. The "growth first" policy of past rapid industrialization is no longer appealing. The resulting inequality and the problem of pollution have discredited the state's developmental policy. In addition, the industrial restructuring policy of the 1980s and the growing external pressures to open up domestic market has transformed the state's heavy-handed management of the economy to a more market-oriented and more open economy. Economic liberalism is likely to accompany political liberalism in the future, for economic control accompanied authoritarianism in the past.

In the East Asian context, it can be generalized that a bureaucratic authoritarian regime will not be efficient unless it can co-opt societal interests, especially when prolonged economic success nullifies the effectiveness of material gains at the cost of political freedom. After the destruction of traditional social structures through colonization and war, the East Asian states have been able to modernize rather freely and successfully. However, the increasingly active civil society is becoming more contentious and challenging to the authoritarian state. For its own survival the authoritarian regime will need to adjust its political structure in a more inclusive and democratic direction.

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9Marshall's (1963) separate categories of "civil citizenship," "political citizenship" and "social citizenship" are useful to distinguish nature of popular demands in industrializing countries.


World Politics 39 (January): 231-57.


SOOK-JONG LEE received her Ph.D. in Sociology from Harvard University, and is a lecturer at the Department of Sociology and the Graduate School of International Studies, Yonsei University. Her research interests are in the areas of Japanese society, industrial sociology, and development. She is currently working on the institutional foundations of Japanese political economy.