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ABSTRACT

This study attempts to explain why ALL of South Korean presidents, without exception and notwithstanding their individual major contributions to the process of Korea's development, have fallen victim to disgraceful downfalls.

For the analysis, I employ S.N. Sangmpam's middle-range theory that establishes a causal link between society-rooted politics and political outcomes. Building on his analytical frameworks that non-Western countries are characterized by over-politicization in politics as a function of social context, I argue that patterned downfalls of all Korean presidents are an institutional outcome of over-politicization in Korean politics, which is itself a function of not fully entrenched capitalist society. In support of my thesis, I test three hypotheses. Hypotheses one and two posit Korea's tenacious traditional and cultural traits as an internal modifier of capitalism and the nation's dependent nature of its relationships with the United States and Japan as an external factor that prevented capitalist entrenchment in Korean society. The combined effect of these two variables is the alteration of capitalism in South Korea that defies the three cardinal rules of democracy, leading to over-politicized behaviors in presidential politics.

As for the patterned downfalls of the presidents, I test the hypothesis empirically that as the nation's most supreme political institution, the Korean presidency displayed the effects of over-politicization most saliently. The evidence reveals that both authoritarian (1948-1987) and democratic (1988-2009) presidents display diverse manifestations of over-politicized behaviors. However, there is also a striking difference between the two eras: Authoritarian presidents seem more influenced by the external causal variable mainly because of Korea's heavy dependence on the United States and Japan in the formative years of the nation building. Democratic presidents are more challenged by internal causal variable, especially the characteristics of what I call *familist collectivism*, the dominant operating principle and code of conduct for most Koreans in the period of 1948-2009. Thus, unless the social causal variable is properly addressed, the problem may remain regardless of regime types.

PRESIDENTIAL INSTABILITY IN A DEVELOPING COUNTRY:
REASSESSING SOUTH KOREAN POLITICS
FROM A STATE-SOCIETY RELATIONS PERSPECTIVE

by

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Dissertation

Submitted in partial fulfillment of the requirements for
the degree of Doctor of Philosophy in Political Science

Syracuse University

June 2017

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When I began this academic journey in 2003, I did not know that it would take this long. Many things happened both in personal and public realms, good and bad. Most importantly, it was a spiritual journey in the wilderness. At the end of the prolonged and arduous journey, I have learned the truth: man must not live on bread alone but on every word that comes from the mouth of God.

I thank Prof. Stuart Thorson and Dr. Jongwoo Han for inviting me and paving the way for our family to come to Syracuse University. Prof. Alex Thevaranjan and his wife, Ranji, offered much appreciated spiritual and material support for my continuation with the dissertation project at a critical juncture. Prof. Glyn Morgan and Prof. George Kallander kindly agreed to serve on the committee, and contributed meaningfully to the work's completion. I appreciate their sharp critic. The PSC department at Maxwell, especially Candy and Sally, offered such excellent support and help. I genuinely appreciate it.

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I thank Professor Emeritus Ralph Ketcham who passed away right before the defense of this work. He ushered me into the doctoral program, guided me all the way, and provided material and mental support on many occasions. Prof. Ketcham set a high standard for me to follow as a decent human being, as a high-achieving scholar, as a God-fearing man, and as a compassionate teacher.

Former Prime Minister Goh Kun commands my utmost respect and appreciation for his support, and exemplary life as a public-spirited administrator and an upright human being. It is an absolute blessing to have these role models in my life so that I can walk in their footsteps toward my own destiny.

I am so grateful for the brothers and sisters in Christ for their provision and prayers: elders Park In-gu and Young-ok, Jeff Winn, Mee-sook, Park Hyung-geun and Bang Won-seon, and Prof. Park Hye-gyung at Handong Global University, H.E. Chung Sang-ki, and Kim Jong-soon. Hyun-sook supported and cheered me up from the beginning until the end of this journey, even during her own fight against cancer. Those of my beloved ones that this limited spaced does not allow me to identify, I pray, that God may reward and bless them abundantly for their prayers and support.

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Last but not the least, my husband Kim Sang-kyu and my son Chan-woo, thank you. We have survived the fire of trials together, and become stronger in love and unity as a result. It will take the rest of my life to return all the love I have received. Many delicious dishes on the way!

As promised, in memory of late Prof. Ralph Ketcham.

A NOTE ON ROMANIZATION

In Romanizing Korean words/proper nouns, this study, in principle, uses a system developed by the National Institute of the Korean Language and formalized by Notification No. 2000-8 of the Ministry of Culture and Tourism on July 7, 2000. Under this system,¹ Romanization is based on standard Korean pronunciation, and no symbols except Roman letters are used as far as possible.

Please note the following:

1. The same surname, 李 in Chinese character, can be spelled in several ways according to the individual's preference: Lee (as in the case of Lee Myung-bak), Rhee (as in the case of Rhee Syng-man), Yi (as in the case of Yi dynasty).
2. In case of presidents' names, I follow their spellings as recorded in the South Korean government's official presidential archives.²
3. For other names including scholars and authors, I used the way South Koreans generally order their names: surname followed by first name (i.e. Rhee Syng-man).
4. Unless preferred spellings are clear, I followed the standard Romanization method.

¹ For details on the Korean Romanization system of 2000, refer to www.korean.go.kr/front_eng/roman/roman_01

² <http://english1.president.go.kr/cheong-wa-dae-info/presidentialArchives.php>

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INTRODUCTION

The Problem: The Paradoxical Reality of South Korea's Presidential Democracy

Once considered a basket case, South Korea has become a model success story for the developing world. In the aftermath of a series of events, including Japan's colonialism (1910-1945), American military rule after the liberation (1945-1948), and the fratricidal Korean War (1950-1953), there seemed to be little hope for the nation's future. However, approximately sixty years after its founding in 1948, the war-torn country has become "one of the few to emerge as a wealthy democracy at the end of the 20th century."³ Its economy now ranks the third largest in Asia only behind China and Japan and the tenth largest in the world.⁴ This formerly poverty-stricken nation has transformed itself from a "sinkhole of American aid"⁵ to a donor country and a member of the Organization for Economic Cooperation and Development. In 2012, South Korea also joined the exclusive "20-50 club,"⁶ which requires a population surpassing 50 million and maintaining per capita income of US\$20,000. Considering the fact that GDP per capita was below \$100 at the end of the 1950s⁷, this economic development was indeed remarkable. The average life expectancy was 53 in 1960 and reached 77 for men and 84 for women in 2010, the largest increase over the same period in the world.⁸

Politically, South Korea joined the group of democratic nations⁹ in 1987, when its people voted to adopt a democratic constitution created through peaceful negotiations between ruling and

³ Brazinsky, Gregg. *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy* (Chapel Hill: University of North Carolina Press, 2007), 1

⁴ Korea's economic rankings vary according to citations and financial market fluctuations.

⁵ Chapin, Emerson. "Success Story in South Korea." *Foreign Affairs*, vol. 47, no. 3 (1969), 560-574. (www.jstor.org/stable/20039397.)

⁶ "S. Korea Joining '20-50 club' marks new chapter in development history." Yunhap News Agency, n.d. Web. <http://english.yonhapnews.co.kr/national/2012/06/23/56/0302000000AEN20120623001200320F.HTML>

⁷ Tudor, Daniel. *Korea: The impossible country*. (Tuttle Publishing, 2012.)

⁸ Ahn Byong-man. *Hankuk Jeongburon*. (Seoul: Dasanbooks, 2008), 27

⁹ How to define democracy has been a matter of heated scholarly debate for a long time. For a succinct summary of its discussions, especially with respect to Korea, see Carl J. Saxer's *From Transition to Power Alternation: Democracy in South Korea, 1987-1997* (Edited by Edward Beauchamp. New York: Routledge, 2002), 5-10.

opposition parties. Among others, the revised constitution allowed the populace to elect their presidents directly.¹⁰ Considering oppressive rules under authoritarian leaders, the constitutional mandate of direct presidential elections was indeed a positive step toward democratic development. The world also witnessed a power transition to the first civilian president and a power alternation with an opposition candidate winning a presidential election for the first time in Korea's modern history in 1993 and 1997 respectively. According to 'Democracy Index 2010',¹¹ South Korea ranked 20th out of 167 countries surveyed with its score of 8.11 out of 10, indicating the overall stability of democracy.¹² Now, South Korea has been enjoying democracy for almost three decades without interruption.

Although it is easy to appreciate the remarkable socio-economic and political development in Korea, it is not a simple question to answer as to what and who have made all these spectacular achievements possible. Some argue it is the developmental characteristics of the state that led to Korea's economic growth,¹³ whereas some challenge such a conventional wisdom by claiming it is the people, especially the workers, who have been the main driving engine.¹⁴ With respect to democratization, some argue for the significant role civil society played in Korea's democratization,¹⁵ while others also bring our attention to the importance of external factors, especially the role of America's nation-building efforts during the Cold War and aid policies toward the Korean

¹⁰ For instance, Arend Lijphart considers 1988 (the year of the first direct presidential election based on the 1987 constitutional revision) to be the 'year of democratization in Korea', in Lijphart, A. (Eds.). *Patterns of Democracy: Government Forms and Performances in 36 countries*. (NY: Yale University Press, 1999), 54

¹¹ This is the third edition of the Economist Intelligence Unit's democracy index by the Economist. It reflects the situation as of November 2010. The index provides a snapshot of the state of democracy worldwide for 165 independent states and two territories—this covers almost the entire population of the world and the vast majority of the world's independent states (micro states are excluded). The Economist Intelligence Unit's Index of Democracy is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. Countries are placed within one of four types of regimes: full democracies; flawed democracies; hybrid regimes; and authoritarian regimes. Korea was up from 28th with 8.01 in 2008. (http://www.eiu.com/public/topical_report.aspx?campaignid=demo2010).

¹² Scholars such as Choi, Jang-jip and others, argue that although South Korea achieved procedural democracy, it needs to work more on the substantive side of democracy: Choi, Jang-jip. *Democracy after democratization*. (Seoul: Humanitas, 2010.)

¹³ Kohli, Atul. *State-Directed Development: Political Power and Industrialization in the Global Periphery*. (Cambridge, UK: NY: Cambridge University Press, 2004.)

¹⁴ Yoo Jong-il. *Park Chung-bee's maeneolgul: pal-in-ni bakja Park Chung-bee gyongje sinbwa jiwoda*. Edited. (Seoul: SisaINbook, 2011).

¹⁵ Kim, Sun-hyuk. *Politics of democratization in Korea: the role of civil society*. (Pittsburgh, PA: U of Pittsburgh press, 2000.)

peninsula.¹⁶ It would be more logical to admit that a mixture of these factors have contributed to making Korea as we know it today.

However, regardless of one's perspective, few would deny the fact that the modern history of South Korea can also be described as one of presidential leadership.¹⁷ Presidents stand at the apex of South Korea's national and international politics. In 1948, the newly independent nation-state was established with the founding constitution that stipulated presidential democracy along with a capitalist economic system. As a matter of fact, it is the exercise of presidential leadership and authority that has played a crucial role in helping Korea become what it is today, both good and bad, in most part because of the presidency's preeminence in Korean society and politics.

Ironically, the story of Korean presidents and the presidency is heroic and tragic at the same time. The founding president of the Republic of Korea was Rhee Syng-man (1948 ~ 1960) who was elected under the United Nations' supervision. President Rhee led the fledging nation during the most tumultuous and formative years from 1948 to 1960. The period was characterized by daunting tasks and events including the establishment of an independent state after approximately forty years of Japanese colonial rule, the forced national division by warring superpowers, and the destructive Korean War. Under these dire circumstances and uncertainties, Rhee took on "the nearly impossible task of rebuilding a nation," while vehemently defending democracy and national security for the nation's

¹⁶ Brazinsky, Greg. *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy*. (Chapel Hill: University of North Carolina Press, 2007).

¹⁷ Except a very short-lived experiment with parliamentarism, South Korea has been under the Presidential system through most of her modern history. Regarding the typology of the governmental or regime type of Korea, some argue it is a presidential system with parliamentary characteristics; for others it is more of a hybrid kind; and for some others a dual government form. Generally, however, scholars agree that South Korea has a presidential system in that the president is elected by the constituency, for a fixed term, and holds legitimacy because it is independent of the legislature, responsible only to the people.

future.¹⁸ However, he was forced to resign in 1960 during a student protest movement called the April 19 revolution. Five years later, he died in exile in Hawaii without an heir, biological or political.¹⁹

President Park Chung-hee²⁰ (1961~1979) took power through a military coup known as ‘the May 16 Revolution’ in 1961, toppling down the democratically elected but incompetent Chang Myon government. Despite controversy over his dictatorial rule and hatred by some of his victims and opponents, President Park was highly regarded and most respected for his significant contributions to the nation’s economic development through vigorous industrialization and modernization. His eighteen-year rule abruptly ended in 1979 when one of his closest aides assassinated him at a dinner. His descent, as sudden as his ascent, was even more tragic because his wife was also killed in 1974 by an assassin who targeted him but victimized her instead.²¹

Under the leadership of the general-turned-President Chun Doo-hwan (1980~1988), South Korea also made substantial progress economically, socially, and diplomatically. Prominently, he kept his promise to confine his presidency to a single term of seven years and set a precedent for the peaceful transfer of power upon his departure in 1988.²² Chun’s *de facto* political heir and a life-long friend/mentee, Roh Tae-woo (1988~1993) was elected directly by the people, managed the difficult democratic transition, laid the groundwork for inter-Korean reconciliation and cooperation, and normalized relations with the countries of the former socialist bloc. Notwithstanding their respective

¹⁸ Kim, Choong-nam. *The Korean presidents: leadership for nation building*. (Norwalk, CT: EastBridge, 2007), 33.

¹⁹ He had one biological son (1899~1906) from his first marriage who died of diphtheria in the United States. On March 26, 1957, his 83rd birthday, President Rhee adopted Lee Kang-suk, the son of vice president Lee Ki-bung. Since then, Lee Ki-bung became the de-facto political-heir to President Rhee. On April 28 in 1960, two days after Rhee stepped down, Lee Kang-suk was allegedly known to have shot to death the entire family of Lee Ki-bung, after which he committed suicide. Lee, In-su, a member of Rhee’s lineage clan, was chosen to be adopted as Rhee’s son on November 13, 1961. Since then, Lee In-su has taken care of President Rhee’s life legacies.

²⁰ The current president, Park Geun-hye, is the eldest daughter of President Park Chung-hee. She served on her deceased mother’s behalf as the first lady for President Park.

²¹ In recent scientific research revealed that the First Lady was not shot by the assassin, but was killed by a misfired shot by one of the body guards on the stage: MBC documentary: *Yjeneun malbalsoyyisda* <https://www.youtube.com/watch?v=FNkXBamZ5z8>

²² Some may argue that his decisions were not of a voluntary kind but of necessity for his political survival and personal welfare. It is very likely that his agreement was in response to the popular pressure to revise the constitution and out of a secret political deal with presidential candidate Roh Tae-woo, his political heir and friend. However, these facts or speculations still do not discount the fact he was the final decision-maker, at least officially, who made all this eventually happen.

political, economic and diplomatic contributions to South Korea's development, both presidents were jailed on charges of corruption and treason, and became the object of much ridicule and criticism from the media and the public. In fact, President Chun was sentenced to death, only to be spared later.

The tragic endings of South Korean presidents did not stop with Korea's transition to democracy in 1987. Presidents Kim Young-sam (1993~1998) and Kim Dae-jung (1998~2003) were known for their life-long dedication to and fight for democracy and entered their respective presidential terms with great expectations from the people. The first civilian president since 1961, Kim Young-sam, pushed for strong drives for globalization, economic reform and political purges for past presidents, especially Chun Doo-hwan and Roh Tae-woo. Kim Dae-jung steered the nation away from the disastrous 1997 financial crisis and pursued the Sunshine policy toward North Korea, among others. President Kim Dae-jung received the Nobel Peace Prize in 2000 "for his decades-long work for democracy and human rights in South Korea and peace and reconciliation on the Korean peninsula²³." However, both presidents had to leave office in much disappointment amid a series of policy failures and corruption scandals, the aftermath of which put their own children in prison for corruption charges. President Roh Moo-hyun (2003~2008), a radical reformist, pursued lofty goals such as social justice and a participatory democracy. However, he became the first president to face impeachment trial in 2004 and committed suicide in 2009 amid a barrage of corruption charges against his family members, close friends and aides.

²³ http://www.nobelprize.org/nobel_prizes/peace/laureates/2000/.

Table 1.1. The Rise and Fall of South Korean Presidents (1948 ~ 2009)

Presidents	Term	Significance / Achievements	Failures / Endings	Main Charges
Rhee Syng-man	1948-1960	- Founding president - Defended the nation from communism - Universal Public education	- Stepped down in a student protest - Died in exile	Prolonged dictatorship through constitutional revision and illicit elections
Park Chung-hee	1963-1979 ²⁴	- Economic development through industrialization and modernization	- Assassinated	Prolonged authoritarian rule through constitutional revision known as the <i>Yushin</i> Constitution and human rights violations
Chun Doo-hwan	1980-1988	- Economic stabilization	- Imprisoned	Mutiny, treason, bribery
Roh Tae-woo	1988-1993	- Restoration of diplomatic relations through northern policies - 1988 Summer Olympics	- Imprisoned	Mutiny, treason, bribery
Kim Young-sam	1993-1998	- Radical economic reforms, - Correcting past wrongs	- Imprisonment of children - Tarnished image	Family corruption
Kim Dae-jung	1998-2003	- Sunshine Policy for North Korea - Recovering from 1997 financial crisis	- Imprisonment of children - Tarnished image	Family corruption
Roh Moo-hyun	2003-2008	- Political reforms	- Impeachment charge/ suicide	Family corruption

²⁴ Park Chung-hee toppled the second Republic of Korea through a military coup. He ruled as the head of the Supreme Council for National Reconstruction until his election and inauguration as the President of the Third Republic of South Korea in 1963. The official government archive records his official presidency starting from 1963.

The history of the presidency itself is not much different from the fate of its occupants. Within a short span of just forty years between the nation's founding in 1948 and democratization in 1987, Korea's constitution was either rewritten or revised a total of nine times, eight revisions of which were concerned with presidential power structure including election methods, terms of office, and exercise of authority. Moreover, such a call for constitutional revision concerning the presidency has continued even after 1987 when Korea became finally democratized, at least in terms of procedural democracy. The 1987 constitution was touted as the most democratically adopted constitution because it was negotiated by both ruling and opposition parties as well as approved by the public in a national referendum with a 93.1 percent approval record. The frequency of constitutional revision speaks volumes for the significance of the presidency in South Korean politics. In other words, this obsession with presidential power and authority also highlights the preeminence of presidents in South Korean society. Often, such a proposal or demand for constitutional reform or revision comes from the sitting president or presidential candidates. "With almost all past presidents, toward the end of their terms, arguments for a change to a parliamentary system were inevitably raised," either because a change of parties in power was likely to happen, or the incumbent wanted to maintain an influence in the National Assembly even after the term of office.²⁵

In America, the prototype of presidential democracy, people do blame and criticize their presidents for obvious policy failures, personal misjudgments, violations of the law, excessive exercise of presidential power and corruption scandals, etc. However, American politicians and the populace do not dishonor and oppose their presidents as vehemently and continually as South Koreans often do, once presidents end their official tenures. Seldom do they wage serious political purges or personal revenges against their former presidents, who may be their political foes in terms

²⁵ Mo, Jongryn, and David W. Brady. *The rule of law in South Korea*. Stanford, (CA: Hoover Institution Press, Stanford U, 2009), 16.

of party affiliation and political goals. Obviously, it is not that the United States is without its own share of failed or disappointing presidents, various kinds of political and corruption scandals, alleged or convicted, against presidents, their family members and aides.²⁶ However, situations are different in the United States. The system of the American government “has survived many tests, including the times when less than honorable men steered the ship of state,” despite the kinds and nature of presidential scandals that “might have led to the collapse of the government or worse”:²⁷ President Nixon’s Watergate scandal and his dishonorable resignation, Bill Clinton’s globally broadcast sex scandal, and the contested 2000 Presidential election when Al Gore won the popular vote but lost to George Bush, to name a few.

Nevertheless, the United States celebrates ‘President’s Day’ as a national holiday on the third Monday of every February. Museums and various organizations have been established and events are held to honor their role in the making of the nation’s history. Retired presidents are free to travel the world and engage in various activities including speeches and book publications. Moreover, few challenge the institution of the presidency itself. The prolonged and expanded power of the presidency under Franklin D. Roosevelt led to the adoption of the 22nd Amendment to the Constitution of the United States,²⁸ which sets a term limit for election and overall time of service to the office of President of the United States. It is noteworthy that the nature of the amendments to the American constitution is different from that of South Korea. Most of the amendments to the American Constitution are concerned more with protecting the civil liberties and civil rights of the American public from the government than with redefining presidential powers and authorities.

²⁶ For a detailed discussion of all the scandals of American presidents, see Jeffrey D. Schultz’s *Presidential Scandals* (2000). The book records as many as 20 scandals including sexual misconduct, bribery, etc.

²⁷ Schultz, Jeffrey D. *Presidential Scandals*. (Washington D.C.: CQ Press, 2000), xix.

²⁸ U.S. Congress passed the Amendment on March 21, 1947, ratified by 36 states of the then 48 states on February 27, 1951. The Amendment confined the presidential term to two terms.

By any standards, what Korean presidents have contributed to the nation's development is neither trivial nor insignificant compared to that of their American counterparts, given the formidable challenges that faced the nation. All presidents had to defend the nation from constant security threats from North Korea, while managing the state affairs amid changing political and economic circumstances outside and domestic conflicts within. Against all these challenges and crises, and notwithstanding their often undemocratic practices and wrongdoings, South Korean presidents made instrumental and positive contributions to the country's nation-building, economic and political development. Of course, any individual president should be held responsible for personal wrongdoings, serious policy failures, political miscalculations, misuse, and abuse of power.

However, South Korea seems to be one of the very few economically advanced countries in the world that has witnessed the patterned downfalls of every president in its presidential history.²⁹ Both politicians and the public have not duly appreciated the achievements of former presidents. Instead, they continually challenged the existing presidential system. Furthermore, Korea is perhaps the only country in the world that has few monuments, statues, or official museums in honor of a former president, while there are countless such memorials elsewhere, even in countries whose presidents ran the country far worse than South Korea in terms of political and economic development.³⁰ The media, pundits and scholars alike have come to a conclusion that Korea has had no single successful and respectable president to date.³¹ The American ambassador to South Korea, Kathleen Stephens, was attacked in 2011 by an angry South Korean while she was attending the ceremony for the unveiling of the Rhee Syng-man statue.³²

²⁹ This assessment echoes the general consensus by the academia, the media, and the public in South Korea. One may argue against such a categorically sweeping argument. For this debate, refer to Kim, Chang-ho, et al. *Presidential Power and Decision*. (Seoul: The PLAN, 2015), 21-44. Nevertheless, it is hard to deny that there is a general perception of failed presidents. Ibid, 30

³⁰ Kim, Choong-nam. *The Korean presidents: leadership for nation building*. (Norwalk, CT: EastBridge, 2007).

³¹ Ham Sung-deuk. *Presidential Studies*. (Paju: Nanam Publishing, 2003); Yoon Yu-joon. *Statecraft*. (Seoul: Medichi Media, 2011)

³² August 27, 2011. Joongang ilbo.

Research Question

Thus, this study attempts to solve a paradoxical puzzle in South Korean presidential politics. On the one hand, the presidency is considered the most powerful and supreme institution, and presidents have made significant contributions to the nation's economic and political development as the country's top leader. On the other hand, all the occupants have suffered from personal downfalls and disgraceful endings.

Indeed, the Korean presidency is like a black hole. On the one hand, it draws huge national attention and energy both from the public and politicians to elect its occupant. On the other hand, once their term of office nears to end, all Korean presidents to date have faced disgraceful endings. This situation is puzzling on many levels: despite the preeminent role of presidents in South Korea's remarkable political and economic development in the nation's modern history since 1948, presidents in their post-tenure period, without exception, suffer from lack of proper appreciation for their contributions. Although presidents are legally the most powerful and influential as the final decision makers for the nation's fate, which is true for all presidential democracies, all Korean presidents ended their presidencies in humiliation, disappointment, tragedy and public disdain. There have been repeated patterns of the Korean presidents' entanglement with political and corruption scandals during and after their tenure, especially in the post-1987 democratization when Korea had its constitution rewritten to correct the drawbacks of the past presidencies. Unlike other presidential countries around the world, including the United States, where both the government and the public give honor and respect to their presidential office-holders regardless of their individual weaknesses and obvious policy failures—maybe for the nation's pride, if not for the excellence of their job performance per se—most Korean presidents are not duly appreciated. This series of puzzles leads to the following research question:

Why have all of South Korean presidents, without exception and notwithstanding their individual major contributions to the process of Korea's development, fallen victim to disgraceful downfalls?

The Thesis

To advance my thesis, I will employ the analytical concepts of “*liberal compromise*” and “*overpoliticization*” proposed by S.N. Sangmpam.³³ According to him, all Western democracies share “liberal compromise” as a common property, despite their regional or national variations, while non-Western countries are all characterized by “overpoliticization” or “tenuous or a lack of liberal compromise,” despite their regional or national variations. Sangmpam argues that non-Western countries have the tendency to resist liberal compromise when political conflicts arise, as opposed to Western democratic countries where these are resolved within established institutional arrangements. Liberal compromise can be defined as attempts to solve political conflicts within the established legal and institutional boundaries, whereas overpoliticization refers to situations when these attempts are made outside these boundaries. Non-Western countries tend to resort to non-democratic, often violent, means including various forms of electoral frauds, use of state coercion for personal vendetta or political advantages, and the like³⁴. Broadly speaking, liberal compromise takes place in the political competition at three levels: (1) basic compromise about the values, beliefs and goals of the political society, (2) power relations and procedural compromise and (3) policy compromise.³⁵

³³ Sangmpam, S. N. *Comparing Apples and Mangoes: The Overpoliticized State in Developing Countries*. (NY: State University of New York Press, Albany, 2007). The earlier formulation of the theory can be found in Sangmpam, S.N. “The Overpoliticized State and Democratization: A Theoretical Model.” *Comparative Politics* 24, no. 4 (July 1992), 401-417; “The Overpoliticized State and International Politics: Nicaragua, Haiti, Cambodia, and Togo.” *Third World Quarterly* 16, no. 4, (1995), 607-629

³⁴ Ibid. Sangmpam proposes about eighty specific manifestations of such overpoliticized behaviors in non-Western countries. For a detailed list, refer to the tables 1.1., 1.2, and 1.3 in pp. 45~47

³⁵ Ibid, 223.

It is noteworthy that this analytical dichotomy between liberal compromise and overpoliticization is a matter of degree or frequency, not a matter of absence or presence. In other words, there are obviously overpoliticized behaviors in such Western democratic countries as the United States,³⁶ and some liberal compromise practices in South Korea. What matters is that empirically, liberal compromise takes place more frequently and routinely in the Western liberal states, while over-politicization commonly occurs in the non-western states, including South Korea. Therefore, there are qualitative as well as quantitative differences in the way politics is played out in the Western and non-Western countries.³⁷

In this analytical framework, political outcomes or behaviors are considered a function of social contexts. In other words, what accounts for this difference between liberal compromise and lack thereof, or predominantly overpoliticized behaviors is whether capitalism has been culturalized or “fully entrenched” in a given society. All Western liberal democracies are characterized by a fully established free market economy in their societies to the extent that capitalist core relations³⁸ directly affect social actors and their behaviors, subordinating all social relationships and all conditions under which the social product (goods and services) is generated. Sangmpam calls this fully interconnected relationship between capitalism and society in western countries “*a triple convergence*.”³⁹ It “constitutes the culture of capitalist societies to the extent that it shapes and determines political values, economic life, philosophical/ideological thinking, modes of social interactions and artistic expressions.”⁴⁰

³⁶ With respect to overpoliticized behaviors in western countries, refer to Ibid, 158-166.

³⁷ For quantitative data to support the validity of these two analytical concepts, refer to chapter 4 in Ibid.

³⁸ In Sangmpam’s theory, capitalist core relations refers to the relationship between capitalists (i.e. entrepreneurs) and the workers.

³⁹ Triple convergence refers to the entrenched culture of capitalism in Western societies that are characterized by (1) all social actors depend on the social product (2) which is entirely dependent on capitalism (3) and capitalism subordinates all social relationships.

⁴⁰ Ibid, 247

On the other hand, capitalism in non-Western countries is far from being fully entrenched in their societies, despite phenomenal capitalist expansionism in these regions in recent decades. Because of mutual alteration between capitalism and non-Western cultures, capitalist core relations become modified and display the following seven traits: (1) the non-central position of the capitalist core relations, (2) limited scope of private property ownership, (3) less extensive commodification, (4) lack of integration and interdependence of economic activities, (5) less pervasive capitalist core relations in agriculture and industry, (6) stagnant socioeconomic reproduction and specialization of material production and (7) the detachment of most social behaviors from capitalist core relations and the existence of competing forms of non-Western capitalist ideologies and cultures. Simply put, capitalism has not become “the culture” as is the case in the Western part of the world. In non-western societies, all social actors depend on the social product, but only a portion of which depends on capitalism. Unlike western capitalist societies, in non-Western societies, capitalist core relations subordinate only a part of social relationships. Sangmpam refers to this loosened interconnectedness between capitalism and society as “*a triple divergence*” as opposed to the *triple convergence* in Western countries. As a result, society is characterized by the following three basic situations: (1) capitalism and its attendant ties stand opposed to non-capitalist ties and activities, (2) the state and its attendant class/group configuration tend to assume a crucial and even an excessive control over capitalist core relations and non-capitalist activities (notwithstanding the forced privatization of the globalization era) and (3) foreign economic actors tend to control capitalist core relations. The following table provides a snapshot of these differences between Western liberal democracies and Non-Western countries.

Table 1.2. Distinction between Western Liberal Democracies vs. Non-Western Countries

Classification	Western Countries (e.g., U.S.)	Non-Western Countries (e.g. South Korea)
Societal characteristics	Triple Convergence (capitalist core relations dominant)	Triple Divergence (altered core relations dominant)
Society-rooted politics	Liberal Compromise	Overpoliticization
State	Liberal Democratic State	Overpoliticized State

Sangmpam’s perspective about the intrinsic correlation between capitalism and society is supported by other observers as well. In a sense, capitalism can be seen as the content and the society as its container. The container modifies the content. Indeed, as Nathan Rosenberg argues, “capitalist societies may take very different forms and function very differently from one another depending on cultural infrastructure.”⁴¹ E.P. Thompson states that a cultural shaping of the transition to capitalism is inevitable in any society: “There has never been any single type of ‘the transition.’ The stress of the transition falls upon the whole culture; resistance to change and assent to change arise from the whole culture. And this culture includes the system of power, property-relations, religious institutions, etc., inattention to which merely flattens phenomena and trivializes analysis.”⁴² George Lodge and Ezra F. Vogel further this perspective by dividing capitalism into two categories: individualistic capitalism as practiced in the United States and the UK, and communitarian capitalism as practiced in Asia, including Korea and Taiwan. They differ in property ownership, industrial organization and government-business relationships, among other aspects.⁴³

⁴¹ Quote cited in Song, Byung-Nak, 1939. *The Rise of the Korean Economy*. (NY: Oxford University Press, 2003),55

⁴² Quote cited in Janelli, Roger Louis., and Dawnhee Yim. *Making capitalism: the social and cultural construction of a South Korean conglomerate*. (Stanford: Stanford U Press, 1994).

⁴³ Quote cited in Song, Byung-nak, 1939. *The Rise of Korean Economy*. (NY: Oxford University Press, 2003.)

All these observations reinforce the argument that “regardless of their level of economic development and exposure to globalization, non-Western societies are not exclusively capitalist.”⁴⁴

Relying on this analytical framework, my broad thesis for this study is as follows:

Patterned downfalls of all Korean presidents are an institutional outcome of overpoliticization in Korean politics, which is itself a function of not fully entrenched capitalist society.

To support this thesis, I advance three hypotheses:

Hypothesis 1: As social and political ideologies and praxes, Confucianism and other Korean cultural traits stand opposed to capitalist social order. As such, they modify capitalism in Korea, preventing the development of an entrenched capitalism as found in the United States.

Confucianism and other traditional cultural traits, including Buddhist and Shamanistic mindset and practices, dominated the country for more than two thousand years. The country was under the reign of the Yi family clan, commonly known as Joseon (1392 ~ 1910).⁴⁵ Before this period, the Goryeo dynasty lasted another five hundred years (918 ~ 1392). Confucianism was dominant during Joseon, while Buddhism was the main influence in the prior period. Noteworthy is that Shamanism was operational alongside these mainstream religions and state ideologies as well. Korea experienced identity-shattering events such as the Japanese colonization, American military rule, the Korean War, the subsequent nation-building process, and rapid industrialization and its attendant social upheavals. Although drastic and transformative, these events could not wipe out or replace the time-honored tradition and culture of its populace overnight. I will show how Confucian and other traditional values and practices still persisted in Korean society throughout its economic

⁴⁴ Sangpam, S. N. *Comparing Apples and Mangoes: The Overpoliticized State in Developing Countries*. (NY: State University of New York Press, 2007), 6

⁴⁵ Before Korea was open to the outside in 1876, the country was under the reign of the Yi family clan (1392 ~ 1910). During this period, Korea was often called either the Yi Dynasty or Joseon.

modernization, altering capitalism to the extent that it prevented the full entrenchment of capitalism in Korean society. In so doing, I will argue that capitalist expansionism and its attendant social changes through urbanization and industrialization did not change the most fundamental traditional Korean values and practices. Especially, the Korean society of 1948 to 2009 was generally characterized by the mindset and practices of what I call *familist collectivism*. This mindset and practice allowed South Korea to take advantage of the state's authoritarian/bureaucratic power to achieve rapid economic growth, while stifling the full development of a market economy based on individual liberty and rule of laws.

Next, I will move to discuss the external factors that further influenced the alteration of capitalism in South Korea.

Hypothesis 2: The more dependent capitalism is, the more it deviates from the norms of capitalism in the west. The Japanese colonial impact and the historically dependent nature of South Korea upon the United States have further hindered the full entrenchment of a U.S. type capitalism in Korean society.

The country's respective historical relationship with Japan and the United States is another significant factor that not only contributed to capitalist expansionism in South Korea and its attendant economic growth, but further distorted capitalism in ways that prevented it from being fully entrenched. Since the mid-19th century, the Korean peninsula had been under the whims of the imperialist dynamics of major powers including Russia, Japan and the United States. Japanese colonial rule for four decades and America's involvement in political and economic development in post-liberation Korea led to path-dependent outcomes. In other words, these two historical events structured conditions that lock in Korea's future political and economic trajectory. As I analyze the respective impact of Korea's bilateral relationship with Japan and the United States on the alteration of capitalism, I will make two main arguments. First, although Japan introduced capitalist

institutions and industrial infrastructure during the colonial period, colonial rule was predominantly in pursuit of Japanese interests. Colonial rule was mostly arbitrary and required neither consent from the ruled nor electoral responsibility. As such, the indoctrination of authoritarian rule and forced submission to authority distorted the proper formation and function of market-based liberal capitalism in the future of Korea. Second, U.S. policies for post-liberation Korea paved the way for the emergence of a strong state. Although the United States publicly aimed at political democracy and a capitalist market economy, Washington's response to Korea's domestic circumstances and political actors betrays inconsistency. For instance, the United States often compromised democratic values in favor of national security during the Rhee Syng-man's regime and in favor of economic development during the Park Chung-hee regime. With the security and economic support of the United States, South Korea was able to defend the country from communist threats and achieve speedy and remarkable economic growth. However, the end result was the distortion of individual freedom-based liberal capitalism.

Then, what are the implications of this altered capitalism for South Korean presidents' disgraceful downfalls? To answer, I propose the following hypothesis.

Hypothesis 3: The more entrenched capitalism in a society, the more politics leads to liberal compromise. Likewise, the less capitalism is entrenched in a society, the lower the level of liberal compromise in politics. Given the lower level of capitalist entrenchment in Korean society, politics in Korea is characterized by overpoliticization, or a lower level of liberal compromise. Because the presidency is the supreme institution in South Korea, it experiences the effects of overpoliticization more prominently than is the case in a country such as the United States.

According to Sangmpam, the actual manifestations of overpoliticization are violations of the rules of the game: non-respect for basic liberal values, political competition taking place outside the confinement of democratic procedure and institutional arrangements, and disregard for compromise

reached among contending participants. Building on Sangmpam's theoretical framework that non-Western countries are characterized by overpoliticization in politics as a function of social context, I argue that the alteration of capitalism through *familist collectivism*, as well as by the dependent nature of Korea's external relations with Japan and the United States, led to the lower level of liberal compromise, or overpoliticized behaviors in Korean politics. The overpoliticization in Korean politics is most prominently manifested in the downfalls of all Korean presidents, regardless of whether they are authoritarian or democratic.

Study Design and Methodology

This study aims to provide an explanation for a mind-boggling phenomenon that has beset South Korean presidential politics since its founding of a modern nation-state in 1948. I am interested in uncovering the reasons why all South Korean presidents, despite their contributions to the national development, had to suffer downfalls without exception. Therefore, the best strategy to achieve this goal is to employ a qualitative case study strategy because it is “the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context.”⁴⁶ More importantly, to understand complex social phenomena such as the focus of this study, the case study approach “allows an investigation to retain the holistic and meaningful characteristics of real-life events.”⁴⁷

This study covers the entire presidential era from the founding of the Republic of Korea in 1948 up to the suicide of President Roh Moo-hyun in 2009.⁴⁸ For the sake of comparison and contrast,

⁴⁶ Yin, Robert K. *Case Study Research: Design and Methods*. (L.A.: Sage Publications. 1984), 13

⁴⁷ Ibid.

⁴⁸ I was inspired to tackle this research question directly by the suicide of President Roh Moo-hyun in May of 2009. As I was working on the current research, President Lee Myung-bak was in office. Thus, I did not include Presidents Lee Myung-bak (2008 ~ 2013)

this period is divided into two sub-periods. The first covers the presidencies of Rhee Syng-man, Park Chung-hee and Chun Doo-hwan, all of whom ruled before South Korea became a functionally procedural democracy in 1987. The second sub-period deals with the presidencies of the post-1987 democratic transition. They are Roh Tae-woo, Kim Dae-jung, Kim Young-sam and Roh Moo-hyun. This periodic contrast and comparison will highlight the persistent nature of the problem, and the broader application of this study's thesis to all presidential cases regardless of changes in political and institutional arrangements. The presidencies of Lee Myung-bak and Park Geun-hye are excluded in the current study, although they are highly likely to follow in the same footsteps of their predecessors. The exclusion is mainly because their fate is yet to be decided.⁴⁹ Also, the United States is used as a point of reference for comparison, if and when necessary, because the country is the prototype of presidential democracy and Korea's most influential partner.

Data and information were collected from two major sources. The first includes primary sources: governmental archives and internet archives; Korean and foreign newspapers and magazines and TV broadcasts; and participant observation methodology. As a participant observer, I worked for more than six years in the Korean bureaucracy as the interpreter for two mayors⁵⁰ at the Metropolitan Government of Seoul (1999~2003); I served as a coordinator for the Korean local authorities in international affairs (1997~1999), interacting closely with Korean local governors, mayors and their counterparts in other countries. More importantly, I take advantage of my life in Korea's fast changing society both through direct and indirect experiences (1967~2017). Secondary sources include articles in scholarly journals and books in such diverse academic areas as

and Park Geun-hye (2013-2017) in this study. However, throughout the study, when relevant and necessary, I make comments about these presidents as well.

⁴⁹ On March 10, 2017, President Park Geun-hye was officially removed from her office after the Constitutional Court unanimously voted to uphold the impeachment decision against her. As of April 11, 2017, she is arrested and jailed, awaiting for trial.

⁵⁰ Mayor Goh Kun (May 1999 ~ June 30, 2002), and Lee Myung-bak (July 1, 2002 ~ June 30, 2003). After his mayoral service, Goh Kun became the prime minister under president Roh, Moo-hyun (2003 ~ 2004). Goh Kun also took presidential power during the impeachment process of Roh Moo-hyun (2004). Goh Kun and Lee Myung-bak competed for the 2008 presidential election, although Goh Kun dropped out of the race. Lee Myung-bak was elected president.

presidentialism, democratization, institutionalism, developmental state, political leadership, Korean history, social anthropology, and psychology.

Outline of the Dissertation

After this introduction and overview of the study, I will review the literature in chapter one to show that existing perspectives are not adequate to explain the patterned downfalls of all South Korean presidents. In chapter two, I will discuss how capitalism has evolved since it was introduced by the Japanese colonial government during the first half of the 20th century. This discussion will lay the analytical foundation for an in-depth discussion of hypotheses one and two in chapter three regarding the influence of Confucian and other traditional values and practices as well as Korea's external relations with Japan and the United States in altering capitalism. Chapters four and five will be devoted to test hypothesis three by discussing empirical cases of Korean presidencies with a particular attention to the dynamics that led to their eventual and personal demises. In particular, chapter four covers the pre-1987 presidencies of Rhee Syng-man, Park Chung-hee and Chun Doo-hwan. Chapter five analyzes the presidencies of the post-authoritarian period: Roh Tae-woo, Kim Young-sam, Kim Dae-jung and Roh Moo-hyun. In the conclusion chapter, I will summarize the findings and discuss their implications for the future of South Korean presidential democracy and for the evaluation of presidential politics for non-Western countries.

CHAPTER ONE: LITERATURE REVIEW

I undertake this study to address a paradoxical political phenomenon in South Korean presidential democracy. Despite the nation's remarkable economic prosperity and democratic progress under the presidential system, South Korean presidents in the period of 1948-2009 all fell victim to patterned downfalls. Not a single president, both authoritarian and democratic, could escape such a tragic ending. In this chapter, I start with the conventional discourse of presidentialism versus parliamentarism. Then, I move to show that the patterned failures of all South Korean presidents require a broader perspective than an analysis of a single presidency often analyzed either from institutional or political leadership framework. Because politics is a function of social contexts, I argue that the proposed research question will be best answered by combining the mid-level theory of S.N. Sangmpam's overpoliticization and liberal compromise that dichotomize the Western and non-Western societies and a proper understanding of specificity of Korean society.

1.1. Presidentialism v. Parliamentarism?

In the late 1980s, Juan J. Linz⁵¹ made an important observation about political systems and argued for the superiority of parliamentary democracies both on theoretical and empirical grounds.

Theoretically, he presented four major "perils of presidentialism" inherent in the system itself: the danger of electing minority presidents⁵², difficulty of removing the sitting president, policy gridlock as a result of dual legitimacy and the rise of inexperienced outsiders. These fundamental defects in presidential democracy would be more likely to lead to democratic crises and even breakdowns. On

⁵¹ Linz, Juan J. "The Perils of Presidentialism." *Journal of Democracy*, vol. 1, no. 1, (1990): 51-70.

⁵² This term refers to a president who is elected by the largest number of votes cast but not by a majority of the electorate.

the other hand, periodic parliamentary crises in parliamentary systems would not necessarily turn into full-blown regime crises and result in the end of democracy. Therefore, he reasoned that parliamentarism would be more conducive to a stable democracy than its presidential counterpart. Empirically, with the United State being the notable exception, the vast majority of the stable democracies in the world were parliamentary regimes. Logically, his prescriptive conclusion for the so-called third-wave democracies was that parliamentarism generally offers a better hope of preserving democracy in the post-independence era.⁵³

Despite Linz's agenda-setting argument against presidentialism, the observed reality in the early 21st century is that presidential democracies have not only survived the test of time, but they are as prosperous as parliamentary ones. In particular, the majority of new democracies in East Asia have developed both economically and politically under presidential systems. It is true that at the turn of the 21st century, some of the major presidential democracies in East Asia were put to test when their presidential systems created political crises and instability: the Philippines, Indonesia, South Korea and Taiwan. All the presidents of these countries faced impeachment challenges (or an equivalent of it in the case of Indonesia). Fukuyama et al. took up these four cases of presidential democracy as a litmus test for the validity of Linzian thesis.⁵⁴ Despite the political crises and instability caused by presidential systems in these countries, they found that these regimes endured and remained democratic throughout the challenging period. In fact, "the military coup or other authoritarian backsliding is conspicuous by its absence."⁵⁵ More importantly, democratic institutions worked "as they were supposed to"⁵⁶ in South Korea, Taiwan and Indonesia. For instance, the politically motivated impeachment attempt against the incumbent president Roh Moo-hyun in 2004 was

⁵³ Elgie, Robert. "From Linz to Tsebelis: Three Waves of presidential/parliamentary Studies?" *Democratization*, vol. 12, no. 1 (2005): 106-122, doi:10.1080/1351034042000317989.

⁵⁴ Fukuyama, Francis, et al. "Facing the Perils of Presidentialism?" *Journal of Democracy*, vol. 16, no. 2 (2005): 102-116; 114.

⁵⁵ Ibid

⁵⁶ Ibid.

resolved peacefully by the constitutional court that turned down the impeachment motion by the National Assembly. In addition, the public duly punished through elections those politicians and the opposition party that initiated the impeachment motion against the public sentiment. As recently as 2016, the incumbent President Park Geun-hye was impeached by the National Assembly, convicted by the Constitutional Court, and imprisoned. Still, the Korean state is without any immediate threat of military coup or government shutdown. Thus, I agree with their conclusion that these findings and political reality suggest the prevalence of “much stronger norms against overt military intervention,” and “the immaturity of its democratic system rather than some defect of presidentialism as such.”⁵⁷

1.2. Perils of Presidentialism or Perils of Presidents?

Today it would be safe to state that the American presidency has survived the longest, and most presidential democracies in the world are not necessarily more in danger of regime breakdown or of the end of democracy than parliamentary ones. Rather, the presidency as a political institution has been maturing, as Fukuyama et al. suggest. However, very little of the literature on this debate has paid attention to presidents, the very agents of the institution. As one of the prime textbook examples of economic development under presidential democracy, the fate of South Korean presidents seems to present a new challenge to our understanding of political systems. The Korean presidency as an institution has survived the test of many trials including the assassination of a sitting president (Park Chung-hee), the transfer of power to an opposition leader (Kim Dae-jung), and an unprecedented impeachment motion against an incumbent president (Roh Moo-hyun), and

⁵⁷ Ibid.

actual removal of the incumbent president from office through constitutional means (Park Geun-hye) in 2016. Although there have been constant debates over constitutional reforms concerning the powers of the president in particular, South Korea has thrived under presidential democracy. However, as already discussed, every president since the nation's founding in 1948 to 2009 has experienced a tragic or disgraceful fate: Rhee Syng-man's political demise and exiled death, Park Chung-hee's assassination, the respective imprisonment of Chun Doo-hwan and Roh Tae-woo, the shame and disdain put on Kim Young-sam and Kim Dae-jung caused by their respective children's corruption charges, and the suicide of Roh Moo-hyun. This patterned personal downfall of Korean presidents is in stark contrast to the institutionalization and maturation of the presidency that has survived the test of many trials.

Now the issue is no longer whether the fate of presidential democracy itself is threatened by the so-called institutional defects of presidentialism identified by Linz and debated by his followers. In other words, although all the insights we have gained from the dominant discourse of presidential vis-à-vis parliamentary democracies are valuable, they are not complete. Changing international norms and the human capacity to learn and fix to improve systemic weaknesses all have contributed to the institutionalization of the presidency and presidential regime survival. Also, the empirical evidence suggests that the relative drawbacks of the presidential system compared to a parliamentary one may not threaten the very survival of democratic regime. Rather, the South Korean case raises another set of questions about whether presidential democracy is threatened by its occupants or vice versa. In the case of Korea, the prevailing perception that all presidents failed has led to distrust in the presidency itself,⁵⁸ constantly revoking the necessity to rewrite the constitution. If the culprit for the patterned failure of South Korean presidents is the systemic defects inherent in presidentialism,

⁵⁸ Kim, Chang-ho, et al. *Presidential Power and Decisions*. (Seoul: The+PLAN, 2015).

one may be hard-pressed to present a rationale for why this has not happened to other presidential democracies as frequently as is the case with South Korea.

1.3. Limitations on Researching Korean Presidents

Compared to the scholarship on Korea's democratization and economic development respectively, there are relatively fewer scholarly efforts made to study the Korean presidency and Korean presidents, both in the English-speaking literature and in vernacular literature. As the oldest existing constitution-based presidential democracy in the world, the United States has understandably accumulated a wealth of scholarship on the presidency and its individual presidents over the years. However, the research focus is almost exclusively on the American presidency, and scholars rarely pay much attention to the presidencies or presidents outside the United States.

With respect to publicly available vernacular scholarship on South Korean presidency, the reasons for its paucity are more complicated. Unlike the United States, Korea has a relatively brief presidential history, and there are only eight presidents⁵⁹ (2009 as the cut year) to research, which has not permitted any meaningfully systematic and statistical studies. In addition to the shortage of academically available materials and resources about the presidency and presidents, there are political reasons that hinder any meaningful academic efforts. Until recently, Korean scholars faced limitations to talk openly about their presidents and presidencies because Korea was under authoritarianism that hindered the freedom of speech and press. Especially, all presidents in the pre-

⁵⁹ Rhee Syng-man (1948~1960) as the 1st ~3rd President, Yun Bo-Sun (1960~1962) as the 4th; Park Chung-hee (1963~1979) as the 5th ~ 9th; Choi Kyu-hah (1979~1980) as the 10th; Chun Doo-hwan (1980~1988) as the 11 ~ 12th; Roh Tae-woo (1988~1993) as the 13th; Kim Young-sam (1993~1998) as the 14th; Kim Dae-jung (1998~2003) as the 15th; Roh Moo-hyun (2003~2008) as the 16th; and Lee Myung-bak (2008~ present) as the 17th President of Korea. This study does not include Yun Bo-sun because his presidency was during the parliamentary system.

1987 authoritarian era ruled the country above the law. All three presidents revised the constitution either at their whims or as a political compromise. Furthermore, all three authoritarian presidents invoked martial law to eliminate opposition in the name of national security. Moreover, the chaotic and tumultuous nation-building process under the founding president Rhee Syng-man, the almost dictatorial reign of president Park Chung-hee for eighteen years, especially during the *Yushin* system, and the subsequent rule of military leaders Chun Doo-hwan and Roh Tae-woo granted the incumbents absolute powers and unrestrained access to all sorts of state resources. The monopoly of such powers and resources implied institutional restrictions on access to data and information for any meaningful researches about the presidency and the presidents. In the Korean context, any criticism against the presidency or presidents during authoritarian period, secular or academic, was strictly prohibited and punished. Under these circumstances, it was almost impossible to have access to the resources of the Blue House⁶⁰ and the presidents themselves. Even after 1987, research about Korean presidents has faced another difficulty because “Korean views of their leaders are sharply divided, and any author dealing with them will inevitably be criticized for either praising or degrading his subject, for being either a sycophant or a traitor.”⁶¹ Furthermore, any appraisal of the former presidents by those who worked for them faced criticism for being “subjective” and merely “memoire-essays,” not “worthy of academic consideration.”⁶²

A careful reading of the literature reveals that presidential failures in Korea are often explained by (1) scholars who are informed by institutionalism, (2) those who are influenced by the Western and American perspective that focuses on leadership style and personality of presidents and (3) those who rely on cultural factors.

⁶⁰ Official presidential residence is called Blue House named after the blue roof of the house.

⁶¹ Kim, Choong-nam. *The Korean presidents: leadership for nation building*. (Norwalk, CT: EastBridge, 2007).

⁶² Jin Young-jae. *Hankuk Kwonryukgugjoui Yibae*. (Seoul: Nanam Publishing, 2004), 362

The most dominant approach to Korean presidency is institutionalism. As Korean scholars began to flock to the United States for advanced studies in the 1980s and 1990s, it is understandable that many Korean students of politics, including presidential studies, were exposed to the rise of institutionalism in the American academic community. This institutional focus gave false preeminence to institutionalism by implying that “institutions possess (1) explanatory power to account for differential socio-political outcomes in different contexts; and (2) prescriptive power that makes them the solution to socio-political problems across nations.”⁶³ The logic of institutionalists argument proceeds in the following order⁶⁴: First, all Korean presidents failed. Second, the cause for this consistent failure of presidents cannot be attributed to individual presidents themselves, but the failure of the presidency itself. Therefore, to prevent the repetition of presidential failure, the constitution should be changed. What institutionalists argue is that presidential failures are mainly caused by a lack of proper institutionalization: imbalance among government branches, which causes the executive not to be properly checked and constrained by other branches of government, say, the National Assembly, or the judiciary, too weak political parties, one term of office of the presidency; the election system of ‘winner-takes-all.’ For instance, Choi, Jang-jip⁶⁵ repeatedly raises the issue of weak political parties not only as the cause but also, when made “strong,” as the remedy for presidential problems. According to Choi, political conflict in South Korea reflects political cleavages created after liberation in 1945. The creation of two ideologically hostile states, north and south of the 38th parallel, the Korean War, and the subsequent strengthening of both states only worsened the cleavages. Yet, after the transition to democracy in 1987, political parties failed to reflect and represent diverse interests in Korean society. In fact,

⁶³ Sangmpam, S. N. "Politics Rules: The False Primacy of Institutions in Developing Countries." *Political Studies*, vol. 55, no. 1 (2007): 201-224

⁶⁴ Kim, Chang-ho, et al. *Presidential Power and Decisions*. (Seoul: The+PLAN, 2015), 26

⁶⁵ Choi, Jang-jip. *Democracy after democratization*. (Seoul: Humanitas, 2010).

South Korean political parties have always been subordinated to the presidency. Throughout Korea's modern history, presidents have created their own political parties,⁶⁶ which has allowed them to exert their influence in the National Assembly. As such, South Korean political parties have been given the derogatory label of “mayfly” (or ephemeral) for their short duration. Compared to the Democratic and Republican parties in the United States and the Labor and Conservative parties in Britain, which have lasted for more than one hundred years, South Korean political parties are comparatively short lived,⁶⁷ in part because of this subordination vis-à-vis the presidency. One of the consequences is that the party-based legislature does not properly control the actions by the presidents.

Once the cause is found in institutions, these scholars propose institutional prescriptions as well.⁶⁸ Some argue that the solution should be a change to a different type of political system, while others propose fixing abnormalities in the existing system. They argue, for instance, that the National Assembly does not check the executive properly, and the judiciary is swayed by politics, which strengthens presidential powers. Therefore, to address this problem, the capability of the National Assembly to constrain and check daily activities of the presidency should be strengthened, and for this, the ruling party should be separated from the executive.⁶⁹ In other words, they argue that the problems associated with former Korean presidents are because of undemocratic institutional arrangements of presidential power structure vis-à-vis the National Assembly or/and political parties, and thus, a constitutional revision should be made to remedy this imbalance by adjusting changes to existing power structure. Another line of argument proposes a more radical solution, which is to change the form of government to parliamentarism or other forms of

⁶⁶ Rhee Syng-man -Liberal Party; Park Chung-hee -Democratic-Republican Party; Chun Doo-hwa -Democratic-Justice Party; Roh Tae-woo -Liberal Democratic Party; Kim Young-sam -New Korean Democratic Party; Millennium Democratic Party; Our Uri Party; Lee Myung-bak-Grand National Party.

⁶⁷ On February 2, 2012, Korea's ruling conservative Grand National Party (GNP) decided to change its name to the *Saenuri* Party in an effort to overhaul its image prior to the general elections. This brings about controversy regarding the identity of the ruling party.

⁶⁸ For a summary of this debate, refer to “*Issues about the President: Failure and Assessment of President?*” in Kim, Chang-ho, et al. *Presidential Power and Decisions*. (Seoul: The+PLAN, 2015), 21-44

⁶⁹ Yoon, Seong-yeec, *Seoul Shinmun*, November 12, 2011.

government other than presidentialism, along the line advocated by such neo-institutionalist scholars as Linz who defend parliamentarism over presidentialism for newly democratized countries.

However, these institutional analyses and subsequent prescriptions are problematic and misleading in several ways. For example, it is circular with no way out (i.e., institutions are made both cause and effect at the same time); the institutional approach does not possess the pre-eminent explanatory and prescriptive powers it proclaims to have in a country like Korea, “whereas socio-political outcomes are generally ‘explained’ or made ‘successful’ by institutional variations in Western democracies, such is not the case in developing countries.”⁷⁰ Although the arguments for strengthening South Korean political parties are legitimate and command full agreement as a secondary solution, weak political parties are not the cause of the presidential system’s instability, but rather its effect. Therefore, one needs to address the question of what makes the institutions weak in the first place.

As for the constitutional revision, the 1987 constitution was passed with high support from the public and it was agreed upon by both the ruling and opposition parties. Five presidents have been elected under the revised 1987 constitution including the most recent presidents Lee Myung-bak and Park Geun-hye. Over the past quarter century, despite demonstrations and serious political scandals, no serious social protest nor coup attempt have occurred to threaten Korea’s democratic order. The argument for the minor revisions or a total rewriting of the constitution raises normative concerns as well. A constitution is the fundamental law of a state, embodying the principal values of the state and reflecting its identity, in addition to being a framework for the protection of the basic rights of the citizens and the government structure. Less developed countries tend to change their

⁷⁰ Sangmpam, S. N. "Politics Rules: The False Primacy of Institutions in Developing Countries." *Political Studies*, 55.1 (2007): 201-24; 220.

constitutions often, fostering a contemptuous attitude toward the constitution and eventually destabilizing the constitutional order.⁷¹ Moreover, the discourse about constitutional revision has been used for political gains. It is important to note, I do not suggest institutions do not matter; I agree with Sangmpam that institutions *do* matter, but they hold a secondary position in analyzing the issue at hand.

The argument about the role of institutions is often reinforced by the claim that Korea's economic development would eventually lead to the type of political institutions that exist in the West and the United States. This line of argument cannot explain the patterned failures of all South Korean presidents while the presidency has been institutionalized to the point where political conflicts do not lead to regime breakdown or the end of democracy. This perspective is also troubling for another reason. Western neo-liberal ideology is suggested to be a necessary condition for economic and political development.⁷² As I argue in chapter two, economic development in South Korea was not caused by what happened in the United States. Rather, it was made possible by several aspects including a strong bureaucracy, timely financial assistance from the United States and international organizations, a security umbrella during the Cold War rivalry between the United States and the USSR, and Korea's domestic policies including first land reform, neoliberal market economic policy (at a later period), and the voluntary and/or forced cooperation by the large *chaebol*, or conglomerates. Given the nature of South Korea's economic development, quite different from that of the United States, and its high performance, there is neither a causal connection nor a correlation between economic development and patterned presidential downfalls.

⁷¹ Mo, Jongryn, and David W. Brady. *The rule of law in South Korea*. (Stanford, CA: Hoover Institution Press, Stanford U, 2009), 14-15.

⁷² Lerner, Daniel. The Grocer and the Chief: A Parable. In *The Passing of Traditional Society: Modernizing the Middle East*. (Glencoe, Ill: The Free Press, 1958); Deutsch, Karl W. "Social Mobilization and Political Development." *American Political Science Review* 55.03 (1961): 493-514; Lipset, Seymour Martin. "Economic Development and Democracy" in *Political man: the social bases of politics*. (NY: Anchor Books, 1963); Przeworski, Adam., et al., *Democracy and Development: Political Institutions and Well-Being in the World, 1550-1990*. (Cambridge: Cambridge University Press, 2000)

The second group of scholars focuses on presidential leadership. For instance, Kim Ho-jin⁷³ links the performance of presidents to personality, which he argues is determined by psychological factors such as hunger for power driven by personal life stories such as extreme poverty, illegitimate birth, single motherhood, etc. According to him, personal complexities can serve both as a positive and negative factor in determining presidential performance. Yoon Yu-joon⁷⁴ also proposes a ‘statecraft’ thesis, as well illustrated in his simple catchphrase “It’s a statecraft, stupid!”⁷⁵ According to him, presidential success depends on the quality of the president’s statecraft skills and preparedness of it before taking office. Yoon asserts that anyone who wants to become a president needs two factors: one is the strong desire to get power and the other is necessary statecraft to handle well the job of presidency. When one has only the desire for power, while neglecting developing necessary statecraft skills, he/she cannot make a good president. By the same token, even if one has the necessary statecraft skills, if he does not hold a strong desire to take power, he cannot make a good president because he would not have a chance to do so anyway.⁷⁶ Because of improper statecraft on the part of presidents, Yoon argues, the public hates politics, which is fertile ground for new faces in politics, and results in political failures.

Aside from those who are informed by the Western and American perspective on leadership, Kim Choong-nam⁷⁷ brings into the spotlight the importance of evaluating South Korean presidents in historical and social contexts. He argues that presidents are at the center of South Korea’s nation-building. In his opinion, the reason for criticizing presidents is that they are not evaluated in historical context, but instead by Western or contemporary standards. According to Kim, virtually

⁷³ Kim Ho-jin. *Korean Presidents and Leadership*. (Seoul: Cheongrym Publishing, 2008).

⁷⁴ Yoon Yu-joon. *Statecraft*. (Seoul: Medichi Media, 2011).

⁷⁵ Yoon Yu-joon made this comment at a TEDxSeoul lecture at <http://www.youtube.com/watch?v=LnGadr1MDs8>.

⁷⁶ For instance, during the 2007 presidential election, Goh Kun, the former prime minister, acting president and mayor of Seoul, was one of the leading candidates. But the pundits and commentators described him as someone who had the capacity to make a good president, but who lacked the passion and desire to go through the so-called ‘dirty Korean politics.’

⁷⁷ Kim, Choong-nam. *The Korean presidents: leadership for nation building*.

all South Korean presidents, despite some undemocratic practices and obvious policy failures, have served their country with loyalty and dedication within the existing constraints at the time of their service. Kim reminds us that the past presidents rose to power from poor beginnings and, despite hardships, worked tenaciously by using their talents. He also points out that all have been proud patriots of South Korea who faced difficult choices. Most importantly, they were not succumbed to the whims and wills of the United States, as popularly suggested, but rather they were fairly independent and resilient in their leadership. Each president contributed progressively to nation-building in the face of constant national security threat from North Korea and dire economic conditions, especially in the early decades.

However, this line of argument is also problematic for several reasons. First, Korea has had only eight presidents (1948-2009), which makes it difficult to make any meaningful categorization of leadership styles and personality that can faithfully inform us of the linkage between leadership style and patterned downfalls of all presidents. Second, these studies tend to put too much emphasis on the role of the individual agent, ignoring political, social and institutional constraints put on individual presidents in office. If every president left office in disgrace and suffered severe criticism because of leadership, then it must be concluded that Korea has been so unfortunate that it has not found a good leader for the last 65 years of its modern history. In fact, Kim Choong-nam's focus on historical and situational contexts shed light on the significance of political and historical constraints presidents face and thus, helps us move beyond our widespread wholesale criticism and degradation of Korean presidents. Nevertheless, such an argument still does not help us answer the question. The sacrifices of the presidents do not tell us why they all ended their tenure in failures and personal tragedy.

The third type of studies pays attention to cultural factors. For instance, some argue that because of Confucian tradition, an undemocratic concept of the presidency is endemic to Korean society.⁷⁸ Given too much unrealistic expectation put on the president, it is not likely that anyone could live up to the expectations. This view is widely held by the media and the public. The most academically promising explanation put forward in this respect is the ‘politics of the vortex’ thesis by Gregory Henderson.⁷⁹ He argues that the unity and homogeneity of Korea acted to produce a mass society, by which he means a society lacking the intermediary groups between power and society, opposite to the case of the United States. According to him, mass society consists typically of atomized entities, related to each other chiefly through their relations to state power—a society whose elite and mass confront each other directly, “by virtue of the weakness of groups capable of mediation between them.”⁸⁰ It is a society characterized by amorphousness or isolation in social relations. Because Korea is characterized by the compactness of territory and an absence of ethnic, religious, political, linguistic and other basic sources of cleavage, a Universalist value system has created a society in which groupings are artificial. Thus, vested interests, religious separations, basic policy differences and ideological divisions tend not to occur and they tend not to be a relevant part of the political pattern the society has formed. Hence, grouping is an opportunistic matter concerned only with access to power for its members, and because other differences are not present, each group tends to be distinguishable from the others only by the personalities of its members and by their relationship to power at the time. Therefore, groupings are factional; for the issues and interests that forge true parties from factions are absent from a homogeneous, power-bent society.

⁷⁸ Ji Dong-wook. *Hankuk Deatongryung palinui Bigenkejeok Mallo*. (Seoul: Saramui Hyanggi, 2003); Kim, Choong-nam. *The Korean presidents: leadership for nation building*.

⁷⁹ Henderson, Gregory. *Korea, the Politics of the Vortex*. (Cambridge: Harvard University Press, 1968; 1987)

⁸⁰ *Ibid*, 4.

Thus, the result is a pattern of extreme centripetal dynamics. In his ‘unpublished manuscript’ in 1988, Henderson claims that Korean society has not changed since his first writing of the book in 1968 because he finds the same political pattern still in place. Because the lack of “intermediary groups” is considered as the main cause of the vortex-like politics, he argues for the development of “intermediary groups” as the prescription. Although he makes a very persuasive observation on the Korean political culture, his thesis does not explain the strange mismatch between, on the one hand, Korea’s status as a democracy with various interest groups, mass society in place, and decentralization⁸¹, and, on the other hand, patterned presidential downfalls. This is puzzling especially concerning the presidential failures after the democratic consolidation in 1987.

By now, it has become clear that all of the existing explanations do not help us understand why Korean presidents have fallen victim to disgraceful and tragic endings. Of course, political institutions and political leadership cannot be “dismissed as irrelevant in political analyses,” and institutional variations *do* affect political and economic outcomes.⁸² However, it is critically important to remember institutions are not created in a vacuum. In every country, decisions to create, adopt and change political institutions are political. By the same token, “one cannot understand politics without the ambient society, its economy/culture, social stratifications and international environment.”⁸³ Because I defined politics as a function of social context, it is necessary to understand how Korean society has shaped its politics.

⁸¹ It is true that the practice of appointing heads of local governments by the national government created a vertical power imbalance between these two levels of government, but the introduction and institutionalization of the local autonomy system since 1995 greatly enhanced the autonomy of local governments. When I was working for the government organization in charge of helping local governments with their international relations (1997-1999), local governments, especially metropolitan government entities including the Seoul Metropolitan Government actively pursued international relations independent of the national government.

⁸² Sangmpam, S. N. "Politics Rules: The False Primacy of Institutions in Developing Countries." *Political Studies*, 55.1 (2007): 201-24, 220

⁸³ Ibid

1.4. Presidential Politics as a Function of Social Context

What, then, are the most characteristic informal constraints of South Korean society that produced different outcomes in politics? Few would deny the fact Korean society is heavily influenced by Confucianism because it was the dominant state ideology that governed almost every aspect of the Korean life for five centuries during the Joseon dynasty. Especially since the 1970s and 1980s, the international community was interested in determining what caused East Asian countries' spectacular economic growth. As one of the forerunners in this group, South Korea drew a lot of academic, not to mention economic, interests into uncovering the secret behind its economic performance.⁸⁴ Although most of the research is in support of the meaningful correlation between economic progress and Confucian cultural traits in society, I argue that this wholesale categorization of Korean society as Confucian is dangerously misleading, if not altogether wrong, for several reasons. First, Confucian influence is not as strong as it is often understood in Korean society. Especially, the Korean society of 1948-2009 saw the decline of Confucian influence, and was characterized more by multi-religious ideas and practices including Christianity, Buddhism and Shamanism. Second, Korean society existed long before the Confucian Joseon dynasty, dating back more than two thousand years. It means other dominant religions and philosophies, such as Shamanism and Buddhism, not only co-existed in most of those times; even under state enforced oppression they went underground, not extinct. Therefore, the modern Korean society of 1948-2009 is a more complicated society than what it is often labeled as Confucian. Another reason to claim for the exaggeration is that Confucianism has also been criticized for being anti-thesis to capitalism. In other words, it was accused of being an obstacle to economic progress. This case is a very clearly manifested in the contrast between North Korea and South Korea, the twins of the same

⁸⁴ Ham, Chae-bong. "The Ironies of Confucianism." *Journal of Democracy*, vol. 15, no. 3 (2004): 93-107.

motherland. This obvious gap in economic development between these two countries cannot be explained by relying on the Confucian argument.

As Sohn Byung-sun makes clear,⁸⁵ Shamanism as a belief system had been almost equal to Buddhism and Confucianism in terms of its spiritual and political influences. In Korean society, Shamanism was the leading way of life and thinking of the mass of people through the entire history of Korean society. As a participant researcher in Korean society for approximately five decades (1967-2016), I can attest to the validity of Sohn's claim that Shamanism is the most important factor by which the great majority of the people in society have been inspired in their lives. Korean Shamanism, mixed with Confucian influence, produced such political cultural traits as destinationism, authoritarianism, familism and indifferenced norm of consciousness.⁸⁶

With respect to Korean society, few would deny the fact the focus on family is the single most important characteristic that governs the mind and behavior of Korean people. Like almost every society, family has been the most important institution in Korea. However, the significance of family in Korean society is unparalleled in the world. Especially since 1945, after four decades of exploitative colonial rule, the family in Korean society had taken a particularly pronounced role. Even the state was conceptualized as the extended form of family. As Choi Jai-seok, one of the most prominent authority on the Korea's traditional family system, proves the single most dominant characteristic of Korean's social character is familism. Every significant trait of Korean behavior stems from this (authoritarianism, the focus on appearance more than substance, propensity to acquiring titles, differentiation between in-group and out-groups, etc.). He goes on to say that in Korea, only group or class exist. Individuals in the sense of Western individualism does not exist in Korea. Focus is placed more on the community to which the individual belongs, not the other way

⁸⁵ Sohn, Byung-sun. "Shamanism and Political Culture in Korea." *Honam Political Science Review*, vol. 1. (1989)

⁸⁶ Ibid, abstract.

around. It has been a common scene during the 1960s to 1990s that when an individual achieved something, such as entering a prestigious university, passing a state examination to become a lawyer, a high ranking public official, etc., a plank card would be hung at the entrance of the town, city, or community.

Conclusion

To address the proposed question of why all South Korean presidents have fallen victim to personally disgraceful and tragic downfalls, an insight can be drawn from Douglas North's definition of institutions.⁸⁷ He made an important distinction between institutions and organizations. North defines institutions as the rules of the game of a society, or formally as the humanly-devised constraints that structure human interaction. On the other hand, organizations are the players, or groups of individuals, bound by a common purpose to achieve objectives within those constraints. Institutions are composed of formal rules and informal constraints. Formal rules include statute law, common law and regulations while informal constraints consist of conventions, norms of behavior and self-imposed code of conduct and the enforcement characteristics of both. The academic debate on the relative merits and demerits of presidentialism versus parliamentarism focused mainly on the formal rules of the game of a society, neglecting another important component of informal constraints as elaborated by North. Political leadership debate does not pay much attention to the broader social context in which politics plays out. As a matter of fact, as

⁸⁷ North, Douglas, "The New Institutional Economics and Development." (retrieved from : <http://www2.econ.iastate.edu/tesfatsi/NewInstE.North.pdf>).

Sangmpam states, politics is “a competition within society over property, goods, services, values (social product) and a crucial corollary—political power.”⁸⁸

Therefore, a proper understanding of Korean society is a prerequisite to any attempts to solve the puzzle of Korean presidential politics. This insight is critical to understand Korean politics because formal institutions defined as the rules of the game of a society can produce different political outcomes as political reality in different societies. I agree with North that these different outcomes have much to do with informal constraints defined as conventions, norms of behavior and standards of conduct, and specific ways in which these informal and formal institutions are enforced. North’s insight is also similarly shared by Sangmpam, who made a useful distinction between Western and non-Western societies. According to Sangmpam, Western-societies, including the United States, are characterized by liberal compromise, whereas non-Western counterparts, such as South Korea, are characterized by overpoliticization, or lack thereof. What he implies is that even though the formal rules of the game may be similar, the way these rules are created and enforced are very different between these two groups of countries, depending on their respective societal characteristics. Before I delve into analyzing Korean society in more detail in chapter three, I first lay out the foundation for the subsequent analysis in chapter two, where I will show the Korean path to capitalism.

⁸⁸ Sangmpam, S. N. "Politics Rules: The False Primacy of Institutions in Developing Countries." *Political Studies*, 55.1, (2007): 201-24; 203.

CHAPTER TWO: THE KOREAN JOURNEY TO CAPITALISM

What are the possible options for countries when it comes to economic systems? As modern history attests, some countries took the capitalist path while others chose non-capitalist ways of economic life. Great Britain, the United States and Japan are prime examples for the former, and the now-defunct Soviet Union and China for the latter. Many newly independent nations in the post-WWII era were in the situation to choose not only their political institutions but economic systems at the moment of their nation-building. Some of these countries, such as South Korea and Taiwan, through the political and economic influences of their colonizers and/or historical circumstances, were inclined, if not necessarily forced, to embrace the capitalist mode of economy, whereas others like North Korea and Cuba took a different road. However, once the capitalist journey was taken for whatever reason, its path has not been always monolithic, producing different types of capitalist economy. This chapter begins with defining capitalism, followed by the main features of a capitalist economy, and the specificity of Korea's version of capitalism. The main focus of this chapter is to highlight the unique path of Korea's capitalist development.

2.1. Defining Capitalism

In its simplest economic definition, capitalism refers to one of the dominant modern economic systems, the free market economy. A distinct social order emerged in Europe around the 18th century in which 'capital' was not "an end in itself, but as a means for gathering more wealth,"⁸⁹

⁸⁹ Heilbroner, Robert L. *The Nature and Logic of Capitalism*. (New York: Norton, 1985.) [on-line version]

which distinguished itself, among others, from the pre-capitalist societies. Observing such a new order, Adam Smith⁹⁰ provided theoretical foundations for what was later known as the capitalist market economy. He advocated free trade in a free market governed by the invisible hand, propelled by the pursuit of self-interest, and protected by limited and minimal role of government. The free market economy is then based on the principle of individual rights including private property ownership, freedom of choice and competition and the rule of law. In other words, “democracy is the soil where capitalism flourishes best,”⁹¹ while “capitalism is the soil where firms, industries, and people flourish best.”⁹² If democracy is the embodiment of political and moral liberalism, Adam Smith enhanced our understanding of the economic sphere of liberalism that entails property rights, freedom to engage in business activities and to accumulate wealth “by placing individual economic material gain at the center of the liberal enterprise.”⁹³

The Marxian tradition clearly explained the nature of capitalism as a social system in which hierarchy and the tendency to exploit govern the relationship between the capitalists (*bourgeois*) and the workers (*proletariat*). The capitalists are those who own or control the means of production and employ workers for producing goods or services in exchange for wages, and the workers sell their labor for wages to buy goods or services. Because capitalists are mainly concerned with the accumulation of capital for more profits, workers are structurally forced to work beyond their own needs of basic subsistence such as food and clothes and to generate surplus values for the capitalists. In this sense, unlike the liberal claim that personal liberty is praiseworthy as long as it is consistent with the freedom of others and we do not hinder others to achieve it, which justifies the limited role

⁹⁰ Smith, Adam, and Andrew S. Skinner. *The Wealth of Nations*. (Harmondsworth, Middlesex: Penguin, 1982).

⁹¹ Quote taken from Song, Byung-nak. *The Rise of the Korean Economy*. (Hong Kong: Oxford UP, 1990), 66-67.

⁹² Ibid.

⁹³ Sangmpam, S. N. *Comparing Apples and Mangoes: the Overpoliticized State in Developing Countries*. Albany:

of government as a guarantor of such individual freedom, Karl Marx considers such liberty harmful to the overall welfare of society and the state mostly acting in support of the ruling capitalist class.

Hence, capitalism in this study is defined as a socio-economic system in which all or most of the means of production and distribution are privately owned and operated in a relatively free and competitive market system. This is based on the principle of individual liberty, including property rights and rule of law, and also in which social and economic inequality tend to exist between wealth-seeking capitalists and waged workers for which the state is assumed to be responsible.

With respect to Western capitalism, S.N. Sangmpam⁹⁴ offers an integrated view based on the combination of seven distinct features. The combination generates ‘the geographical and social entrenchment of capitalism,’ and capitalism becomes a ‘culture’ directly affecting social actors and their behaviors.⁹⁵ The seven traits are (1) the social class structure of capitalists and wage workers, (2) the extensive and pervasive nature of private property rights, (3) extensive commodification, (4) complementarity of economic activities, (5) pervasion of capitalist relations in agriculture and industry, (6) expansionist tendency through technical progress and finally, (7) more portion of capital is of local and national than of foreign origin. This capitalist entrenchment leads to *triple convergence* in society: (1) all social actors depend on the social product, (2) which is entirely dependent on capitalism and (3) capitalism subordinates all social relationships.

American capitalism, once dubbed “the Canaan of capitalism, its promised land,” is considered “the fullest and most uncontrolled expression” of the “tendencies of Western capitalism.”⁹⁶ American capitalism finds its ideological roots in liberalism. Simply put, American society in general, and capitalism in particular, has evolved around the principle of liberty encompassing

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ Weinberg, Meyer. *A Short History of American Capitalism*. (New History Press. 2003). [On-line version].

political, economic and moral aspects of liberty. The United States Constitution, especially through the Bill of Rights (the first ten Amendments), provides legal protection to individual liberty. Based on the liberal tenets, the core characteristics of American capitalism have not changed for more than a century since the end of the 19th century,⁹⁷ when capitalism became entrenched in society. The following are among the features. First, private ownership of the means of production. Publicly-owned means of production accounts for only a very minor portion of productive capital. Much of publicly-owned capital is concentrated in not very productive land.⁹⁸ Second, a social class structure of private owners and free wage earners, which is organized to facilitate accumulation of profit by private owners. Third, the production of commodities for sale. In the United States, as Michael Sandel sarcastically says, there are very few things money cannot buy. Today, it is possible even to buy a prison cell upgrade with eighty-two dollars a night, and “Fast Track or VIP tickets” to jump to the head of the line in many theme parks.⁹⁹ This commodification reached to a point where it undermines both our relationships with each other and the relationship of the individual with society.¹⁰⁰

2.2. Capitalist Development in Korea

Echoing the mainstream narrative of the day, Ronald Reagan proclaimed before the Korean National Assembly on November 12, 1983 that Korean economic progress and “the stagnation of the North has demonstrated perhaps more clearly here than anywhere else *the value of a free economic system* [italics added]. Let the world look long and hard at both sides of the 38th parallel and then ask:

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹https://www.ted.com/talks/michael_sandel_why_we_shouldn_t_trust_markets_with_our_civic_life/transcript?language=en (Michael Sandel’s speech at TED)

¹⁰⁰ Ibid.

‘Which side enjoys a better life?’¹⁰¹ For the American President and many others, South Korea became a showcase of the superiority and effectiveness of the capitalist economic system and democracy vis-a-vis the deplorable failure of North Korean communism. However, this official praise by linking South Korea’s economic growth with capitalism is not what accurately describes the reality of Korean capitalism. In terms of economic growth itself, for instance, North Korea, under a socialist political regime and a communist economic system, was far ahead of South Korea up until the early 1960s.¹⁰² The state-led capitalist development in South Korea, first implanted by Japanese colonialism and bolstered by heavy American involvement and foreign finances, significantly “laid the foundations for the economic growth of the 1960s” and onward, but clearly does not “fit a textbook description of capitalism.”¹⁰³ Roger Janelli also notes that conventions often regarded as antithetical to capitalism were among the more significant features of Korea’s political economy.¹⁰⁴ The following analysis aims to show the unique path of Korean capitalism and its own characteristics.

2.2.1. Pre-1876: Agrarian economy

Unlike the United States endowed with spacious land, abundant natural resources and slaved labor force before its full-fledged capitalist development in the late 19th century, Korea (then called Joseon) was a small, secluded peninsular with few natural resources. Up until 1876, when it opened its doors to outsiders, Korea maintained predominantly agrarian and its overall economy was underdeveloped. Economic development was made possible only by the gradual improvements in traditional farming techniques and the development of an agricultural infrastructure, such as an

¹⁰¹ Quote taken from Brazinsky, Gregg Andrew. "From Pupil to Model: South Korea and American Development Policy during the Early Park Chung Hee Era." *Diplomatic History*, 29.1 (2005): 83-115. Web.

¹⁰² Yoon You-joon. *Statecraft*. (Seoul: Medich Media, 2011).

¹⁰³ Cumings, Bruce. *The Origins of the Korean War*. (Princeton, N.J.: Princeton UP, 1990), 189.

¹⁰⁴ Janelli, Roger L. and Ton-im. *Making Capitalism: The Social and Cultural Construction of a South Korean Conglomerate*. (Stanford, Calif.: Stanford UP, 1993.)

irrigation system.¹⁰⁵ However, these changes were insignificant because they allowed agricultural output only slightly faster than the growth of the population.¹⁰⁶ Agriculture employed almost 90 percent of the labor force, who were mostly “near-subsistence farms with capital-deficient and labor-intensive technology.”¹⁰⁷

Commerce and industry were under the tight control of the state that “retained the right to grant monopolies and restricted the number of entrepreneurial establishments.”¹⁰⁸ Commerce was mostly about “infrequent transactions of essential goods conducted by itinerant merchants”¹⁰⁹ on market days (or *changnal* in Korean), which came every five days¹¹⁰ in designated market places throughout the country. The main purpose of the industrial activities was to meet the demand of the government. Although the use of coinage became widespread from the mid-17th century, the monetary system remained relatively underdeveloped and production of goods was not dominated by market activity.¹¹¹

Another important characteristic of Joseon-Korean economy was the widespread practice of lineage property ownership. Roger and Dawnhee Janelli identify three major forms of lineages in Korea, which were organized in a hierarchy of inclusiveness: (1) *Tangnae*, comprised of agnatic kinsmen within the range of third cousin (*palchon*), (2) village lineages made up of several *tangnae* and (3) higher-order lineages consisting of two or more village-lineages. In general, village lineages and higher-order lineages owned property.¹¹² The most common types of this lineage property included

¹⁰⁵ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*. (Oxford: Oxford UP, 2006)

¹⁰⁶ Song, Byung-nak. 2003. *The Rise of the Korean Economy*.

¹⁰⁷ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*. (Oxford: Oxford UP, 2006.), 31.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Even after Korea introduced the seven-day week system at the end of the 19th century, the market day continued to fall every fifth day. This market system continued to exist quite extensively right up to the 1950s. Even with a reduced number of traditional markets, this system is still found throughout countryside including Gyunggi-do Province, part of the Metropolitan Seoul.

¹¹¹ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*. (NY; London: Routledge, 2009).

¹¹² Roger L. Janelli and Dawnhee Yim Janelli. 1983. Conference paper.

grave sites of ancestors, cultivable property, house sites, tracts of woodland, shrines, meeting halls, ritual implements and relics of prominent ancestors. Of these, cultivable land property carried economic value and provided the financial basis for a lineage's corporate activities. Especially, the Korean lineage system was characterized by its economic primogeniture. This "idea of primogeniture became firmly implanted in the social consciousness and significantly narrowed the descent calculation—to the detriment of second as well as secondary sons."¹¹³

This lineage system existed in parallel with another distinct feature, the hierarchical class social order¹¹⁴: (1) the *yangban*, the scholar-officials, (2) the *chungin* (literally people in the middle) comprising technicians and administrators subordinate to the yangban class, (3) the *sangmin*, composed of farmers, craftsmen and merchants and lastly, (4) the *chonmin* (literally despised people). In principle, the *yangban* were a meritocratic elite. They gained and reinforced their positions through Confucian educational achievement. Strictly speaking, a *yangban* lineage was one that consistently combined examination success with appointments to government office over a period of numerous generations. *Yangban* serving as officials could enrich themselves because they were given royal grants of land and had many opportunities for graft; but unemployed scholars and local gentry often were poor. Below the *yangban*, yet superior to the commoners, were the *chungin*, a small group of technical and administrative officials. They included astronomers, physicians, professional military officers, as well as artists. Local functionaries, who were members of a lower hereditary class, were an important and frequently oppressive link between the *yangban* and the common people. They were often the *de facto* rulers of a local region. The *sangmin* accounted for approximately 75 percent of the total population. This group bore the burden of taxation and were subject to military

¹¹³ Deuchler, Martina, 1935. *The Confucian Transformation of Korea: A Study of Society and Ideology*. vol. 36, Council on East Asian Studies, Harvard University, Cambridge, Mass, (1992), 285

¹¹⁴ Andrea Matles Savada and William Shaw, editors. *South Korea: A Country Study*. (Washington: GPO for the Library of Congress, 1990).

conscription. Farmers had higher prestige than merchants, but lived a hard life. Below the commoners, the “base people,” or *chonmin*, did what was considered vile or low-prestige work.

By late Joseon dynasty, the government was grossly ineffective and public officials were extremely corrupt. The government not only failed to provide basic services, including adequate protection of life and property, sanitation, disease prevention and control, but also social infrastructure such as roads, harbors or lighthouses. National resources were wasted on no or low-productivity projects such as palace construction, which prevented the nation’s productivity, technology and entrepreneurship from capitalist development.¹¹⁵ Moreover, the society’s rigid and hierarchical class relations and government’s taxation policy, extralegal taxation and confiscation of property by corrupt officials also served as disincentive for any capitalist development. Taxes were imposed on land, commerce and industry, traders at barriers on both overland and river routes, as well as government personal service.¹¹⁶ “Extralegal taxes included the collection of a tax larger than what the central government required, in many cases double or triple the legitimate amount.”¹¹⁷ It was under this ineffectual and corrupt government that the long secluded Korean society had to face an influx of foreign influences.

2.2.2. 1876-1904: Transitional economy

Geopolitically, the Korean peninsula is sandwiched between larger and more powerful countries, namely China and Japan. Its habitual victimization sentiment is well summed up in a popular idiom “*When whales fight, the shrimp’s back is broken.*” Although Korea was able to maintain a homogenous

¹¹⁵ Ibid, 27-28.

¹¹⁶ Ibid.

¹¹⁷ Ibid, 29.

society with relative political independence and cultural richness for more than a thousand years despite occasional external invasions, the long-held isolationist policy could no longer stand in the mid-19th century. The Joseon dynasty was under enormous pressure both from within and without. By the late 19th century, the country became the target of imperialist competition and territorial ambition not only from neighboring countries such as Russia, China and Japan, but from remote Western powers including the United States and Britain. As it turned out, it was Japan that arose as the dominant imperialist power after it defeated China in 1894 and Russia in 1904 respectively, thwarting their attempts to colonize the land.

After centuries of isolation, Korea was finally forced to open its doors to Japan through ‘the *Ganghwa* Treaty’¹¹⁸ in 1876, and became a Japanese protectorate that ended Korea’s history as a sovereign state through the Japan-Korea Protectorate Treaty¹¹⁹ in 1905. The treaty of 1876 was unequal, giving Japan special trading rights and other privileges in Korea that were not reciprocated for Koreans in Japan. The signing of this treaty was soon followed by a series of commerce treaties with Western countries including the United States in 1882, Great Britain and Germany in 1883, Italy and Russia in 1884, France in 1886, Austria-Hungary in 1892 and Denmark in 1902. This period of approximately three decades was a transitional time for the long isolated country as it was exposed to a wave of foreign goods, advanced technology, Western ideas and foreign resources for investment and the establishment of industries. The transitional period was also chaotic in the sense

¹¹⁸ Also known as ‘the Korea-Japan Treaty of Amity’ named after the island off the west coast of Korea where it was signed.

¹¹⁹ This treaty is better known as ‘*Eulsa* Treaty’ following the name of the year in Korean zodiac calendar when it was signed between the Empire of Japan and the Korean Empire. It is also called ‘*Eulsa* 勒約’ in Korea to denote the oppressive nature of treaty making. Through this treaty, Japan deprived Korea of its diplomatic sovereignty. Four main provisions: (1) the control and direction of the external affairs of Korea were to be handed over to Japan; (2) the Korean government was to pledge itself not to conclude any act or engagement of an international character except through the medium of Japan; (3) the establishment of Japan’s residency in Seoul; (4) and Japanese residents were to be appointed in any part of Korea where the Japanese thought necessary. Despite the strong resistance and opposition from the Korean side, Japan threatened by saying “Yield or it means instant destruction to all”. (source: A Plea for Korea.

OAMARU MAIL, VOLUME XXXIV, ISSUE 9665, 19 OCTOBER 1907 SUPPLEMENT -
<https://paperspast.natlib.govt.nz/newspapers/OAM19071019.2.37.12>

that the traditional ideas and ways of living economically and culturally were, understandably, challenged and changed but not under clear government policies or directions.

The government made some reform policies, but they were “ineffectual and failed to muster sufficient forces to adequately meet the needs of the new and modern economy.¹²⁰” More importantly, the general public, the government and the elites were still mostly conservative, holding tightly on to the traditional isolationist Confucian belief. A good example of such conservatism was the ‘*Dong-bak*’ (Eastern Learning) movement. The *Dong-bak* movement arose in response to the *Seo-bak* (Western learning) and called for a revival of Confucian teachings.

The opening of the country also brought foreigners to the land, in addition to the influx of foreign goods and direct investment mainly for the development of commerce—mining, public utilities such as railroads, electric power and communications, and the purchase of land.¹²¹ Of all the foreigners during this period, Japanese made up approximately 95 percent in 1897 and reached some 40,000 around the Russo-Japanese War in 1904. Japanese, Chinese and Westerners engaged in commercial activities, but Japanese by far were the most active business people in this period. In the ports of Busan, Incheon and Wonsan, for instance, Japan set up modern establishments including banks, chambers of commerce, theaters, post offices, Japanese legation and consulate, hospitals, schools and offices of Japanese companies. All kinds of Western goods were introduced ranging from rifles, cotton-textile goods, clocks to kerosene. Although Korea’s foreign trade in this period expanded, the total volume of its trade was very small, representing about eight to ten percent of the

¹²⁰ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*. (Oxford: Oxford UP, 2006), 303.

¹²¹ *Ibid.*

country's income.¹²² Many Japanese also purchased farmland for speculative purposes, intending to reap profits by reselling it or leasing it to Korean tenants.¹²³

During this period, Korea experienced economic growth and increase in per capita income, but not under its own sovereign government. Chiefly, it was because of the expansion of infrastructure investment by Japanese investors, particularly the introduction of electricity and communication facilities and the construction of railroads. However, no substantial progress in capital formation, economic development, or structural change took place. As late as 1904, the Korean indigenous economy was virtually in shambles, with cottage industries continuing to supply the bare essentials, and capital formation was just sufficient to support a small population growth without much improvement in the standard of living for the people.

2.2.3. 1905-1945: Colonial economy and Japanese capitalism introduced

Japan formally annexed Korea through the 'Korea-Japan Annexation Treaty' signed on August 22, 1910. But its *de facto* colonization began when it made Korea its protectorate through the 'Japan-Korea Protectorate Treaty' in 1905, followed by the 'Korea-Japan Treaty' in 1907 by which Korea was deprived of the administration of internal affairs. Like it or not, the Japanese legacy of its four decades of colonization not only initiated capitalist modernization but, more importantly, left an indelible imprint on the shaping of a unique capitalist path in Korea. In other words, the Japanese imperial colonialism served in some sense as "a usable past for the 1960s onward."¹²⁴ Some of the main characteristics of Korean capitalism can trace their origin to the patterns of capitalist development in this period. They include the state-business relations that are characterized by (1)

¹²² Ibid.

¹²³ Ibid.

¹²⁴ Cumings, Meredith. *Race to the Swift: State and Finance in Korean Industrialization*. (New York: Columbia UP, 1991), 41.

the limited scope of capitalist social relations, (2) the state's role in comprehensive and semi-coercive channeling of capital to target industries and (3) the dominant influence of big companies, later called *chaebol* in the Korean economy.

Japanese colonization also introduced some of the most essential elements of capitalism into Korea: legal institutions including private property ownership, industrial infrastructure, as well as financial institutions. Through the Land Survey Bureau established in 1910 and the promulgation of the Land Survey Law, Korean farmers were required to register to have their ownership rights recognized. This way, the Japanese colonial government “accelerated the separation of the means of production and subsistence from farmers, turning traditional land-ownership to capitalist private property rights and commodifying the products of labor and labor power.”¹²⁵ Colonial rule was accompanied by large investments in Korea. The colonial government took up approximately twenty-two percent of all investment in Korea, which was mainly used to construct social overhead capital such as railways, communications systems, modern ports and harbors, irrigation works for farmland and hospitals. The private sector accounted for three-quarters of the investment, most of which was used to fund manufacturing in both heavy and light industries such as mining, electric-power generation and a relatively small amount in agriculture.¹²⁶ The Japanese investment enabled the Korean economy to realize discernible economic gains, and transforming it to become a semi-industrial economy. During the period of colonization, Korean GDP and population increased approximately 120 and 62 percent respectively, and per capita income rose from \$745 to \$1,130 (in year 2000 U.S. prices).¹²⁷

However, the Japanese dominated approximately eighty-four percent of private investment, whereas Koreans accounted for sixteen percent, mostly in commerce and light industries to produce

¹²⁵ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*, 80.

¹²⁶ Ibid.

¹²⁷ Ibid.

consumer goods, such as food production and textiles, which was only to meet traditional and daily needs of Koreans.¹²⁸ Moreover, Korean capitalists could survive only by collaborating with the colonial government in line with its industrialization policy for military demands. This practice set the precedent for future state-business collusive patterns that have characterized Korean economy ever since. Furthermore, the landed class was barely allowed to become industrial capitalists in that they were discouraged to establish their own firms through strict regulations.¹²⁹ The Japanese colonial government also failed to integrate the masses into capitalist wage relations.¹³⁰ Urban residents rose from three to seven percent of the total population between 1910 and 1935, and thirteen percent by 1944,¹³¹ by which time the vast majority of people remained in rural areas merely as surplus population instead of waged workers. Although wage labor existed, these petty farmers considered their labor “largely as a secondary source of income” in the form of seasonal jobs in agricultural, construction and mining sectors, especially during the winter season.”¹³² In short, the Japanese colonial government introduced basic infrastructure and institutions for capitalist economy in colonized Korea, but capitalist social relations under the Japanese-led capitalism was quite restricted and limited.

The colonial government favored the big Japanese companies called *zaibatsu*. This policy and practice of supporting large companies left an indelible impact on the future path of Korean capitalism. The Japanese government used such means as subsidies, tax benefits and subsidized bank loans to support industries and enterprises considered to be of strategic interest to Japan such as chemical and heavy industries, mines and rice production.¹³³ With such all-out support, these “*zaibatsu* emerged as virtual partners of the government.” The emergence of a Korean enterprise

¹²⁸ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*.

¹²⁹ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*.

¹³⁰ Ibid.

¹³¹ McNamara, Dennis L. *The Colonial Origins of Korean Enterprise, 1910-1945*. (Cambridge [England]: Cambridge UP, 1990).

¹³² Quote from. Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*, 81.

¹³³ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*, 304.

named *Kyongsong* Spinning and Weaving company (hereinafter *Kyongbang*) is illustrative of how the state-business relationship was formulated under the colonial rule. The firm, owned by a Korean capitalist, began its business in 1919 with 250,000 Yen and 100 weaving machines and grew to become one of the largest enterprises with 11.5 million Yen, 1,120 weaving machines and 32,000 spinning machines¹³⁴ by the end of Japanese colonialism. In his analysis of the company and its owner family, Carter Eckert¹³⁵ emphasizes the close cooperative ties between the company and the Japanese government-general as well as cooperative partnership with Japanese companies.

According to Eckert, the Korean enterprise received support in the form of loans, provision of raw materials for production, technology and equipment, and even a market to sell its products. The Japanese government-general even mobilized the police force to protect the Korean firm when it had a labor conflict. Joo Ik-jong,¹³⁶ in his analysis of the same company, disagrees with Eckert about the significance of the support of the Japanese colonial government in the company's growth and put more focus on the capability and capacity of the managerial leadership of the founders.

Nevertheless, both recognize that *Kyongbang* is a prime example and, in a sense, a precursor or a prototype for future Korean enterprises because it conformed to the state power and depended on world capitalism.

In sum, although one will be hard pressed to challenge the view that Japanese colonial rule “initiated” capitalism in Korea, this view also must be balanced with the negative Japanese influence on the future Korean capitalist development, especially in the latter part of its colonial period. When the Sino-Japanese War broke out in the latter half of 1930, Japan mobilized all of Korea and put its industries on a war footing, channeling all production for war supplies, tightly regulating peacetime

¹³⁴ <http://media.daum.net/culture/others/newsview?newsid=20080214060712277>.

¹³⁵ Eckert, Carter J. *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945*. (Seattle: U of Washington, 1991).

¹³⁶ Joo, Ik-jong. *Scout of Large Army*. (Seoul: Pureun Yoksa), 2008.

industries.¹³⁷ Also, with Japan's business integration decree in 1942, Japanese businesses absorbed small and medium-sized Korean companies, and even small ironworks and mainly family operated machine repair shops were mobilized for wartime purposes.¹³⁸ It also built the majority of its facilities for power generation, manufacturing and mining in northern Korea. As a result, after liberation, the South was left with no infrastructure to produce energy on its own, not even electricity. When electricity to the South was cut off after the peninsula was divided, even its remaining light industries became useless.¹³⁹

As a result, by the time of liberation from Japanese colonial rule in 1945, Korea was one of the poorest countries in the world. The Koreans were left with starvation and poverty on a land absent of resources, factories and even the most minimal of economic facilities. Moreover, because the Japanese colonial government took most resources back to its homeland, there were barely any resources needed for economic development remaining when Korea was left alone. Furthermore, virtually no production of commodities took place in Korea because of Japan's Strategy to Use Korea as a Military Supply Base. With Japan's mobilization of the Korean economy toward waging war, all factories and industries were designed, developed and institutionalized by Japan for this purpose. Therefore, the infrastructure left behind after liberation was practically useless for industrial development.

¹³⁷ Hong, Eun-joo, et al. *The Korean Miracle: Narratives of the Korean Economic Miracle 1*. Cengage Learning Korea Ltd., 2016. I was a member of the translation team for this book in 2015. The book translation was a project commissioned and published by the Korea Development Institute. Unless otherwise mentioned, all citations from the book are drawn from the translation manuscript in progress (hereinafter, *The Korean Miracle* [translated manuscript in progress])

¹³⁸ *Ibid.*

¹³⁹ *Ibid.*

2.2.4. 1945-1961: America-influenced nation-building and Korean gold rush

Korea was liberated from the Japanese colonial rule in 1945 when the Japanese emperor officially acknowledged its defeat in World War II. The downside of the liberation was the division of the peninsula into two halves along the 38th parallel. The northern part would be occupied and ruled by the Soviet Union whereas the southern portion was taken up by the United States. The period between 1945 and 1961, the year the 2nd Republic was toppled through the May 16 Coup¹⁴⁰ orchestrated by Major-General Park Chung-hee, was a fateful moment for the future capitalist development in South Korea.¹⁴¹ In this short span of sixteen years, the country underwent American military rule, the fratricidal Civil War known as the Korean War and the eventful nation-building process. Specifically, American military rule of 1945-1948 played a decisive role in setting the parameter of South Korea's political and economic future. Among others, the United States, through the military government, provided the much-needed financial aid to the post-liberation Korea that had neither necessary financial means nor institutions to begin the untrodden process of nation-building. In particular, the American Military Government (AMG) from 1945 to 1948 shaped the contour of Korea's future with its physical presence and ideological and material provision. As a result, the founding Constitution stipulated private land ownership and proclaimed the adoption of a capitalist economic system as well as a democratic polity.

The claim of America's dominant influence on capitalist development in South Korea has its own merits. Japan introduced capitalism to the "entire" Korean peninsula, not just the South. Moreover, in terms of industrial development, it was in the North that most of the major industrial resources were located. In 1948, the South, under Rhee Syng-man's leadership and supported by the United States,

¹⁴⁰ 'The May 16 Revolution' is a preferred term by Park Chung-hee and his allies.

¹⁴¹ Hereinafter, the broader term, Korea, will be changed to 'South Korea' or 'Republic of Korea' because of its division between the South and the North, which became two different states.

decided to take the path of liberal democracy and a capitalist free market economy, while the North, under Kim Il-sung sponsored by the Soviet Union, adopted a socialist political and economic system.

After its national independence in 1945, the Korean economy was in deep trouble. First, the withdrawal of Japanese capital, which accounted for over ninety percent of the total paid-up capital in Korea during colonialization,¹⁴² created serious shortage problems for raw materials and skilled workers and parts for the machinery. Second, many of the urban workers forcefully mobilized by the Japanese colonial government came back to their homelands, which caused local industries and manufacturing to revert to domestic handicraft.¹⁴³ A paralyzed production led to a shortage of commodities.¹⁴⁴ Moreover, because of compulsory rice production during the Japanese colonial rule, a poor harvest and a massive influx of overseas Koreans led to a serious food shortage. Between 1945 and 1949, the AMG had to pump in more than US\$500 million in economic aid through programs like Government and Relief in Occupied Areas (GARIOA) and the Economic Cooperation Administration (ECA).¹⁴⁵

On the other hand, the practice of state-business collusion that began under the Japanese colonial era expanded and deepened under American military rule and during Rhee Syng-man's presidency. After liberation, the Japanese property left in South Korea, including industrial facilities, farm lands and houses, were vested in the hands of the AMG, making it the largest owner of the means of production [see Table 2.1]. For a quick economic recovery, the AMG decided to sell these properties to a small number of entrepreneurs under very favorable conditions. In what is called "the Korean Gold Rush" that lasted for a decade, many companies that received benefits from this way of property distribution soon grew to be conglomerates, or *chaebol*, by the end of the 1950s.¹⁴⁶ The newly

¹⁴² Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*.

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ The Korean Miracle [translated manuscript in progress]

¹⁴⁶ Lee Han-gu. *Hankuk Jaebeol Hyungseongsa*. (Seoul: Bibong Publishing, 1999).

established first Republic continued to support a small group of capitalists, together with the distribution of America-aided raw materials after the Korean War. What made these enterprises successful was not so much because they received physical properties. Rather, they became successful because they “learned” to form the structurally collusive relationships with politicians and bureaucrats¹⁴⁷ in the days to come. This group of capitalists funded Rhee’s Liberal Party in 1951, which then returned their political funds with economic favors, including lucrative government projects. As a result, this practice of state-business collusion not only became deeply rooted in the Korean economy, but also became the fertile soil for severely corrupt behaviors of Korean politicians, including all future presidents.

Table 2. 1. Japanese Property Controlled by the American Military Government after Liberation¹⁴⁸

	The Property Items	Amount/number
1	Factories and mines	2,690
2	Movable property	3,924
3	Ships	225
4	Storage facilities	2,818
5	Shops	9,096
6	Farmland	324,404 jeongbo (1 jeongbo = 2.45 acre)
7	Land	150,827 jeongbo (1 jeongbo = 2.45 acre)
8	Houses	48,456
9	Forest fields	70,039 jeongbo (1 jeongbo = 2.45 acre)
10	Unidentified land	1,366
11	Orchards	2,386

(Source: The Formation of Korean Chaebol)

¹⁴⁷ Park, Hyung-joon. *Chaebol, the Transnational Capital That Dominates Korea*. (Seoul: Chaeksesang, 2013).

¹⁴⁸ Lee Han-gu. *Hankuk Jaebeol Hyungseongsa*, 59

Another significant factor to the capitalist development in South Korea during this period was land reform. In 1945, Korea was still primarily an agricultural economy with a small number of landlords and a large number of tenant farmers who lived under slave-like status.¹⁴⁹ At the time, the richest 2.7 percent of rural households owned two-thirds of all the cultivated lands, while 58 percent owned no land at all.¹⁵⁰ North Korea had already completed land reform in 1946. Therefore, the discontent of the farming population in South Korea became intensified. Land reform in South Korea took place in two stages. First, the AMG began to sell agricultural lands formerly owned by Japanese to Korean tenants in the spring of 1948. The AMG distributed 240,000 hectares of former Japanese lands, which accounted for 11.7 percent of the total cultivated land.¹⁵¹ Farmlands were sold at prices expressed in measures of grain, not in monetary terms. Second, land reform took place in March of 1950 by the Rhee government just prior to the Korean War breaking out in 1950.

At first, the land reform program, initiated by the American Occupational Authorities, was not enthusiastically received by the Rhee government.¹⁵² C. Clyde Mitchell, observing the political and social circumstances of Korea in 1948-1949, cast his doubt about the willpower of the executive branch of the government “to implement” the Land Redistribution Law passed in June 1949. His doubt derived from the fact the government was more responsive to the land-owning classes.¹⁵³ However the Rhee regime believed land reform was not something that could be taken lightly. As mentioned above, communist North Korea implemented a land reform policy in 1946. During three weeks of land reform, ninety-eight percent of confiscated land was distributed to farmers. Suddenly, poor farmers became the landlord of up to 13,200 square meters of land. Thereafter, they tended to

¹⁴⁹ Sakong, Il and Youngsun Koh (ed.). *The Korean Economy: Six Decades of Growth and Development*. (Seoul: KDI, 2013).

¹⁵⁰ You, Jong-sung. “Land Reform, Inequality and Corruption: A Comparative Historical Study of Korea, Taiwan and the Philippines.” *The Korean Journal of International Studies*. Vol. 12-1 (June 2014): 191-224.

¹⁵¹ *Ibid.*

¹⁵² Mitchell, C. Clyde. “Land Reform in South Korea.” *Pacific Affairs*, vol. 22, no. 2 (June 1949): 144-54.

¹⁵³ *Ibid.*

farm hard and pledged their allegiance to the Communist Party.¹⁵⁴ A clear evidence of this political success is the drastic increase in the number of communist members from 4,530 in December 1945 to 366,000 in August 1946.¹⁵⁵ As a result, Kim Il-sung's communist regime became politically solidified. The North Korean land reform also resulted in the wiping out of the landed class in North Korea, some of which fled to the South.¹⁵⁶ Furthermore, peasants in the South who suffered under the Japanese colonial rule were very unhappy about the status quo.¹⁵⁷ When combined, these two factors might have caused severe social unrest unless addressed properly, challenging the very survival of the newly established Rhee's regime. Politically, Rhee also needed the support of farmers who accounted for approximately seventy percent of the population. The American pressure for land reform also pushed the Rhee government to tackle this issue. President Rhee's resolution to push ahead with land reform was reflected in his appointment of a former communist, Cho Bong-am, as the first minister of agriculture.

Unlike North Korea that confiscated land for free distribution,¹⁵⁸ the Rhee government finally offered a capitalist alternative to the landlords and tenants alike. It offered tenant farmers to buy the land with a condition that they would pay back later in the form of what they produced, while it encouraged the landlords' opportunity to sell their lands to the government and encouraged them to convert the capital into financially lucrative industrial holdings.¹⁵⁹ The analysis of the data on the land sale contracts between the national liberation in 1945 and June of 1950 reveals that approximately 80 of contracts of land sale concentrated in two periods: one between January and May of 1946, which

¹⁵⁴ Collective or Farmer: Land Ownership in North Korea (<http://www.nkeconwatch.com/category/policies/1946-land-reform-law/>), retrieved on December 22, 2016.

¹⁵⁵ <https://brunch.co.kr/@minssam119/10>.

¹⁵⁶ Yu, Yong-tae. *Land Reform and Land Revolution in East Asia*. Edited. (Seoul: National University Press, 2014).

¹⁵⁷ Kim, Choong-nam. *The Korean presidents: leadership for nation building*.

¹⁵⁸ Following the birth of the North Korean state, individual ownership of land was ended by another national project. The collective farming system, implemented over the course of the 1954-1958 timeframe, resulted in farmers becoming employees on collective farms. The pretext for the collective farming system was communal ownership under the socialist system, but in reality it was a way to realize state control. Article 5 of the Land Reform Law was abolished and the farmers' dreams of personal and equitable land ownership were swept away in the name of socialist modernization. Source: Collective or Farmer: Land Ownership in North Korea (<http://www.nkeconwatch.com/category/policies/1946-land-reform-law/>), retrieved on December 22, 2016.

¹⁵⁹ Ibid.

coincided with the implantation of North Korean land reform in March 1946, and the other between November of 1947 and March of 1948 during which time the land reform bill was proceeding in the legislature.¹⁶⁰ During these periods, land owners hurried to sell their farms for cheaper prices out of fear their lands might be confiscated.¹⁶¹

Table 2.2. Land Reforms in South Korea¹⁶²

	1 st land reform under AMG	2 nd land reform under President Rhee
Ownership	Formerly owned by Japanese	Owned by Koreans
Farm land size	291,000 ha (20% of the total land)	1,156,000 ha (80% of the total land)
Land prices	Three times the average annual produce	1.5 times the average annual produce
Payment	20% of the produce for 15 years	30% for five years
Ceiling	2 ha	3 ha

Large land-owners actually converted their land-sale capital into industrial capital or lucrative lending capital. For instance, the founder of LG Group Gu In-hoe sold their farmland and set up a trading company in Busan in November of 1945, and a chemical company in January of 1947.¹⁶³ Land reform and successful prevention of communist campaigns before the war in 1950 not only prevented

¹⁶⁰ Ibid.

¹⁶¹ <http://blog.naver.com/PostView.nhn?blogId=alsn76&logNo=220206267896&categoryNo=63&parentCategoryNo=0&viewDate=¤tPage=1&postListTopCurrentPage=&from=postList&userTopListOpen=true&userTopListCount=10&userTopListManageOpen=false&userTopListCurrentPage=1>.

¹⁶² <http://blog.naver.com/PostView.nhn?blogId=alsn76&logNo=220206267896&categoryNo=63&parentCategoryNo=0&viewDate=¤tPage=1&postListTopCurrentPage=&from=postList&userTopListOpen=true&userTopListCount=10&userTopListManageOpen=false&userTopListCurrentPage=1>.

¹⁶³ Ibid.

serious social unrest but also supported the Rhee government after the war.¹⁶⁴ As a result of this land reform measure, the richest six percent owned eighteen percent of land by the end of 1956. Furthermore, tenancy dropped from forty-nine percent in 1944 to seven percent by 1956 as landownership capped at three *chongbo* (approximately 7.5 acres) and large landlords disappeared in South Korea.¹⁶⁵ In fact, farmers remained staunch supporters of President Rhee throughout his terms of office.

The Korean War that lasted from June 25, 1950 to July 27, 1953¹⁶⁶ resulted in irrecoverable human casualties and physical damages. Approximately three million Koreans, both military and civilian, are said to have perished with over a million Chinese and 54,000 American soldiers. After the civil war, according to the *Nathan Report*,¹⁶⁷ close to half of the industrial, power generating and mining facilities were destroyed, totaling approximately US \$1.8 billion in damages including damage done to public facilities, ships, vehicles and houses. The land was in complete ruins and could not be farmed, and the food situation was bleak. On top of this, the evacuation of UN forces from North Korea prompted a flood of refugees into the South, filling it with even more starving, jobless people in the early 1950s.¹⁶⁸

It was under these dire circumstances that South Korea began its arduous nation-building process. With security threats from North Korea as a constant since the nation's founding in 1948, the South Korean government and the United States signed the Korea-US Economic Agreement. Under this agreement, South Korea relied on the finances and industrial production of America's grant aid until the beginning of the Development Decade in the 1960s.¹⁶⁹ Also, the industrial organization was decided based on the raw materials brought in. Thus, the abnormal growth of the economy began. From the time the Korean War ended in 1953 to 1961, the Korean government depended on U.S.

¹⁶⁴ Ibid.

¹⁶⁵ Ibid.

¹⁶⁶ The day that armistice was signed at Panmunjom near the 38th parallel.

¹⁶⁷ A proposal for the reconstruction of the Korean economy written by the United Nations Korean Reconstruction Agency (UNKRA) in March 1953 as part of its aid policy.

¹⁶⁸ The Korean Miracle [translated manuscript in progress]

¹⁶⁹ Ibid.

grant aid to cover 49.5 percent, or approximately half, of its budget on average each year.¹⁷⁰ American grant aid after 1953—the Counterpart Fund—which was in the form of proceeds of American surplus agricultural commodities sold to the South Korean market, was used to fund main areas in the budget such as national defense spending. The United States, under Public Law 480, stabilized grain prices in Korea by selling their farm surpluses to the Korean market at low prices and depositing the proceeds in the Counterpart Fund for the Korean government to use.¹⁷¹

In this process of aid distribution, the following two methods were taken: (1) The Bank of Korea selected and allocated the aid funds to the end users, who used the funds to import goods and (2) aid agencies or the government sold aid goods directly on the Korean market. The United States used about ten to twenty percent of the proceeds from the sale of its agricultural surplus and the remainder went to the South Korean government.¹⁷² Using the American funds, the Korean government was able to restore key domestic infrastructures including mining facilities for increased coal production, telegraph and telephone lines, locomotives, thermal power and hydropower generation.¹⁷³ Based on aid capital, it also imported industrial facilities for the gradual substitution of imports. One fundamental outcome of such unusual and emergent circumstances of the time was the reinforcement of the way the Korean economy would work in the future: the state's heavy involvement in the economy. Also, the Korean bureaucracy began to play a major role in Korea's economic development. As I further elaborate on in chapter three, the influence of the Korean bureaucracy was not only culturally well accepted because of traditional popularity of governmental jobs, it also distanced the Korean capitalist economy from a freedom-based liberal market economy.

¹⁷⁰ Ibid.

¹⁷¹ Ibid.

¹⁷² Ibid.

¹⁷³ Ibid.

2.2.5. 1962-1979: State-led industrial development

The economic development of Korea during this period is so remarkable that a body of literature sprang up on this topic, especially between the 1970s and 1990s. Much of the debates were concerned with “whether the state intervention was market conforming or market distorting,” or “the extent to which the state led, rather than followed, the market.”¹⁷⁴ Nevertheless, few deny the fact state-led, export-oriented industrialization has significantly led to Korea’s rapid growth. This period matches the reign of President Park Chung-hee who orchestrated South Korea’s economic development with an unswaying determination and resolve.

During this period, the Park Chung-hee regime had to stand on its own amid complex, international dynamics including the change of the American-aid policy toward Korea and intensifying security threats from North Korea. The regime resorted to exercising the state apparatus to secure its legitimacy by fulfilling its pledges of rising from poverty and improving economic development. It was economic failure and political corruption that eventually led to the demise of the Rhee’s government and the subsequent Chang Myon government (the second Republic) through the military coup. Therefore, the Park Chung-hee regime resolved to push forward with its economic goals by adopting the already prepared Five-Year Economic Development Plan by the previous Democratic Party government.¹⁷⁵ However, it had virtually no financial resources to pursue its economic development plans. With a poorly functioning domestic financial market and a heavy dependence on grant aid that accounted for more than half of the government budget, it was not feasible for South Korea to secure financial resources for its own investment and loan capital. At the same time, the United States was consistent in expressing its basic stance to slash grant aid and offer

¹⁷⁴ Kohli, Atul. “Where do High-Growth Political Economies Come From? The Japanese Lineage of Korea’s Developmental State.” In Meredith Woo, Cumings. 1999. *The Developmental State*, 94.

¹⁷⁵ Sohn, Ho-chul. *Contemporary Korean Politics: Theory, History and Present: 1945-2011*. (Seoul: Imagine, 2011).

loan aid instead. In addition, the newly launched John F. Kennedy administration was particularly wary of Park Chung-hee's military government, which had ousted the popularly-elected Democratic Party government by force. Therefore, it was no surprise the U.S. government took an unsympathetic stance regarding the military government's request for economic assistance.¹⁷⁶

Nevertheless, on January 13, 1962, the military regime released the revised text of the Democratic Party government's economic development plan in its entirety. On February 15, it declared its resolve to implement in earnest the First Five-Year Economic Development Plan (FY-EDP) to build the foundation for a self-sufficient Korean economy. Through the establishment of the Economic Planning Board (EPB), the first FY-EDP (1962-1966) focused on fostering basic and import substitution industries by building manufacturing facilities for fertilizer, textiles and cement. The EPB failed to make much progress in its early days because of a lack of mutual understanding between the military government and the civilian public officials.¹⁷⁷ It was in 1964, when the military government turned into a civilian one, when the EPB took its place as a bona fide key engine of economic development. President Park entrusted Deputy Prime Minister Chang Ki-yeong¹⁷⁸ with informal authority over personnel in the economic ministries. This allowed the EPB to begin bulldozing its way through virtually all economic policies such as formulating development plans, enacting pertinent legislation, increasing the budget and winning foreign capital, mobilizing and operating domestic capital, and managing inflation. The EPB worked hard to raise investment resources overseas by scouting for commercial and long-term loans. It amended the Foreign Capital Inducement Act to allow the government to provide guarantees for commercial loans, which was

¹⁷⁶ Brazinsky, Gregg. From Pupil To Model: South Korea And American Development Policy During The Early Park Chung Hee Era. *Diplomatic History*, 29:1 (2005): 83-115;

¹⁷⁷ The Korean Miracle [translated manuscript in progress]

¹⁷⁸ For a detailed description of the personality and leadership style of Deputy Prime Minister Chang Ki-yeong, refer to chapter 4 in Hong, Eun-joo, et al. *The Korean Miracle: Narratives of the Korean Economic Miracle 1*. (Cengage Learning Korea Ltd., 2016).

passed in August 1961. As a result, per capita income rose from a mere \$82 in 1961 to \$126 in early 1966 and exports hit the \$100 million mark in 1964.¹⁷⁹

It was during the second FY-EDP (1967~1971) when the Korean economy entered the trajectory of rapid growth. This was also the period when commercial loans from Japanese businesses started to increase after diplomatic relations normalized between the two nations in 1964. While the influx of foreign capital did accelerate industrialization, it also caused adverse side effects including the increasingly collusive ties between the state and business and the increasing concern that foreign loans might ruin the nation. The Park regime responded to these concerns by expanding and empowering the EPB, headed by Deputy Prime Minister Kim Hak-ryeol.¹⁸⁰ During this period, the Park regime placed top priority on investments while simultaneously implementing aggressive austerity measures to support the economic development plan with limited financial resources. The Korean economy recorded 11.7 percent annual growth, far exceeding its goal of seven percent.

President Park Chung-hee faced another major challenge in his economic drive in the early 1970s. In November 1970, the American aid provided since 1954 in the form of Security Supporting Assistance (SSA) came to an end. The size of SSA for seventeen years amounted to \$1.876 billion.¹⁸¹ In addition, the international situations became less favorable to Korea: first, President Richard Nixon's announced, as part of the Nixon Doctrine, that the United States would reduce its intervention in Asia. The news came at a time when North Korea intensified armed provocations against South Korea. In 1970, the United States, without prior consultation with South Korea, announced its intent to withdraw one-third of the U.S. Armed Forces in Korea. Second, in April 1970, China announced the Four Basic Principles stipulating that the communist regime would not

¹⁷⁹ The Korean Miracle [translated manuscript in progress]

¹⁸⁰ For detailed description of the personality and leadership style of Deputy Prime Minister Chang Ki-yeong, refer to chapter 5 in Hong, Eun-joo, et al. *The Korean Miracle: Narratives of the Korean Economic Miracle 1*.

¹⁸¹ Ibid.

engage in trade with any company that fit any of the following descriptions: (1) companies that supplied weapons to the United States that were used during the U.S. invasion of Southeast Asia countries, (2) subsidiaries of American companies, (3) companies that invested in South Korea or Taiwan and (4) companies that provided technical assistance to South Korea or Taiwan.

As such, the Park regime began to pursue the heavy and chemical industry (HCI) as the top governmental agenda. HCIs were not only a key engine of economic development and exports, but also could be utilized in the defense industry when needed. Experts say the greatest feat during the implementation of the third FY-EDP (1972-1976) was the completion of the Seoul-Busan Expressway and the Pohang Iron and Steel Company (POSCO).¹⁸² The former facilitated distribution while the latter led to the construction of automobile, cement and petro-chemical plants. At the same time, the Korean economy suffered from chronic trade deficits and low foreign exchange earning rates. Businesses recklessly had taken out short-term commercial loans to build production facilities and high-interest private loans to run their companies. Eventually, prolonged global economic recession pushed these businesses to the brink of bankruptcy. In 1972, the government stepped in by liquidating insolvent enterprises and implemented what was later referred to as the August 3 Emergency Measure, which froze businesses' curb market debt, extended grace periods and let debt be repaid long-term at a low interest rate. In the second half of 1974, the first oil shock left the domestic economy stagnate and facing the foreign exchange crisis. This prompted another governmental measure known as the December 3 Measure aimed at devaluing the Korean currency and raising domestic petroleum product prices. As one of the measures to overcome the

¹⁸² Ibid.

foreign exchange crisis, it also generously permitted the establishment of foreign banking institutions that would bring dollars into the country.

Unlike previous three FY-EDPs, the fourth FY-EDP was changed to the Five-Year Plan for Economic and Social Development because its basic goal was to promote social development and advance innovation in technology and efficiency under the ideology of growth, efficiency and equality. In terms of the economy, this period saw the full operation of the HCIs, thanks to the national mobilization of banking and financing devoted to the cause. The construction sector saw a great boom in overseas markets. Oil-producing companies in the Middle East that raked in huge sums of dollars following the first oil shock entered economic development for themselves and emerged as significant markets for construction. Speculative investment in real estate was an adverse side effect that emerged during this period. A variety of factors gave rise to speculation in metropolitan-area land and property, including the construction boom in the Middle East, flourishing exports, waves of ensuing cash and an overheated economy. In addition, the population continued to move to the cities following the Development Decade. In 1978, the EPB responded by announcing a new policy, the Comprehensive Measures to Curb Real Estate Speculation and Stabilize Land Prices. That same year, the government took measures to liberalize imports with the aim of enhancing competitiveness through price stabilization and promotion of competition.

Because of these policies, despite extreme financial difficulties and an underdeveloped financial market, South Korea was still able to achieve a legendary yearly average economic growth of 8.9 percent from 1961 throughout the four FY-EDPs.¹⁸³ Given the fact the First Republic of South Korea established in 1948 started with a governmental budget of a meager 30 million *won*, this record is definitely an amazing achievement. The answer to the puzzle of how Korea could achieve

¹⁸³ The first Economic Development Plan lasted from 1961 ~ 1966; 2nd 1967 ~ 1971.

such a rapid economic growth against all odds lies in its eagerness to secure foreign capital.¹⁸⁴ The EPB, established in July 1961, was solely charged with raising domestic capital, stabilizing inflation for economic development and securing loans and foreign capital. The Park government, with its obsessive drive for economic development, lifted up the status of the EPB above all other ministries by making the head of the EPB the Deputy Prime Minister and Minister of Finance. Starting with the fisheries loan agreement with a consortium of Italian and French businesses in 1963, the Korean government kept pushing the EPB and Korean businesses hard to earn foreign capital through various means: commercial loans with Germany, securing the reparation fund from Japan (against the public sentiment), business involvement during and after the Vietnam War through construction projects, and capitalizing on the construction boom in the Middle East after the first oil shock in the 1960s and 1970s.

It is also important to note that all these economic achievements were made possible by President Park Chung-hee's military-trained leadership style and his personality. From January 1965 to 1979, the EPB held Monthly Economic Trend Report Meetings; President Park attended all but one of the 147 sessions. President Park also committed himself to the Enlarged Export Promotion Conference, another briefing session to discuss export-related issues. He attended all but five out of the 152 meetings between 1965 and 1979. Members of the Cabinet and leading figures in the National Assembly and the Supreme Court were sure to participate in the first few sessions, but it gradually became a gathering for administrative officials, party affiliates, presidents of government-run banks and leaders in academia and industry. Whenever conflict arose between the different economic ministries represented at the meetings, President Park would listen to the argument silently and, before it could drag out, mediated the differences and settled it then and there. This not

¹⁸⁴ The Korean Miracle [translated manuscript in progress]

only made clear the thoughts of the final decision maker, but also relayed to other players in the economy how much importance the President placed on the topics at hand.¹⁸⁵

2.2.6. 1980-1997: Deepening of Korean capitalism

On September 26, 1979, the eighteen-year, iron fisted rule of President Park Chung-hee was abruptly ended by his security chief, who shot him to death at a dinner. In the aftermath of Park's unexpected death and the ending of his regime, political turmoil and social unrest ensued, including the May 18 Kwangju Uprising, a grass-roots pro-democratization demonstration that was met with the state's bloody crackdown and implementation of martial law. The military rule through the December 12 coup by General Chun Doo-hwan continued authoritarian rule in Korea until 1987, when the Chun regime had no choice but to yield to the popular demand of constitutional change and the adoption of a single-term presidency. Regarding economic policymaking, the Chun Doo-hwan government changed its stance from growth-oriented economic policies. Among others, the government attempted to restructure the HCI, which had many problems including the overlapped investment under Park's leadership.

In the process, the Chun government coerced the businesses to provide large sums of political funds, intensifying the collusive ties between the state and business. The Roh Tae-woo government also inherited such practices from the Chun government. Both the Chun and Roh governments amassed an astronomical amount of slush funds through this, using the funds for their own power building efforts, as well as for personal wealth.

¹⁸⁵ Ibid.

After 1987, the Korean government moved toward liberalization of the financial and commodity markets, also attempting to regulate labor by sustaining its authoritarian control over collective labor and supporting flexible labor management induced by individual capitals.¹⁸⁶ The increasing competitive pressure in the global market forced the state to move toward financial liberalization, which “marked the end of capital allocation by the state.”¹⁸⁷ At the same time, with the financial liberalization and globalization, the *chaebols* became more reluctant to follow the industrial policy favored by the state, although they still maintained close collusive ties with the government and politicians. Also, individual firms were able to introduce new means of production through the massive expansion of short-term credit.¹⁸⁸ The state-business relationship is like a two-edged sword. Because the *chaebols* had been fostered by governments, they understood very well what it would cost them if they did not provide political funds to the power-holders or follow their directions. On the other hand, the *chaebols* learned throughout those collusive years about the nature of the power-holders. By the early 1990s, it is estimated that the combined sales of the ten largest Korean *chaebols* accounted for three-quarters of the entire Korea’s GNP.¹⁸⁹

2.2.7. 1997 and afterward: The IMF crisis¹⁹⁰ and the testing of Korean capitalism

The financial crisis swept across Asian economies including South Korea. It started in Thailand with the financial collapse of the Thai Baht after the Thai government decided to float the baht because of the lack of foreign currency to support its fixed exchange rate, cutting its peg to the U.S. dollar. Thailand was already burdened with foreign debt, and its bankruptcy caused a domino-like crisis

¹⁸⁶ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*.

¹⁸⁷ Ibid, 133.

¹⁸⁸ Ibid.

¹⁸⁹ Lee Han-gu. *Hangukjaebeollyungseongsa*. (Seoul: Bibong Pullishing, 1999).

¹⁹⁰ Although the phrase, the IMF crisis, is somewhat misleading, it is more often used to describe the financial crisis South Korea faced in 1997 and onward.

throughout Asia. South Korea was one of the most hard-hit by this crisis. This crisis eventually led to the bailout fund from the International Monetary Fund, which came together with a series of measures including deregulation, further liberalization of the Korean financial and banking markets, restructuring of businesses, etc. Although Korea was able to repay the debt to the IMF sooner than expected, its side effects are still palpable throughout the country.

Conclusion

This chapter has examined the way capitalist modernization progressed in Korea. It was the Japanese colonial government that introduced some basic elements of capitalism into Korea, such as industrial infrastructure and facilities, legal and financial systems, and private property ownership. The American influence in Korean capitalist modernization was indispensable. For this reason, the Korean economy under President Rhee Syng-man's leadership is dubbed "aid-economy" because the very survival of the nation in post-liberation era, especially after the Korean War, was heavily dependent upon the provision of American grant aid. President Park's prioritization on economic modernization led to the unprecedented economic development. However, capitalist economic modernization of Korea under Japanese colonial rule, American influence and the two regimes of Rhee and Park was achieved at the expense of democratic values and in violation of capitalist norms and practices. In the next chapter, I take up the issue of how these internal and external influences altered Western-type capitalism in a way that it could not become entrenched as a culture in Korean society.

CHAPTER THREE: THE KOREAN MODIFIERS OF CAPITALISM

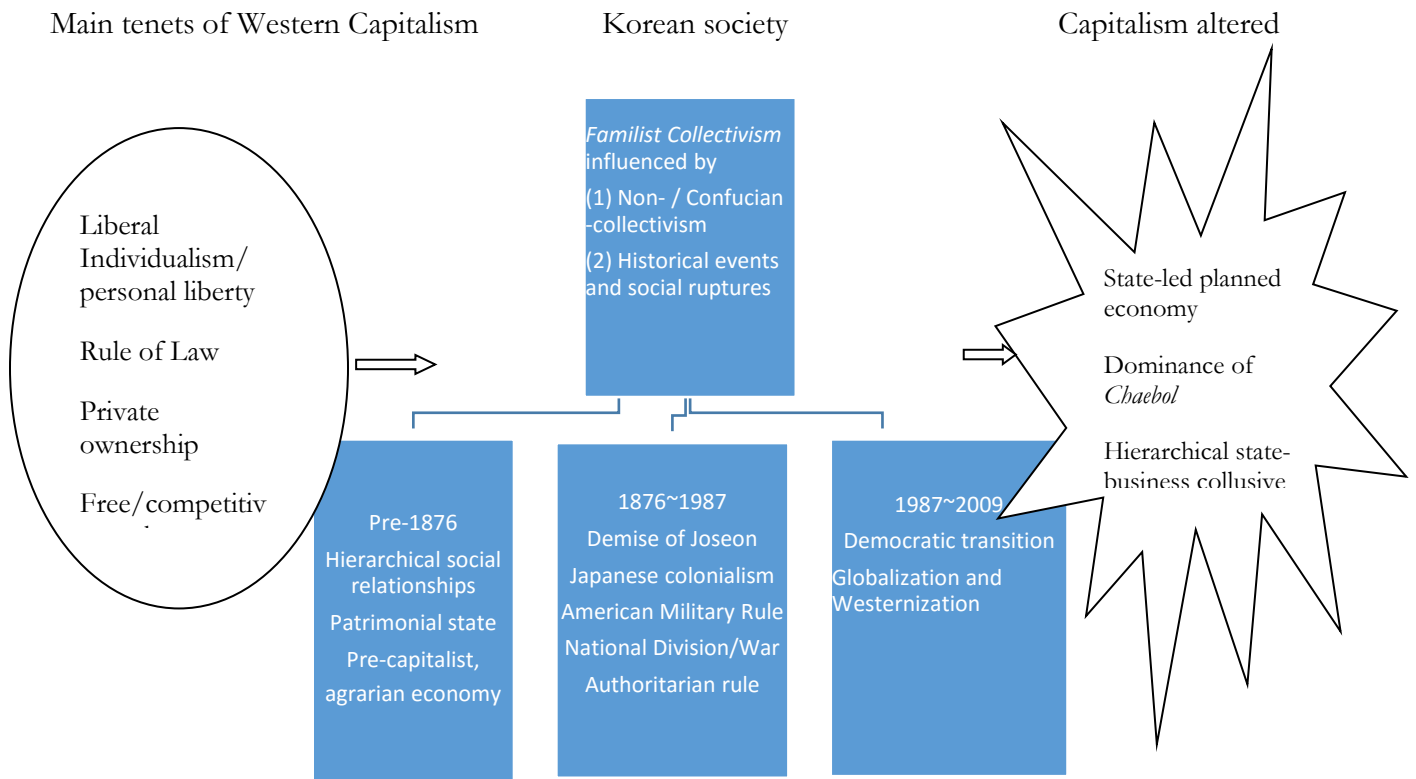
In chapter two, I provided the definition of capitalism for the purpose of this study. However, the examination of the development path of Korean capitalist economy betrayed this definition with the emergence of a very different type of capitalism from that of the United States. As I elaborated in the previous chapter, Korean capitalist economy is characterized by the state's heavy involvement in the market, the hierarchical state-business collusion and the dominance of large and family-run companies known as *chaebols* in the economy. These characteristics fit the description of altered capitalism in non-western societies provided by S.N. Sangmpam.¹⁹¹ They clearly indicate a disunity between the capitalist economic system and society in a country.

The overarching contention of this chapter is that Korea has a capitalist economy, but is not a fully established capitalist society. There is a fundamental tension between, on the one hand, the supposedly democratic political system with a capitalist economy that is solidly based on the principle of liberal individualism and, on the other, Korean society that functions principally on what I call *familist collectivism*. Specifically, this chapter aims to demonstrate Korean society's failure to achieve an entrenched capitalist culture as found in most Western countries, notably the United States. This investigation centers on the dynamic interplay between capitalism and Korean society, in terms of both the resistance against capitalist expansionism and mutual alteration between the two in the process. For this investigation, two sets of variables are analyzed as main modifiers of capitalism in Korea: endogenous and exogenous. The internal variables are associated with the tenacious survival of age-old traditional values and practices, both Confucian and non-Confucian.

¹⁹¹ Sangmpam, S. N. *Comparing Apples and Mangoes: the Overpoliticized State in Developing Countries*, 247-249

These domestic factors are discussed to test hypothesis one to show that the persistence and prevalence of indigenous cultural characteristics of Korea, manifested in familist collectivism, hindered the full development of an entrenched capitalist culture in Korean society. The external factors refer to Korea's dependent nature of its political and economic relationships with Japan and the United States respectively. These external factors are analyzed in the latter part of this chapter to show how Korea's relationship with these two significant countries not only contributed to Korea's capitalist economic modernization, but more importantly, further hindered the full entrenchment of a U.S.-type of capitalism in Korea as stated in hypothesis 2. The following diagram encapsulates the main arguments of this chapter.

Diagram 3.1. The Alteration Process of Korean Capitalism



3.1. Korean Society and Altered Capitalism

It is true that Korea is a homogeneous nation, especially in terms of ethnicity and language.

However, despite its cliché cultural label as Confucian, Korean society is more complicated than is widely understood. On the other hand, the United States is known as a multi-cultural, racially mixed nation. Nevertheless, American society is established and sustained on the ideological belief system grounded in Judeo-Christianity. In his dissenting opinion on the ruling of the same sex marriage in June 2015, Justice Thomas wrote¹⁹²:

When the Framers proclaimed in the Declaration of Independence that “all men are created equal” and “endowed by their Creator with certain unalienable Rights,” they referred to a vision of mankind in which all humans are created in the image of God and therefore of inherent worth. That vision is the foundation upon which this Nation was built.

Even the cherished principle of the separation of church and state was originally aimed at protecting church from any potentially harmful state intervention, not the other way around. By the 20th century, the United States was instituted politically and socially on “a thoroughgoing creed of individualism” based on Christianity that could withstand “as the basis of democracy as a form of government, of private enterprise as an economic system, and of liberalism as an attitude toward life.”¹⁹³

While Christianity has been a dominant ideology and praxis for the American way of life, South Korea during the period of 1948 ~ 2009, the time frame of this study, had an extremely diverse religious culture. Some even claim that Korea “is the very model of religious pluralism.”¹⁹⁴ Unlike the United States that has a relatively short history, Korea as a nation has a longevity of many thousand years. Therefore, a proper understanding of the nature of Korean society between 1948

¹⁹² Obergefell v. Hodges 576 U.S. ____ (2015)

¹⁹³ Ketcham, Ralph, 1927. *Individualism and Public Life: A Modern Dilemma*. (NY: B. Blackwell, 1987), 64

¹⁹⁴ Buswell, Robert E., Jr., 1953. *Religions of Korea in Practice*. (Princeton, N.J.: Princeton University Press, 2007), 31.

and 2009 requires an analysis of the impact on its people and society of the country's long history. It is also important to take into account Korea's turbulent modern history filled with tragic events of national magnitude in the 20th century such as Japanese military colonialism, enforced national division, the Korean War and rapid industrialization and urbanization. This section begins with an analysis of how the nation's history left a legacy of blended culture of Shamanism, Buddhism, Confucianism, and most recently, Christianity. I also provide evidence that some of these practices are still operational in Korean society, not to mention during the period of 1948-2009. I then introduce the concept of familist collectivism as the most dominant operating principle and standard of conduct for most Koreans in the study period. It stands squarely opposed to liberal individualism, the cornerstone of American democracy, capitalism, and society. In so doing, I argue that notwithstanding capitalist expansionism and its attendant social changes, the tenacious Korean culture, expressed in familist collectivism, was not entirely replaced by a Western type of individual-freedom based capitalist culture.

3.1.1. Korean culture – A jumble of multi-religious ideas and practices

Korea joined the international community as a sovereign nation-state in 1948, but its history did not begin at that point.¹⁹⁵ As its long history unfolded over thousands of years, the people experienced several types of mainstay religions and philosophical constructs including Shamanism, Buddhism, Confucianism, and most recently, Christianity.¹⁹⁶ Unlike the United States that purposefully separated politics from individual faith life, the overall religious history of Korea is of state

¹⁹⁵ This study follows the traditional periodization of Korean history: Old Joseon (traditional dates 2333 B.C.E. – 194 B.C.E.), Three Kingdoms period (first century B.C.E. – 668), Baekje kingdom (traditional dates 18 B.C.E. – 661), Goryo kingdom (traditional dates 37 B.C.E. – 668), Silla kingdom (57 B.C.E. – 668), United Silla dynasty (668 – 935), Goryo dynasty (918-1392), Joseon dynasty (1392 – 1910), Japanese colonial period (1910 – 1945), American military rule (1945 – 1948), National division (1945 – present).

¹⁹⁶ There are other minor religions in Korea, but their membership, influence and history are not strong and noteworthy; therefore, they are not analyzed here.

endorsement of a series of distinct religions and of popular practice.¹⁹⁷ If necessary, the state also suppressed and harshly persecuted those devoted to less preferred religions as in the cases of Buddhism and Catholicism during the early and late Joseon period. Precisely because of such heavy political intervention in religion, the rise and fall of religions have often been in tandem with those of political powers throughout Korea's history.

Shamanism in Korea is as old as Korean history itself. It is not only the most ancient of all religious traditions but also the most persistent and pervasive. One perspective is that it probably began to dominate the religious life of Korea after the middle of the first century B.C., when the three kingdoms (first Century B.C.E. ~ 668) combined several tribal states and emerged with a distinctively centralized government.¹⁹⁸ By the beginning of Goryo (918 ~ 1392), Shamanism was the dominant indigenous religion in the land. Shamanism was based on the belief that human beings as well as natural forces and inanimate objects all possess spirits. It was also considered as a religion of women,¹⁹⁹ which may explain in part its pervasiveness and prevalence for most of its history.

Buddhism was first introduced from China in 372 A.D., and enjoyed its golden days during the Goryo period (918 ~ 1392). For instance,

[I]t was decreed in 1036 that if a man had four sons, one of these must be a Buddhist priest. Later, this was changed to one son in three. In 1136, thirty thousand priests were said to have been present at a single ceremony. Monasteries and temples were numerous, usually set in some beautiful, retired spot in the mountains.²⁰⁰

During the Goryo era, Confucianism was also in place, but its influence was much smaller than that of Buddhism because Buddhism was officially adopted and supported as the state religion and

¹⁹⁷ Kim, Sebastian C. H., and Kirsteen Kim. *A History of Korean Christianity*. Cambridge University Press, New York, 2015.

¹⁹⁸ Kang, Wi Jo. *Religion and Politics in Korea under the Japanese Rule*. Lewiston, NY: E. Mellen Press, 1987, p.2.

¹⁹⁹ Oh, Kyong-Geun. "Korean Shamanism – The Religion Of Women." *International Journal of Korean Humanities and Social Sciences* 2 (2016), 71. Web.

²⁰⁰ Clark, Allen D. *History of the Korean Church*. (Seoul: Christian Literature Society of Korea, 1961), p.24.

widely practiced. Because Buddhism was not seen in much conflict with the shamanistic rites of nature worship, it naturally blended in with Shamanism.²⁰¹ Thus, so many of the special mountains thought to be the residence of spirits in pre-Buddhist time soon became the sites of Buddhist temples.²⁰² Even in the early 21st century, Korea still preserves many of these Buddhist practices and physical temples.²⁰³ What this entails is, despite the adoption of Buddhism as the official religion and ideology by Goryo, many of the Shamanistic practices and mindset remained operational in most ordinary people. Thus, Shamanistic influence in Korean's daily life persisted for a long time. Such a blending inevitably produced a hybrid of the two religions. As a result, it is almost impossible to distinguish which is of Buddhist origin and which is of a Shamanistic one.

After the Yi family clan founded Joseon in 1392 in a military coup, it installed neo-Confucianism as the official state religion and governing ideology, moved the capital to the present Seoul and instituted the study of the Chinese classics as the basis for official appointments in government career. Thereafter, the state examination based on Confucian teachings became the main pathway to officialdom and source of prestige and wealth. In contrast to the Goryo era that accommodated the existing folk religion of Shamanism with its officially adopted Buddhism, the Yi Dynasty not only outlawed Buddhism but also oppressed it to a point where “no Buddhist priests were allowed in the city of Seoul” because of the alleged evil influences of Buddhism during the Goryo era.²⁰⁴ As a result, most Buddhist temples began to spread out to the outskirts of the capital city, and mostly found homes in remote mountains. In her pioneering work on Korea's pre-modern society, Martina Deuchler uncovers that the founders of the Joseon Dynasty tried to solve social problems that were increasingly manifest in the last days of Goryo (935-1392) by adopting neo-Confucianism. This

²⁰¹ Ibid, 24-25.

²⁰² Ibid.

²⁰³ The exiled President Chun Doo-hwan found home in one of the old Buddhist temples after he offered to the nation a public apology for his wrongdoings while in office in 1988.

²⁰⁴ Clark, Allen D. *History of the Korean Church*, 21.

newly adopted state ideology of Neo-Confucianism served “as a key to social legislation that eventually remade Korean society.”²⁰⁵ Consequently, throughout the five-century reign of the Yi family clan, neo-Confucianism served as the overarching rules and principles that governed politics, hence governmental structure, socio-economic relations and interactions between and among people.

In principle, neo-Confucian ideology assumes the harmonious relationship not only between the spiritual (the humans) and the material (the nature), but more importantly between humans. Confucian culture focused on the family as the place of cultivation of right behavior or virtue for the sake of peace and harmony in society through the Confucian tenet of 三綱五倫, The Three Bonds and the Five Moral Disciplines in Human Relations. This principle governed and guided the proper interactions between members of society: the king and its subjects, the father and the son, the husband and the wife, siblings and friends. The three underlying pillars of these relationships are loyalty, filial piety and sincerity (or integrity). Because individual identity was fundamentally understood largely in connection with relationships and groups, Confucian view of harmony between human beings is highly and rigidly hierarchical in nature. This focus on relationships inevitably led to a hierarchical social structure.

For instance, the King is superior to all other subjects, the Father is to be revered, the wife is to be submissive to her husband, and so on. Ideally, this social hierarchy is defined by both mutual responsibilities and differences in physical strengths, mental capacities and social status. Also, men (fathers, husbands and eldest sons) are superior to women (mothers, wives and daughters). As I mentioned in chapter two, this social hierarchy is also sustained by a lineage-based class system where the yangban class prevailed as the state elites. Confucian Joseon society was divided not only

²⁰⁵ “An Interview with Martina Deuchler.” *The Review of Korean Studies*, vol. 4, no. 1 (2001): 173-195

by social status but also by gender. Women were systematically disadvantaged, subordinate to male counterparts. Confucian teaching valued a life of scholarship above all else. Most *yangbans* despised physical labor and were disengaged from productive activities such as farming or manual labor. Confucian morality was community based, which meant personal profit was discouraged in favor of communal survival, stability and the standing of the lineage group. As a result, the so-called *sa* (*scholarship*)-*nong* (*farming*)-*gong* (*industry*)-*sang* (*commerce*) attitude prevailed throughout Joseon society and its influence persisted in the minds of people.²⁰⁶

Although neo-Confucianism was systematically instituted as the ideological basis for the polity and societal norms, it also was challenged greatly in the last days of the Joseon dynasty. Late Joseon Korea was aristocratic and bureaucratic, dominated by kinship groups or clans that claimed their patrilineal descent from a distinguished common ancestor. About ten percent of the population belonged to the yangban social class, who alone had access to education, public office, social status, economic privileges and political influence. The power of the yangban class increased to the point where they “expanded their lands at the expense of farmers’ and turned many farmers into peasant or half-tenant farmers, decreasing the tax resources”²⁰⁷ for the state. In turn, the government exploited the farmers to fill in the shortage of its finance. In what is known as *Gabo*²⁰⁸ Reform from 1894 to 1896, the state responded to ever-growing grievances of the farmers including *Donghak* Peasant Movement. The state-backed hierarchical class system was officially abolished, eliminating social privileges of the yangban class. Those with talent were to be allowed to study and appointed to government posts based on merit alone, regardless of social class. The army was to be established through conscription, regardless of family backgrounds. All official documents were to be written in

²⁰⁶ One prime example of the resilience of this discriminatory attitude toward social strata is reflected in Korean banknotes commemorating mostly scholar-officials of Joseon dynasty, whereas politicians such as presidents were depicted on American notes.

²⁰⁷ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labor, Capital and the Myth of the Developmental State*, 74.

²⁰⁸ The name *Gabo* (갑오, 甲午) comes from the name of the year 1894 in the traditional sexagenary cycle.

Hangul (the vernacular language invented by King Sejong in 1443), not *hanja* (Chinese characters).

Leather working, acting and so on were no longer to be regarded as degrading work, and the people who do them would no longer be outcastes. All forms of legal slavery ended. However, the official and legal abolition of Confucian social practices did not get rid of such traditional values and beliefs in the minds of Koreans, deeply ingrained through political socialization and institutionalization for such a long time.

It is tempting to claim that the influence of Confucianism in the life and mind of the Korean people and society is the greatest of all the traditional religions and ideologies because of the systematic institutionalization of neo-Confucianism by the state. However, it is an impossible task to clearly discern the respective influence of Buddhism, Shamanism and Confucianism on the lives of the Korean people in the post-Joseon society. Still, neo-Confucianism was the ideology of the ruling class that systematically worked mostly for the interests of the elites at the expense of the majority of the populace. It was also the official ideology of the state. Like the fate of Buddhism at the beginning of Joseon dynasty, Confucianism was often accused of many social ills since the latter days of Joseon and in most parts of the 20th century.²⁰⁹ Moreover, the inability of the Joseon government to protect its subjects from various external invasions and the corruption of the so-called yangban officials was often attributed to neo-Confucian influence.

This notwithstanding, the four decades of Japanese colonialism and the exposure of Koreans to the new religions such as Catholicism and Protestant Christianity all diluted the influence of Confucianism in post-liberation Korea. Also, the 40-year Japanese colonial rule furthered the destruction of Confucian social order. The American military rule and its economic assistance in the

²⁰⁹ Interestingly, the remarkable economic growth of East Asian countries, collectively known as NICs, sparked interest in the connection between Confucianism and economic success, or lack thereof.

1950s reorganized the social order. Therefore, Korean social order during the 1948-2009 was neither a fully Confucian nor capitalist one. Rather, it was a distorted or jumbled social order. Whatever it is called, it is NOT a social order based on liberal individualism.

As stated, the traditional Korea was a very hierarchical, class-oriented society where the yangban ruling class abused and oppressed the poor and the women were subservient to men. That is why Shamanism continued to operate, especially by women who needed external help to escape the many kinds of misfortunes. There was hardly fair treatment, civil or individual rights, for most populace but it was harsher for women. For instance, both in traditional and modern Korea, it is a common practice for a mother to pray in front of big trees and rocks to have a son. There were so many disadvantages attached to not having a son. For a long time, the daughters were not counted as family members and if she did not have a boy, the mother was no longer treated as a mother. Sometimes she was ousted from the family. She was not supposed to show grievances toward the husband even if the husband had a second wife or a concubine for the sake of having a son.²¹⁰ In 1990, the ratio between boys and girls in Korea reached 116.5 to 100, the highest in the world.²¹¹

Therefore, it would be more accurate to understand the influence of each religion upon the minds of the people was cumulative rather than replacement. At the turn of the 20th century, the cumulative effect of such diverse religious practices and mindset was clearly observed by Western missionaries in Korea. In the eyes of observers, Shamanism, Buddhism and Confucianism “coexisted side by side, or rather have overlapped and interpenetrated each other,” to the extent “they are held in the mind of the average Korean as a confused jumble.”²¹² Theoretically, as

²¹⁰ In 1997, my sister-in-law cried in bitterness at the moment of her third daughter’s birth because she was married to the eldest son of an extended family. Her family-in-law was from a very traditional Confucian part of South Korea. The same year, I gave birth to a son, which greatly relieved my mother-in-law. My mother-in-law’s special treatment for my son was considered natural and acceptable by the entire family-in-law including the sisters-in-law.

²¹¹<http://www.koreatimes.com/article/20151202/956246>.

²¹² Jones, George Heber. “The Spirit Worship of the Koreans.” [online version], 39 (retrieved from www.raskb.com/transactions/VOL02Part1/VOL02Part1-2.docx)

Reverend George Heber Jones observed, the Korean was able to recognize the separate nature of the three ideologies, but practically, these “lie in his mind as a confused, undigested mass of teaching and belief, hopelessly intermixed and chaotic.” Contrary to his insinuation of pessimistic negativity of the Korean psyche as such, the overlapping and interpenetration of diverse religions were operational in such a way that, for most Koreans, such a state was natural. It was an order, not a chaos, in their own unique way.

One century later, the same missionary may find the Korean society in a similar state. The only difference would be the addition of Christian influence to the picture. Before the liberation in 1945, although the Korean Christian church was small in organization terms vis-à-vis Korean society, it produced a number of individuals who were able to play a leading role in the national enlightenment and independence movements and in the modernization of Korean life. Such influential national leaders included Philip Jaisohn²¹³, Kim Kyu-sik and Rhee Syng-man, to name a few. For the twenty-year period following annexation, for instance, approximately 500 young Korean people went to the United States to study with the support of Western Christian missionaries.²¹⁴ In addition, many politicians converted to Protestant Christianity and sixteen out of thirty-three leaders involved in the Independence Movement in 1919 were Christian. The church also performed a great service by improving the position of women through opportunities in women’s education and church work. By accepting people from the lower levels of society, the church also contributed to the democratization of Korean society.

Christianity gained momentum for phenomenal growth both in terms of size and influence in Korean society first during the American military rule of 1945-1948 and later under the Rhee Syng-

²¹³ Seo Jae-phil in Korean, who was well known in Korea for his involvement in national independence and journalism.

²¹⁴ Koh Byong-ik. A Century of Korean-American Relations. In *Reflections on a Century of U.S.-Korean Relations* by Academy of Korean Studies. The Wilson Center, 1983. Conference Papers, June 1982, University Press of America.

man regime. The military government understandably preferred hiring English-speaking Christians to work with, and mobilized local churches for relief efforts during and after the Korean War. The founding president Rhee Syng-man, a professed born-again Christian, not only held his inaugural service in a Christian manner, but also established a series of pro-Christian policies during his terms of office.²¹⁵ During the 1960s and 1970s, Protestant Christianity had phenomenal growth from one million members in the early 1960s to seven million in 1980.²¹⁶ In fact, a modern South Korea without Christianity is hardly conceivable. At the end of the 20th century, more than 25 percent of South Koreans identified themselves as Protestants or Catholics, attesting to Christianity’s wide-ranging influence.²¹⁷ Out of nine Korean presidents, three were professed protestants (Rhee Syng-man, Kim Young-sam and Lee Myung-bak), one Buddhist (Roh Tae-woo) and one Catholic (Kim Dae-jung). Both Chun and Roh were considered Catholic but later leaned toward Buddhism, which indicated their faith was more or less nominal in nature. Controversies abound as each president was accused of showing favoritism toward his own religion over the rest.

Table 3.1. The State-supported Pro-Christian Policies vis-à-vis Other Religions

	Protestant Christianity	Buddhism	Time Gap
Designation as holidays	Christmas in 1949	Birth of Buddha in 1975	26 years
Mission in prisons	Prison chaplain system in 1945	Prison monk system in 1961	16 years
Mission in the military	Military chaplain system in 1951	Military monk system in 1969	18 years
Mission in Police	Police chaplain system in 1966	Police monk system in 1986	20 years
Establishment of the broadcasting system	Christian Broadcasting in 1954	Buddhist Broadcasting in 1990	36 years

(Source: *The President and Religion*, p.48)

²¹⁵ Baik Joong-hyun. *The President and Religion*. (Seoul: Inmulgwa Sasangsa, 2014), 48.

²¹⁶ Roh Chi-joon "Hankuk gyesingyowa kukka wwonryuk ganwui gwankye", *Kidoggyo sasang* (2012.4): 28-37

²¹⁷ Buswell, Robert E., Jr., 1953. Timothy S. Lee, and Inc. ebrary. *Christianity in Korea*. (Honolulu: University of Hawaii, 2006; 2005).

The afore-mentioned lamentation of an American missionary was echoed in 2009 when a well-known Korean pastor at a Christian conference poignantly preached a sermon on the title “A shaman in a suit at the pulpit.” He was dismayed at the prevalence of superstitious views and practices embedded even in the professed Christians. Despite Korea’s advancement in science and technology, a frustrated Western journalist also writes that Korea’s “propensity for the superstitious, the supernatural, or the primeval has few equals in the world, and among the advanced nations, none.” As aforementioned, President Kim Dae-jung moved his family cemetery in 1995 as a supposedly auspicious site that would produce a better luck for his election. Ordinary Koreans also heavily rely on superstition on all kinds of occasions, ranging from setting wedding dates, naming a new-born baby, starting a new business to making a movie. Koreans “go through an elaborate ritual to appeal to the superstitious oracles, whether it be fortune-tellers, shamans, diviners.”

Like the Korean of the early 20th century, a young Korean now goes to a Western-style university taking some classes in English with the sacrificial help and pressured guidance of his parents. When pressed, his mother is willing to engage in illegal activities to earn money for the child’s education.²¹⁸ The youngster eats pizzas and drinks Starbucks coffee, casts a ballot on Election day, posts pictures taken with his cell phones on his Facebook page. The same young Korean then goes to a fortune-teller to find out his/her chance of getting a job and to know about the future. In a survey of 898 college students in 2010, 68 percent of respondents consulted a fortune-teller at least once in that year. Approximately 81 percent of those surveyed said they felt the urge to go to see a fortune-teller at least once a year. On Sundays, his parents would serve in one of the largest churches in the world as an elder and as a deaconess. On the eve of the nation-wide state examination for the

²¹⁸ Both a former policeman and the wife of a policeman were arrested for their respective involvement in phishing. The woman confessed that she needed the money for her children’s private tutoring. Chosun Ilbo, December 19, 2016.

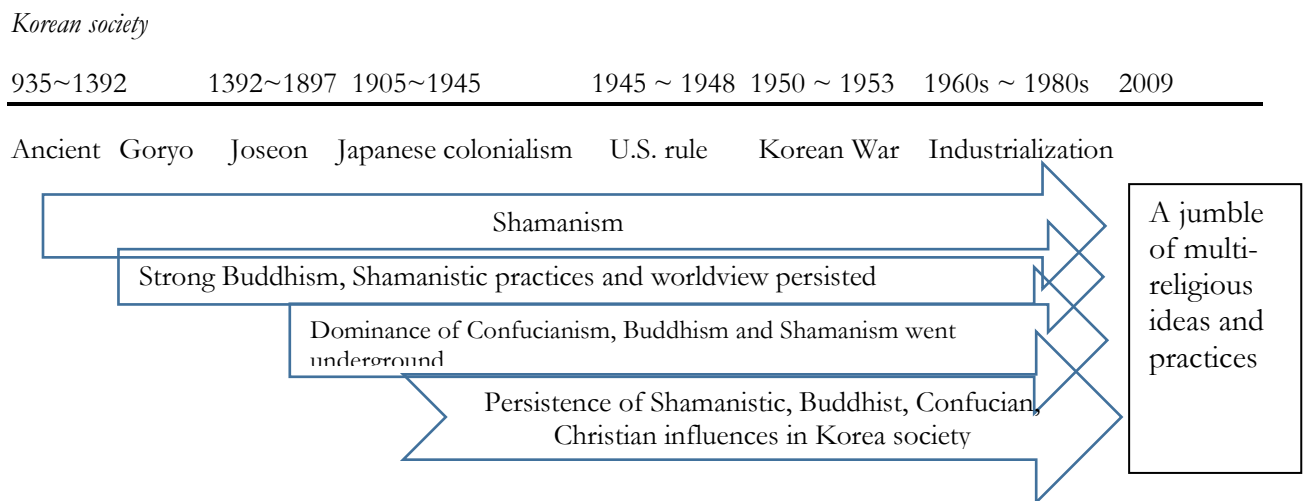
college entrance, some mothers would stay up at a church to pray for the best favor from God for the child, while some others would bow many times before the stone-carved Buddha statute for the same luck.

Some of these Shamanistic, Buddhist, Confucian and Christian practices, often in a variety of combinations, were very much operational in Korean society between 1948 and 2009, and still are in the 21st century. The former Prime Minister of Korea, Goh Kun, who also served as acting President while former President Roh Moo-hyun was suspended of his presidency during the impeachment trial in 2004, provides an anecdote in his recently published memoir. In 1977, there was a severe drought in the province where he was the governor. The elders of the region expressed their concerns, and demanded he observe a rainmaking ritual. These same elders were concerned about the potential drought ten years back because the then governor's name had a Chinese character that meant 'fire' in his name. Because these elders were the opinion leaders of the Kwangju and Cheonnam regions under Governor Goh's administrative jurisdiction, he could not ignore their suggestion. Therefore, he announced to the local media he would observe the rainmaking ceremony in his own office, instead of doing it on the top of Mt. Moodeung, known for its spiritual power. Only then did he quench the anxiety of the local people. In January 1970, President Park Chung-hee visited the Economic Planning Board (EPB) to tour the newly installed computerized system. The system was a symbol of the modernization of the budgeting process in Korea. Worried that something might go wrong, the Budget Bureau of the EPB in charge of this project decided to observe one of the most traditional practices: a *gosa* with the head of a pig in front of the computer. In Korea, a *gosa* is an often-observed Shamanistic ritual in which food, including a steamed pig head, is offered to the spirits to bring good luck and avoid any misfortune by placating evil spirits. It is typically performed at the beginning of an important endeavor, opening of a new

shop or company, or even when moving into a new house. This kind of spirit worship practices are not uncommon even in the 21st Century Korea.

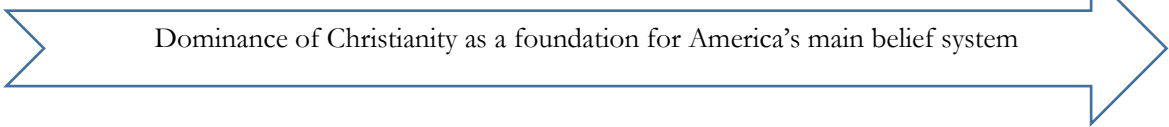
Feng Shi (or geomancy) is also widely practiced. Major politicians, including President Rhee Syng-man, Park Chung-hee and Kim Dae-jung, are reported not only to have visited fortune-tellers to know their political fates but also changed the gravesites of their ancestors in the hope it would give them a better chance in seizing power. Businesspeople, of course, are not exempt from this widespread practice. Shamanistic influence in managing state affairs is nothing new to Korea. At the turn of the century, empress Myeongseong, the wife of Joseon’s last king and the first emperor of the Korean Empire, was allegedly dependent on a Shaman, causing so much grievances on the people. As of November 2016, the Koreans were experiencing déjà vu because the incumbent president Park Geun-hye was severely criticized for being influenced by a Shamanistic cultish family. The following diagram intends to highlight the cumulative nature of Korea’s diverse religions.

Diagram 3.2. The Cumulative Nature of Korea’s Traditional Religions and Philosophical Constructs Compared to the U.S. Situation



1612 Mayflower Compact

2009



Dominance of Christianity as a foundation for America's main belief system

3.1.2. Tenacious tradition – *Familist Collectivism*

It should be obvious that when the capitalist economic system was introduced in Korea by Japan in the early 20th century, it was met with these time-honored traditional values and practices. In other words, Korea was not like the United States “where many traditional restraints were absent.”²¹⁹ In America, as Ralph Ketcham observed, “the new thought associated with a market economy articulated two startling innovations in how people viewed themselves and their place in society.”²²⁰ First, wealth increase became the primary purpose of government. Second, self-interest was increasingly validated as a motivation in human affairs. These two points are inter-related in the sense of “private vices (selfishness) and public benefits (national wealth and power).”²²¹

In echoing what Weber and others noticed, Ketcham also argues that “when capitalism and the commercial spirit meshed with the also flourishing piety, evangelical Protestantism, moreover, a further, radicalized individualism resulted.”²²² Thus, the United States, like other Western countries, “experienced a mixing of material and spiritual energies that resulted in the sort of many-faceted individualism.”²²³ As a matter of fact, the mechanism of a free market reflects and sums up all the

²¹⁹ Ketcham, Ralph, 1927. *Individualism and Public Life: A Modern Dilemma*. (NY: B. Blackwell, 1987), 46

²²⁰ Ibid.

²²¹ Ibid.

²²² Ibid, 51

²²³ Ibid.

economic choices and decisions made by all the participants according to their own independent and un-coerced judgment. Hofstede also points out that in the West capitalist market economy fosters individualism and in turn depends on it.²²⁴ Thus, it is no wonder that “America is the Canaan of capitalism, its promised land.”²²⁵

Simply put, capitalism was brought to the fertile land of the American society where the new economic system was well blended with liberal individualism. Liberalism, as a moral and political ideology that evolved in Western Europe and North America, represented a sharp break from the medieval social order. It exalts individuals as being autonomous, rational and free to choose and control their determinate ends or purposes. The role of the state vis-à-vis individuals is to protect individual liberty as much as it can. As Hofstede defines, individualism “pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family.”²²⁶ Accordingly, individualistic societies emphasize “I” consciousness, autonomy, emotional independency, individual initiative, right to privacy, pleasure-seeking, financial security and universalism.²²⁷ The United States is well known for its individualist culture because it was founded by those who sought personal liberty for religious freedom at the risk of their own lives. This focus on liberal individualism is clearly reflected in the U.S. Declaration of Independence: “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness--That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.” “All men” in this context refers to the

²²⁴ Quoted in Kim, Ui-chol. *Individualism and Collectivism: A Psychological, Cultural and Ecological Analysis*. (Copenhagen S; Chicago: Nordic Institute of Asian Studies, 1998; 1995).

²²⁵ Weinberg, Meyer. *A Short History of American Capitalism*. (New History Press. 2003. [On-line version].

²²⁶ Kim, Ui-chol. *Individualism and Collectivism: A Psychological, Cultural and Ecological Analysis*.

²²⁷ Ibid.

collective entity of autonomous individuals. As Ketcham argues, it is this fundamental belief in individualism that made possible so many of the material advances in America.²²⁸

However, American type of liberal individualism never took such a primary place in the institutions, psyche and behaviors of the Koreans for most of the country's history. Such notions as equality of men before God and government as the delegated authority from the consent of the governed were alien to pre-modern Koreans. In the America's Judeo-Christian tradition, salvation by God is a very personal business. Everyone is accountable for his life before God. From that notion of individuality before God comes the idea of the golden rule, "Do to others as you would have done to you."²²⁹ In contrast, Korean society is traditionally characterized by Confucian collectivism as a conceptual counterpart to liberal individualism.²³⁰ As Hofstede defines, collectivism pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty.²³¹ Collectivist societies stress "we" consciousness, collective identity, emotional dependence, group solidarity, sharing, duties and obligations, need for stable and predetermined friendship, group decision and particularism.²³² These fundamental differences between liberal individualism and Confucian collectivism are embedded in almost every aspect of life for the peoples in both types of societies including the way they communicate and relate to each other. As social psychologist Richard Nisbett shows,²³³ these core differences are clearly manifested even in the cognition process

²²⁸ Ketcham, Ralph, 1927. *Individualism and Public Life: A Modern Dilemma*.

²²⁹ Luke 6:31 of the New Testament in the Bible, Never International Version

²³⁰ Kim, Ui-chol. *Individualism and Collectivism: A Psychological, Cultural and Ecological Analysis*.

²³¹ Ibid.

²³² Ibid.

²³³ Nisbett, Richard E. *The geography of thought: how Asians and Westerners think differently-- and why*. (New York: Free Press, 2003).

of respective groups of people in the Western European and the Eastern Asian countries. Their cognitive workings and social behaviors are as different from each other as the West is far from the East.²³⁴

Against this backdrop, I contend that as a conceptual counterpart to the liberal individualism, *familist collectivism* is the operating principle and the standard of conduct for most Koreans during the period of 1948-2009. As previously mentioned, many of the traditional social structures and institutions have been challenged by historical disruptions and its attendant political and social upheavals throughout the 20th Century. Radical reform measures of the late Joseon dynasty, the Japanese colonial rule, and the Korean War demolished the Confucian social class system. The U.S. Cold War agenda for spreading democratization and capitalist market economy in Korea introduced Western ideas and values of liberal individualism, challenging the prevalence of Korea's traditional values and practices. The *Saemaul Undong* (the New Village Movement) and urbanization through the vigorous industrialization drive during the Park Chung-hee era in the 1970s, the democratization movement in the 1980s, and globalization of the 1990s through trade liberalization all brought about drastic changes to the lifestyles of Koreans. Korea's remarkable economic development and major international sporting events, such as the 1986 Asian Games, the 1988 Summer Olympics, and the 2002 FIFA World Cup, drew the attention of the international community. In the eyes of the world, Seoul was seen as modernized as any other metropolitan cities, such as New York City or Paris.

Notwithstanding all these challenges and changes the Korean people underwent, the most fundamental element of Korea's traditional values and practices that emphasize collectivism through strong family ties not only survived but also strengthened. Throughout the afore-mentioned eventful years and without a proper social safety net, the Korean people survived not by breaking up the family relations but by holding more strongly to family relationships. In fact, aggressive

²³⁴ Ibid. Richard Nisbett provides ample experiments that demonstrate the stark differences between the Western and the East Asian countries.

capitalist expansionism and its attendant social transformations in the later part of the 20th century reinforced the tendency to be more attached to strong family ties. I call this particularly pronounced tendency to uphold family ties as *familist collectivism*.²³⁵ This concept is used to distance Korean ways of Confucian collectivist practices and the functioning of familism from those of other Confucian societies and to denote its own uniquely Korean features.

The word familism is defined as “the subordination of the personal interests and prerogatives of an individual to the values and demands of the family.”²³⁶ It is true that family takes a very important position and role in every society. However, the role and influence of family in Korean society is more pronounced than other countries including the United States. It is not that Americans do not appreciate family; they merely put more emphasis on the pursuit of individual fulfillment more than their Korean counterparts. It is assumed that social improvement would follow from their personal growth and fulfillment. The word *collectivism* refers to the persistence of the Confucian and non-Confucian values and norms still operative among Koreans. It is encapsulated in the Korean family culture such characteristics as hierarchical/authoritarian inter-personal relations. In general, it also puts emphasis on individual sacrifice for the betterment of the whole. The persistence of Shamanistic and Buddhist practices was also more closely associated with family’s welfare than individual fulfillment.

²³⁵ Edward Banfield introduced the concept of amoral familism, the product of the three factors: a high death-rate, certain land-tenure conditions, and the absence of the institution of the extended family. According to him, the backwardness of the community (based on his field research on a village in southern Italy) can be explained ‘largely but not entirely’ by ‘the inability of the villagers to act together for their common good or, indeed, for any end transcending the immediate, material interest of the nuclear family’. My concept of familist collectivism and Banfield’s amoral familism are similar only in that both concepts are used as the substitution for the lack of a social safety net. However, there are significant differences mainly due to different social and historical contexts of the two societies. I owe this distinction to Professor Stuart Thorson. Refer to Banfield, Edward Christie., and Laura Fasano. *The moral basis of a backward society*.

²³⁶ <http://www.dictionary.com/browse/familism>.

Japanese colonialism also reinforced the strong familism in the minds of Koreans. Unlike China and Japan, Korean society was characterized by the predominance of clan villages. This clan-based rural community system prevailed even during the colonial period, which numbered 15,000 in 1940.²³⁷ The extended family, ranging from six to more than twenty members, was an important component of these clan villages. The extended family system rested on strictly patriarchal power and blood ties. Clan villages were excellent self-governing entities with clear leadership, progressive education, facilitation of agricultural help and a rotating mutual help system known as *Gye*.²³⁸ In fact, despite the colonial government's systematic efforts to assimilate Koreans into Japanese culture and colonialism-induced changes, "the Korean family system is a case of colonial non-change par excellence."²³⁹ According to Ha Yong-chool²⁴⁰, the Japanese colonial authorities took advantage of the traditional authority structure and family relationships they encountered in Korea for their economic interests and control. For the Koreans, maintaining family traditions was also considered as an act of passive resistance to the colonial authorities.²⁴¹ The yangban landlords served on various advisory committees and associations and were leading members of financial institutions and *myon*²⁴² chiefs. By their active involvement in local political, administrative and economic affairs, they utilized their positions to strengthen their status in class villages by promoting clan activities such as clan assembly and the publication of books on clan genealogy.²⁴³ Ordinary peasants, both those who went abroad and those who remained, relied on the extended family system for their survival. The traditional emphasis on preferring sons to daughters also served as a factor. Educational opportunities, if any, went almost exclusively to sons, especially the eldest sons. The resulting

²³⁷ Lee, Hong-yung, etal. *Colonial Rule and Social Change in Korea, 1910-1945*. (Seattle: University of Washington Press, 2013).

²³⁸ Ibid.

²³⁹ Ibid, 70.

²⁴⁰ Ibid.

²⁴¹ Ibid.

²⁴² An administrative unit.

²⁴³ Lee, Hong-yung, etal. *Colonial Rule and Social Change in Korea, 1910-1945*.

success of the education was regarded as that of the whole family, and the successful person was expected to support the family.²⁴⁴

Kim Ui-chol reports that with increased influences from the West, three trends have appeared in modern Confucian societies and other collectivist cultures.²⁴⁵ First, the in-group and out-group boundary has become more differentiated and discrete. With increased industrialization, urbanization and globalization, people in modern Confucian cultures have to interact with out-group members in greater numbers, frequency and degree. In these situations, they have learned to separate in-group situations from out-group situations. When interacting with out-group members, they adopt individualistic orientations, and with in-group members they maintain collectivistic orientations. The spectacular economic growth of South Korea since the 1960s transformed the physical aspect of Korean society and the lifestyles of the people, blinding the eyes of the outsiders to the division between in-group and out-group boundaries. Second, the coexistence mode reflects a dynamic interplay between individual and group loyalties. In modern Confucian societies, the separation of the private self from the public self has become much more pronounced. Finally, it has been observed that the role of the father in a family has become much more peripheral whereas the role of the mother has become indispensable.²⁴⁶

During the period of 1948-2009, Koreans not only maintained a collectivist mindset but expanded its collectivist orientation. As a result of transformative social changes, the traditional family ties were modified by the loosening of the traditional lineage relations and expanding to the broader social relations based on the three affinity connections: *Hyuhyeon*—affinity among members of the same blood clan, *Jeeyeon*—affinity among people from the same region and *Hakyeon*—affinity

²⁴⁴ Ibid.

²⁴⁵ Kim, Ui-chol. *Individualism and Collectivism: A Psychological, Cultural and Ecological Analysis*.

²⁴⁶ Kim Dong-choon. "Kajok yigijooui." *Critical Review of History*. (1999. 5): 309-319. Summer: 47. Special Feature.

among people from the same schools.²⁴⁷ This focus is uniquely Korean, and its influence is prevalent both in ordinary people's lives and at the state level. For instance, as recently as 2008, President Lee Myung-bak was heavily criticized for his first cabinet appointments. His cabinet was notoriously called "*Ko So Young* cabinet" named after a famous Korean actress. This term refers to the appointments of those who graduated from Korea University (President Lee's alma mater), attended *Somang* (Hope) church (President Lee was an elder of this church) and came from the *Youngnam* region (President Lee's hometown). This is a modern version of the extended family relationship as it was the case for the lineage-based family relationship in traditional Korean society.

The economic modernization of Korean society influenced the structure and function of the traditional family, ironically reinforcing *familist collectivism*, rather than weakening it. Since the 1980s, separated families, living apart for the sake of their children's education, have become a widespread phenomenon in Korea. In these families, mostly mothers and children live overseas to support the children's education while fathers stay in Korea to work and finance families' living and educational expenses. The father in this family is referred to as "*Kirogi appa*," or wild goose father. *Kirogis* (or geese) are iconic birds in Korea, known for their natural devotion to their spouses and offspring. And these families are prime examples of Korean parents' absolute and unconditional devotion to their children, sacrificing themselves to give their children more advantages in life.

Widespread corruption in Korean society also has much to do with *familist collectivism* including cheating and bribery for the illegal entrance to elite schools, illegitimate exemption from the military service for the sons of the rich and the powerful, and the like. The national outrage against President Park Geun-hye in 2016 was invoked by the excessive and illegally conducted favoritism

²⁴⁷ According to Ha Yong-chool, high school ties were cemented under colonial rule. Refer to *Colonial Rule and Social Change in Korea, 1910-1945*.

toward the daughter of Park's long-time confidant Choi Soon-sil. Mrs. Choi not only capitalized on her personal connection to President Park Geun-hye for illegal financial gains, but also abused presidential power and her discretion for the sake of her daughter.²⁴⁸ It is true that as Korea industrialized and modernized, many symptoms of an individual and commercial society such as the United States have manifested. However, this trend does not amount to the replacement of such a deep-rooted, family-centered mindset of Korean people with that of American liberal individualism. Even today, Korea cannot be described as a truly individualistic society where individual liberty is more valued than age-old understanding and practice of "the subordination of individual preference and choice to the collective obligation,"²⁴⁹ which is built in every level of society.

Familist collectivism reflects the changes and continuity between traditional familism with patrilineal characteristics and its modern version with much more pronounced roles of women. In traditional Korean society, a mother's power was limited by the presence of extended family members, especially the mother in law. With greater nuclearization and urbanization, the mother has become the single, most important socializing agent.²⁵⁰ The rapid economic growth and its attendant socioeconomic transformations also reinforced the negative aspects of familism that put family before morality and loyalty to the state; it made Koreans increasingly selfish for their families. Some argue that "the most powerful religion in Korea is familism," and the traditional community spirit of "I'd rather starve to death than steal" disappeared as Korean society skewed more toward capitalist materialism.²⁵¹ As Choi Jae-sok poignantly observes, many Koreans are confused between individualism and egoism.²⁵² Although people have acquired egoistic and selfish lifestyles, influenced

²⁴⁸ This scandal eventually caused the incumbent President Park Geun-hye to be impeached, convicted, and eventually removed from her office for the first time in Korean history.

²⁴⁹ Ketcham, Ralph. *Individualism and Public Life: A Modern Dilemma*.

²⁵⁰ Kim, Ui-chol. *Individualism and Collectivism: A Psychological, Cultural and Ecological Analysis*.

²⁵¹ Kim Dong-choon. "Kajok yigjjooui." *Critical Review of History*. (1999. 5): 309-319. Summer: 47. Special Feature.

²⁵² Choi, Je-seok. *Social Character of Koreans*. (Seoul: Kemoonsa. 1982).

by consumerism and materialism through capitalist expansionism in Korean society, they react negatively to individualism that emphasizes self-reliance and autonomy.

3.1.3. Familist collectivism and altered capitalism

As I discussed in chapter two, the dominant features of Korean capitalism include the state-led planned economy, the hierarchical state-business collusion and the dominance of Korean *chaebols* in the economy. In fact, these characteristics betray an altered form of capitalism that defies some of the main tenets of Smithian capitalism: free and competitive market system, rule of law and individual liberty including private property ownership rights. In the remainder of this section, I discuss the actual manifestations of *familist collectivism* to show how this altered Korean capitalism in Korea.

Both in traditional and modern Korea, the family is the basic unit of society and the most important of all other social organizations, including the state. Society and the state are seen just as an extension of the family.²⁵³ As I previously mentioned, the president (in place of a king) is understood as the father figure of a large extended family called a state. Following this traditional legacy, Korean state bureaucracy is also characterized by centralized and elitist administration. In the words of Gregory Henderson, Korean politics is characterized by “politics of the vortex,” referring to the concentration of all political energy at the highest level. In an authoritarian hierarchical social order, government is not viewed as a contractual arrangement between the rulers and the ruled. According to Yoo Moon-jee, Korean state structure is most outstandingly characterized by the patrimonial social order based on traditional Confucian culture. According to

²⁵³ The word-root for ‘nation’ or ‘the state’ in Korean is *guk-ga*, with *guk* meaning the state/nation and *ga* meaning the family/household, whose combined meaning refers to ‘nation-family/house/household.’ The bureaucratic office is called “*gyun-ga*” with *gyun* meaning “bureaucratic” and *ga* referring “family/house/household.” These two words, *guk-ga* and *gyun-ga*, representing higher governing authorities other than the family/household, are understood as part of the family. The King was called “the father of nation” and the queen “the mother of nation.”

her, the Japanese colonial rule reconsolidated Confucian-rooted patrimonial power into a new arrangement, rather than bringing about any fundamental change into other forms of political organization.²⁵⁴

President Rhee Syng-man, with his outstanding academic background, reputation as the independent movement leader and his royal family lineage line, ruled liberated Korea like a monarch where he ruled like a king and the people were his “subjects. ” He was “a personal ruler” and his regime was “a personal authoritarianism based on an astute manipulation of political factions as well as suppression of the opposition.”²⁵⁵ Rhee changed the constitution in 1958 to make himself president virtually for life and that gave him the power to appoint provincial governors and the chief officials of major cities.”²⁵⁶ In this sense, all the succeeding presidents of the authoritarian era (Park Chung-hee, Chun Doo-hwan and Rho Tae-woo) followed in Rhee’s steps. Each president monopolized state resources and opportunities. Each president “parceled out the economy to his loyal cliental followers and disciplined his clientelist followers through credit control and tax incentives, and the state provided subsidies and monopolistic and oligopolistic economic opportunities in exchange for loyal support.”²⁵⁷

As I discussed in detail in chapter two, President Park’s strong resolve to pursue economic development through the four Five-Year Economic Development Plans further necessitated the centralization of state power. The Park regime granted preferential access to raw materials and credit on highly favorable terms to a few companies. This economic promotional policy required closer collaboration between the state and business. The prolonged and authoritarian rule of the Park regime institutionalized the collusion between the state and business. Only those with

²⁵⁴ Yoo, Moon Jee. *Patrimonial industrialization dynamics of the state and business organization for the case of South Korea*. (Doctoral dissertation. University of California, Davis. 1992).

²⁵⁵ Ibid, .27.

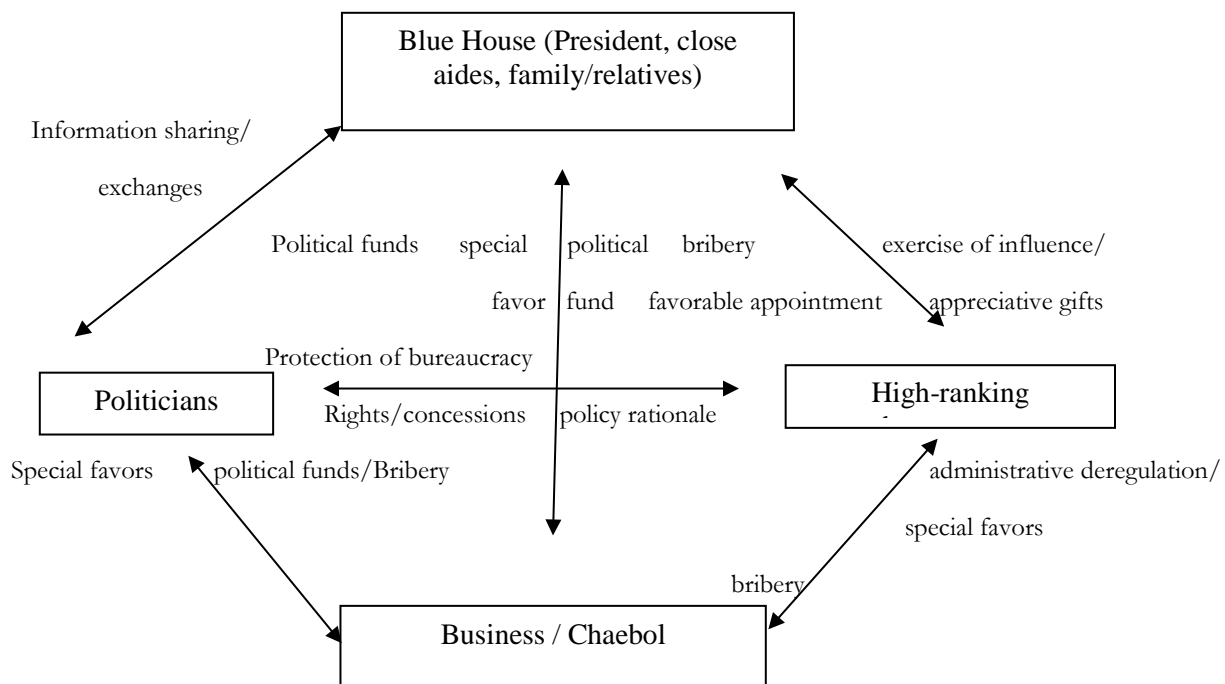
²⁵⁶ Ibid.

²⁵⁷ Ibid.

connections to the powerful political circles could receive favors of all kinds; this structured, collusive dynamic caused constant struggle for special favors.

The following diagram shows the structure of politics-business collusive ties that are so widespread and prevalent in Korean society. It appears to bear some similarity to the concept and practice of “iron-triangle” that characterizes the relationship between the bureaucracy, interest groups, and Congress in making public policies in the United States. However, these two fundamentally differ because interest groups are incorporated into legitimate political process and institutionalized in the United States, whereas the Korean version of iron-triangle does not allow such incorporation.²⁵⁸ Also, most of these collusive ties, though reciprocal in nature, are often top-down and informed through familist collectivism.

Diagram 3.3. Structure of politics-business collusive corruption²⁵⁹



²⁵⁸ For most South Koreans, the term ‘lobbyist’ and the concept of ‘interest groups’ and ‘lobbying’ were not familiar until 2000 when the scandal of Korean Mata Hari broke out. The scandal involved a woman named Lynda Kim who lobbied high ranking government officials to secure a multi-million dollar contract from the Korean Defense Ministry for a Texas-based company, E-Systems. (<http://news.bbc.co.uk/2/hi/asia-pacific/755752.stm>)

²⁵⁹ Jang, Joon-oh. "Political Corruption in Collusion with Business in Korea." *KOREAN CRIMINOLOGICAL REVIEW*, (2002.6): 89-132, 101.

The structure of collusion is four-tiered. The Blue House monopolized all political and economic resources, including much coveted job opportunities. Politicians and high-ranking bureaucrats, as the medium between the blue house and the potential seekers for special favors, offer critical information in return for bribery. Although this structure of collusion between the state and business may resemble on the surface any other capitalist state, in Korea it rests on *familist collectivism*. The connection in the four-tier structure is often made through the three affinity connections described previously.

Based on the logic of pursuing collective national goals, the authoritarian Park regime launched off his vigorous economic development projects in the 1960s and 1970s. Although it is benignly called “the developmental state” or “the state-led development,” the entire process, from the planning, financing, to actual implementation, attests to the nature of a planned economy, not a free market economic system. President Park, acting as the father figure who took the responsibility to feed the family, i.e. the nation as an extension of that ideology, made businessmen to dedicate their resources and talents to the country. As an illustration, Korea’s representative chaebol, Samsung founder Lee Byung-chul, believed if a company “fails to train its people as a valuable part of human resources who are capable of serving the society and the nation, the company is neglecting its social duty, and this is equivalent to committing a crime equal to corporate insolvency.”²⁶⁰ Lee believed it is an entrepreneurs’ mission to devote themselves to creating an everlasting company that will serve as the foundation for the nation’s wealth and power.

After his successful coup, Park Chung-hee laid out his revolutionary philosophy as follows:²⁶¹

²⁶⁰ April 2010, SERI Quarterly, Chang Jin-ho.

²⁶¹ Park, Chung-hee., 1917-1979. *Our Nation's Path: Ideology of Social Reconstruction*. (Seoul: Dong-a Pub. Co, 1962).

The society we aim to build following the revolution should be one in which all the people stand equal and responsible *before the state* [italics added for emphasis], enjoy freedom and lead a peaceful social life in cooperation with others in every field – political, economic and cultural. Justice and freedom should therefore be the fundamental condition of the life of the people...Even in a democratic country the people must acknowledge the authority of the state. Yet all the power of a democratic country is subject to public control. *Benefit for the whole must come before the interest of any particular group* [italics added for emphasis]. A state will fall and its people be ruined, if the personal interests of any particular group surpass those of the state.

In 1968, President Park proclaimed the Charter for National Education. It starts with this mandate for the people: We have been born into this land, charged with the historic mission of regenerating the nation. Based on this nationalistic and collectivist ideology, the Park Chung-hee regime mobilized the state apparatus against individual capital and labor to promote capital investment in specific industrial sectors that could satisfy economic development strategies designed by the Park administration.²⁶² It used the state power not only to crack down on the grass-roots struggles of the working class, but also hindered union activities by founding the Federation of Korean Trade Unions under the Korean Central Intelligence Agency (KCIA), making it nothing but a pro-government organization.²⁶³ In addition, the regime put the capitalist class under the control of the state through nationalized banks and financial institutions by confiscating the privately held shares of domestic banks from individual capitals.²⁶⁴ Through a series of legislations, it also dominated the management of the commercial banks to prevent large private shareholders from exercising their voting rights in managerial boards. The Korean state's dedication to capitalist development and its control over labor and individual capital, and more importantly, its tangible economic achievements earned it the name of a developmental state.

Despite neoliberal attacks and disparagement against the role of the developmental state, the

²⁶² Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*.

²⁶³ Ibid.

²⁶⁴ Ibid.

Korean state played greater and more positive functions and roles than assumed by neoliberals; its functions included coordinating for large-scale changes, the provision of entrepreneurial vision, institution building and conflict management, many of which cannot be easily accommodated within the narrow confines of mainstream economics.²⁶⁵ The downsides to this developmental state were also obvious. The Korean state was at the center of the struggle and actively intervened in crises, suppressing labor and exercising its leadership against private capitals by its well-developed institutional channels and forces.²⁶⁶ The specificity of Korean capitalism, including *chaebols*, the militant trade union and the government's heavy involvement in economic development became more entrenched throughout this period.

Interestingly, although Korea, Japan and China/Taiwan share the Confucian collectivist culture, including the centrality of the family in their societies, they have witnessed the emergence of different forms and characteristics of businesses. John Gray²⁶⁷ distinguishes these three types of businesses: Chinese and Taiwanese companies are mostly small, family businesses. They tend to rely on *quanxi*, or connection based on reciprocal obligations and long-term negotiation for their supplies and support. In this model, trust rarely extends beyond kin in weighty matters. The Japanese businesses are characterized by a strong corporate culture that values loyalty and prefer life-long employment. Unlike Chinese and Taiwanese counterparts, both Japanese and Korean businesses tend to be large business groups. The Japanese *zaibatsu* and the Korean *chaebol* respectively imply the unique nature of the formation, operation and culture of their businesses. The Japanese *zaibatsu* are vast transnational corporations that are open to government guidance, but they exhibit a high degree of

²⁶⁵ Chang, Ha-Joon. "The Economic Theory of the Developmental State." *The Developmental State*. (Cornell UP, 1999).

²⁶⁶ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*.

²⁶⁷ Gray, John, 1948. *False Dawn: The Delusions of Global Capitalism*. (New York: New Press, 1998).

autonomy in their strategies, whereas Korean *chaebols* are paternalistic institutions with founding families remaining in decision-making positions.²⁶⁸

Indeed, one of the outstanding features of a capitalist market economy around the world is the prevalence of large business groups, or conglomerates. The equivalent word for a conglomerate in Chinese character is 財閥, which Korea, China and Japan all share with differences only in the way this word is pronounced. The literal translation of the word itself is “wealth clan” or “money faction.” However, in the Japanese family-owned conglomerates, “family” means those with whom you form close bonds rather than strictly referring to blood relations. The *zaibatsu* disbanded after World War II, and their successors today are loose federations of companies, rather than centralized conglomerates like the Korean *chaebols*.²⁶⁹ Lee Han-gu²⁷⁰ in his analysis of the history of the development of Korean *chaebols*, identifies the three fundamental qualifications for a conglomerate to be called a *chaebol*: it should be (1) family-owned, (2) have businesses in at least two disparate areas or diversification of businesses and (3) cross-ownership of its subsidiaries. Therefore, “[i]t is very difficult to find similar counterparts abroad to South Korea’s *chaebols* today.”²⁷¹ In actual practice, loans are made between these subsidiaries to protect ownership and maintain control by the ruling family.

Although the influence of Korean *chaebols* is palpable around the world, they are deeply rooted in this operational principle of *familist collectivism*. In fact, a *chaebol* in Korea is more than a capitalist company; they function like clan-based dynasties. In some sense, they can be said to be a modern form of lineage-based kinship system. Traditionally, lineages are based on blood kinships. However, in the modern version of lineages, they are based not only on blood kinship but also on the extensive

²⁶⁸ Ibid.

²⁶⁹ Cho, Mu-hyun. “The Chaebols: The rise of South Korea’s mighty conglomerates.” (source: www.cnet.com)

²⁷⁰ Lee Han-gu. *Hankukjaebolhyungseongsa*. (Seoul: Bibong Publishing. 1999).

²⁷¹ Park Sang-in, professor at Seoul University's Graduate School of Public Administration, is quoted in www.cnet.com,.

networks of personal connections through marriages, schools and regional bases. As John Gray observes, in the Korean *chaebol* model, cooperation, often aiming at monopolistic or oligopolistic domination of markets, extends far beyond families. In actual operation, each business group, because of the complexity of modern technological development, “created departments that specialized in areas that could help the core team—the founder and his family.”²⁷² Key managerial posts within a *chaebol* are almost always given to the relatives of the chairman, the patriarch. *Chaebols* now exert enormous power in Korean politics and society with their accumulated wealth and protection from the politicians through connections in the form of marriages, schools and regional ties. These are part of the *familist collectivism* in operation. Therefore, “conventions often regarded as antithetical to capitalism [are] among the more significant features of Korea’s political economy.”²⁷³

The *familist collectivism* was also deeply implanted in the consciousness of Korean people’s minds and social practices and institutions. Kim Seung-kyung, in her analysis of how female workers accommodated and resisted the forces of global capitalism and patriarchy, shows that female factory workers defined themselves “in terms of their roles in families” and regarded themselves “as little more than temporary workers,” and thus, “willing to provide the low-paid, unskilled labor needed for light industry. Furthermore, their focus on family diverts their attention from labor issues and makes them more difficult to organize.”²⁷⁴ These female workers sacrificed their lives mostly for the sake of their entire family. Typically, the eldest son is educated at the expense of other siblings, mostly sisters. The sons also bear the burden of building the family up with their education and social success.

²⁷² Yoo, Moon Jee. *Patrimonial industrialization dynamics of the state and business organization for the case of South Korea*. (Doctoral dissertation. University of California, Davis. 1992), 99.

²⁷³ Janelli, Roger L., and Ton Im. *Making Capitalism: The Social and Cultural Construction of a South Korean Conglomerate*. (Stanford, Calif.: Stanford UP, 1993).

²⁷⁴ Kim, Seung-Kyung. *Class struggle or family struggle? The lives of women factory workers in South Korea*. (Cambridge: Cambridge U Press, 2009).

Two of the most dominant sources of corruption for Korean elites involve bribery and illegality in favor of their children. These are also connected to the practice of *familist collectivism*. Parents are willing to engage in illegal activities if their children could be exempt from mandatory military service, giving birth in American to secure American citizenship, and to send their children to prestigious and competitive schools, etc. In a recent incident in early 2015, the vice president of the Korean Airline, the national flagship airliner, caused a national uproar after she ordered the already moving airplane to turn back because she was not satisfied by the way a complimentary nut package was served to her. Her father, the chairman of the Korean Air, had to appear at a nationally aired press conference to make a public apology. The main point of his apology was “I am sorry because I did a poor job of raising my own child. It is my fault, so please show mercy to my daughter [translated].” As I elaborate more in chapters four and five, the presidents are not exempt from this social ill related to *familist collectivism*. In fact, all the supposedly democratic presidents since 1987, not to mention their authoritarian counterparts, fell to disgraceful endings because of corruption scandals involving their own children and family members.

American values, such as personal liberty and equality, and beliefs, such as individualism and Judeo-Christian ethics, formed the political culture of the United States. These values and beliefs have been institutionalized and sustained through education, forming the bedrock of American political culture. The constitution was written in this spirit and the political system was created to protect these values and beliefs. Political socialization is the process by which these beliefs and values are transmitted to immigrants and young generations.

Although these American values and beliefs were introduced to Korea through legalization and institutional contacts, these values and beliefs were not practiced in two of the most important sources of political socialization: the family and the educational system. In Korean families,

individual liberty is not only untaught but, more importantly, it is discouraged. In addition to the sacrifice of parents in the hope of being cared for by their children in their old age, children were also expected to live for the betterment of the family. During the period of 1948-2009, many young adults in Korea did not have individual liberty to choose their mates and careers. Parents would threaten the sons or daughters to choose between severing the family ties and the preferred life partners.²⁷⁵ In the education system, the American values of liberal individualism are taught but not in a way they can be internalized. An analogy to the situation is the English language. Indeed, English is most effectively learned in an environment where the language is taught in English and not in the vernacular Korean. The rigid, militaristic, hierarchical and uniformed education in Korean schools from elementary throughout high school produces students who have formal and abstract knowledge in their head but do not know how to practice the knowledge in real life. The mandatory military service for all adult men in Korea further prevents liberal values, such as liberty and equality, from being fully internalized.

In sum, the social characteristics of Korean society in the period of 1948-2009 not only resisted the formation of the Western-type of capitalism, but they modified individual-freedom-based capitalism in favor of a uniquely Korean type of capitalism.

²⁷⁵ In December 2016, a Chinese female doctoral student at Syracuse University told me she fell in love with a twenty-four year old Korean man who returned to Syracuse University to continue his education after his obligatory military service. He told her that although he liked her a lot, he could not continue to develop the romantic relationship because his mother warned him “not to date any girl until he finishes his study.” This episode is nothing new. Below the surface of South Korea’s modernization lies the deeply rooted emotional attachment between parents and children and quite overbearing attitudes of mothers toward their children. This tendency is also found in the relationship between parents and adult children. I recognize positive effect of such strong family ties and parental-child relationships. However, this is another example of familist collectivism in action.

3.2. Korea's External Relations and Dependent Capitalism

At the turn of the 20th century, Korea became the focus of imperialist expansionism by major superpowers including China, Japan, Russia and Western countries like the United States. Unable to defend itself against domestic unrest and foreign influences, the Confucian Joseon dynasty finally collapsed, followed by the Japanese colonial rule and its attendant exploitation for almost forty years. With liberation in 1945, the three-year American military rule came as a by-product of international power politics, as well as the uncertain and arduous nation-building process that included a three-year long civil war. The impact of Japan and the United States on the Koreans is immense. The legacies of Japanese colonial rule literally changed the course of development for the Koreans. Furthermore, American intervention in Korean affairs in the post-liberation era literally divided the unified nation into North and South Korea.

As I explained in chapter two, Japan introduced some of the most crucial elements of capitalism into Korea during its colonial period. With the legalization of private property rights, the traditionally dominant class system was officially demolished as well. Also, Korean enterprises could develop entrepreneurial capabilities and adaptability, business skills and management leadership.²⁷⁶ However, Japan's main colonial interests were economic exploitation for the Japanese and the mobilization of resources and people for its war ambitions. Therefore, its colonial policies were mainly geared toward making Korea a cost-efficient production base for food supply as well as a strategic provision center for military supply. In the following analysis, I show how the form of capitalism Japan-introduced was distorted, which left a legacy that prevented a full entrenchment of capitalism even in post-liberation Korea.

²⁷⁶ Eckert, Carter J. *Offspring of Empire: The Koch'Ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945*. (Seattle; London: University of Washington Press, 2014); Joo Ik-jong. *Scout of Large Army*. (Seoul: Pureunyeoksa, 2008).

The national liberation from Japanese colonialism and the territorial division along the 38th parallel in 1945 were as unexpected, arbitrary and foreboding as was the bloody fratricidal civil war that ravaged the entire country from 1950 to 1953. The United States was the main author of this co-authorship that rewrote Korea's modern history. The arbitrary decision to split the nation by consulting the map was a farce for outsiders, but the consequences were a tragedy for the very people who had to live with that reality in the days to come. The decision, originated and cemented by the Cold War rivalry between the United States and the Soviet Union, was also path-dependent. The two Koreas are indeed of the same origin, sharing for thousands of years the uniquely mono-ethnic and Confucian cultural background. However, nothing can be more illustrative of the American influence in Korea than the stark contrast between the capitalist, democratic and internationalized South Korea and the socialist, totalitarian and isolated North Korea.²⁷⁷ The decision set in motion a downward spiral into deep confusion and confrontations in the liberated Korea. In the following analysis, I argue that the United States compromised its championed democratic values in favor of political stability during the Rhee Syng-man regime and in favor of economic development during the Park Chung-hee's rule. In turn, this compromise reinforced the authoritarian rule that provided the political means to alter the Western type of capitalism in Korea. This alteration eventually prevented freedom-based capitalism from being fully entrenched in Korean society.

²⁷⁷ Toloraya, Georgy. "Continuity and change in Korea: Challenges for regional policy and U.S.-Russia relations." The Brookings Institution, Center for Northeast Asian Policy Studies. February, 2009.

3.2.1. Korea-Japan bilateral relations and altered capitalism

One of the first things the Japanese colonial government did was to survey the colonized Korean peninsula. It implemented a decade-long Land Survey Project in 1910. Indigenous farmers were required to register to secure their private land ownership. However, legal property ownership was an alien concept to most Koreans. Therefore, many illiterate farmers failed to report ownership of their land as required. This unreported land was confiscated together with land belonging to the loyal family and land whose ownership was not well established.²⁷⁸ Worse yet, the Oriental Development Company, the main agent of the land management on behalf of the Colonial government, made a fortune by granting loans to Korean landowners and petty farmers who used their land as collateral. Land was loaned to tenant farmers at rates exceeding fifty percent, while grains were loaned to petty farmers at twenty percent interest or higher.²⁷⁹ By the time the Land Survey Project was over, one-third of all arable land in Korea ended up in the hands of the Japanese enterprises.²⁸⁰ Japanese private ownership of the land skyrocketed as some of the land was sold to Japanese individuals. As a result, the number of Japanese land managers rose ten-fold, Japanese land investments rose more than five-fold and Japanese-owned land rose approximately four-fold²⁸¹.

When severe rice shortages in mainland Japan sparked riots in the early 1920s, Japan implemented another agricultural policy, the Campaign to Increase Rice Production. The policy aimed to appropriate rice through the Oriental Development Company. This also served the interests of Japanese capital and Japanese landowners while Korean peasants were hit again with overwhelming irrigation project expenses.²⁸² Ultimately, the small and medium-scale land owners and petty farmers

²⁷⁸ I was a member of the translation team for the book titled *Korean miracle* in 2015. The book translation was a project commissioned and published by the Korea Development Institute. Unless otherwise mentioned, the facts and descriptions of this section are drawn from the manuscript of the translation. Hereinafter referred as Korean Miracle [translated manuscript in progress].

²⁷⁹ Ibid.

²⁸⁰ Ibid.

²⁸¹ Ibid.

²⁸² Ibid.

who had managed to keep their land were reduced to tenant farming because they could not afford to pay the heavy irrigation union dues. The Food Shortage of 1939 that swept Korea made matters even worse. Unprecedented harvest failures cut yields by 46 percent from the previous year.²⁸³ The Food Shortage was a disaster waiting to happen.²⁸⁴ Because of Japan's colonial agricultural policy of using Korean farmlands to supply rice to mainland Japan, Korean farmers were not allowed to produce any other grain that could make up for the poor rice harvest.

The Japanese colonial government also brought in commercial and industrial capital to develop mining, forestry and fishing resources in colonized Korea; however, Japan took a vast amount of resources back to their homeland after their defeat in 1945. After liberation, virtually no production of commodities was possible as a result of Japan's strategy that used all factories and industries in Korea as production bases for war supplies.²⁸⁵ As previously outlined, when the Sino-Japanese War broke out in the latter half of 1930, Japan mobilized the entire Korean nation, channeling all production for war supplies. As a result, the southern part of the peninsula was left without infrastructure or resources after liberation for any substantive capitalist development.

The Japanese policies to support large companies, known as *zaibatsu* also severely deformed the American type of capitalism in Korea. Japan is not exceptional in that the state supports some target industries, nurturing big companies. The United States and Germany also adopted policies that supported fledgling companies in target industries, protected their interests and secured markets for them for their national interests.²⁸⁶ However, the state-business relations and practices during the Japanese colonial era left an indelible impact on the future state-business relations in Korea. The Japanese government used such means as subsidies, tax benefits and subsidized bank loans to support

²⁸³ National Archives of Korea. "Great Drought and Food Shortage of 1939." Retrieved from <http://contents.archives.go.kr/next/content/listSubjectDescription.do?id=004827>.

²⁸⁴ *Korean miracle* [translated manuscript in progress].

²⁸⁵ Ibid.

²⁸⁶ Chang, Ha-joon. *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*. (NY: Bloomsbury Press, 2008).

industries and enterprises considered to be of strategic interest to Japan, such as chemical and heavy industries, mines, and rice production.²⁸⁷ With such all-out support, these *zaibatsu* emerged as virtual partners of the government. This not only set the prototype of Korea's future state-business collusion but institutionalized such collusive ties.²⁸⁸ This practice was also followed by the American military government who had to resort to the Japanese collaborators for the execution of administrative affairs in the aftermath of the liberation, and continued well into the authoritarian era. Especially, the Rhee Syng-man regime not only failed to purge Japanese collaborators properly but worked closely with them through employment at government or political alliance. This sowed the seed for highly contentious politics in the future.

In sum, as I argued in chapter two, during this period, the capitalist development set a paradigm for the state-business relations in Korea characterized by: (1) the limited scope of capitalist social relations in the country, (2) the state's coercive role in support of business and in channeling of capital to target industries, and (3) the dominant influence of big companies, later called *chaebol* in Korean.²⁸⁹

Japanese colonial rule broke down the traditional social class structure in which the yangban class monopolized bureaucratic careers and social status and privileges. However, colonial rule in itself entailed the subjugation of the Korean people "as the second-rate subjects of the Japanese emperor," with neither suffrage nor any meaningful political participation.²⁹⁰ Also, it was the Japanese who formed the middle and upper classes in colonized Korea, whereas the majority of Koreans constituted the lowest class. After the Manchurian incident of 1931, the colonial government enhanced its attempts to Japanize the Koreans through various measures of political assimilation and indoctrination that stressed the importance of loyalty, self-sacrifice and dedication to the Japanese emperor. These

²⁸⁷ Chung, Young. *Korea under Siege, 1876-1945: Capital Formation and Economic Transformation*. (Oxford: Oxford UP, 2006), 304.

²⁸⁸ Refer to the above diagram 3.3

²⁸⁹ Korean miracle [translated manuscript in progress]

²⁹⁰ Kim Hong-nack. "Change and Continuity in Korean Political Culture. An Overview." *International Journal of Korean Studies*, vol. II, no 1 (1998): 100-120.

measures included changing Korean names into Japanese and banning the use of the Korean language in schools, etc. Consequently, the colonial government “did little to inculcate Western liberal values or liberty, equality, and justice based on law” through its exploitative colonial rule for four decades.²⁹¹

Japan introduced a German-originated legal system with new laws and regulations devised to change radically the traditional Korean society and to establish capitalistic institutions for exploitative purposes. However, as Yoo Moon Jee argues, Japanese colonial government reconsolidated traditional patrimonial power into a new arrangement “rather than bringing about any fundamental change from patrimonial to other forms of political organization.”²⁹² In this governmental organization, the governor-general was “virtually an absolute monarch” with enormous power in his hands, ruling Korea as “a government of men” in which the ruler was the source of all moral and political authority.²⁹³ This tradition of a government of men who rule over law became path-dependent for the succeeding presidential regimes even in post-liberation Korea. All the authoritarian presidents in post-liberation era resorted to governing by the rule of men, subordinating the individuals and even businesses to the prerogatives of the state at the expense of democratic principles and capitalist norms. In sum, the characteristics of Korean capitalism can trace their roots to colonial Japan: state-led and coercion-based economic development, institutionalized business-state collusion practices and the dominance of *chaebols* in the economy.

3.2.2. Korea-U.S. bilateral relationship and capitalist alteration

In the 20th century, the U.S. foreign policy was concerned with advancing its two main national agendas: implanting democratic political ideals and capitalist market economies throughout the

²⁹¹ Yoo, Moon-jee. *Patrimonial industrialization dynamics of the state and business organization for the case of South Korea*. (Doctoral dissertation. University of California, Davis, 1992), 24.

²⁹² *Ibid*, 21.

²⁹³ *Ibid*, 21-22.

world. Especially during the Cold War era, the United States considered “capturing the loyalties of the vast regions of the globe emerging from colonialism as crucial to the struggle against Communism.”²⁹⁴ The American government’s growing trend toward giving priority to Cold War considerations led to an “emphasis on political conservatism, social order and military force in being.”²⁹⁵ As a result, “the common fallacy that freedoms must be sacrificed to safeguard a free society from the threat of an external tyranny found ample expression in U.S. policy in Korea.”²⁹⁶ In fact, the national division along the 38th parallel and its associated security dilemma with North Korea afterward served more often than not as an instrument with which the authoritarian Korean regimes used to strengthen their power over the civil and political rights of the people. In other words, the American government’s main concern about political stability and economic development in a divided South Korea provided a rationale for the Rhee Syng-man and Park Chung-hee regimes to pursue their political agenda at the expense of democratic values and main tenets of the Western type of liberal market economy.

3.2.2.1. Rhee Syng-man’s nation building backed by the United States

The period of American military rule, the official establishment of the Republic of Korea, and the Korean War was understandably marked by uncertainty and chaos. The situation was complicated by several crucial factors: the lack of a clearly formulated American blueprint for governing the liberated Korea, the intensification of ideological confrontation between the left and right in the critical moments of nation-building regarding the state format of the liberated Korea, and a poverty-

²⁹⁴ Brazinsky, Gregg. *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy*.

²⁹⁵ Wagner, Edward in *Reflections on a Century of U.S.-Korean Relations* by Academy of Korean Studies. The Wilson Center, 1983. Conference Papers, June 1982, University Press of America.

²⁹⁶ Ibid.

stricken population in a destitute economic situation. In 1949, even after the exodus of 900,000 Japanese, the South Korean population reached more than twenty million, twice that of North Korea. About a million North Korean capitalists, land owners and merchants fled to South Korea in the wake of the forced land reform in North Korea in 1946. Also, approximately 2.2 million Koreans living overseas returned to their country. This aggravated the already-difficult post-liberation situation. At this historical juncture, the influence of the United States in determining the political and economic future of Korea was the most critical and path-dependent.

The United States created political turmoil in Korea by its arbitrary division of the Korean peninsula and its decision to rule by its military government for three years. By the time Korea was liberated from the grip of Japan, the dominant political and ideological orientation throughout the peninsula was leftist. Understandably, the leftist forces had the upper hand over the rightist forces. In a survey conducted by the American military government in August 1946, fourteen percent of the respondents agreed with capitalism, seventy percent with socialism, seven percent with communism and eight percent were not sure.²⁹⁷ Communists in the South had an ideology, networks of organization, well-developed propaganda and the control of labor unions; they dominated both farmers' organizations and student and intellectual groups.²⁹⁸ "No group rivaled the Communists in discipline and hierarchy."²⁹⁹ However, the American military government's decision not to recognize any government created by Koreans as the official Korean government pitted the rightist forces against the leftist forces.³⁰⁰ Because the most important agenda for the United States was to prevent

²⁹⁷ Yang dong-ahn. "Rhee Syng-man's anti-communism and Korea's liberal democracy" (retrived: <http://bbs1.agora.media.daum.net/gaia/do/debate/read?bbsId=D101&articleId=3986592>)

²⁹⁸ Kim, Choong-nam. *The Korean presidents: leadership for nation building*. Norwalk, CT: EastBridge, 2007. Print.

²⁹⁹ Ibid.

³⁰⁰ KBS documentary. <https://www.youtube.com/watch?v=9xbEQllSud8>

any communist or socialist force to take power in Korea, the cooperation between the American military government and the rightist forces was a natural outcome.³⁰¹

The Harry S. Truman administration's decision to abandon an international trusteeship for the Korean people in late 1947 led the United States to submit the Korean matter to the United Nations. Thus, the United States found an avenue for the withdrawal of its occupation troops from the Korean peninsula.³⁰² From June 1946, Rhee urged separate elections for establishing a provisional government in southern Korea alone, arguing it would be the most realistic and desirable device to secure South Korea's independence and democracy.³⁰³ On February 26, 1948, the UN General Assembly passed a resolution recognizing Korea's urgent and rightful claims to independence and called for nation-wide general elections for a national assembly. In response, a nation-wide conference was held in Pyongyang from April 18 to 30, 1948. A total of 396 participants representing forty-one political parties and various social organizations from the South attended the conference.³⁰⁴ The conclusion of the conference was to push for the establishment of a unified Korean government and the withdrawal of the U.S. and the Soviet Union forces from the peninsula.

However, because the Soviets in the North did not allow the entrance of the UN commission, general elections were held in the South alone on May 10, 1948. The leftist forces both in the South and the North vehemently opposed the UN-supervised elections and demanded a unified Korean government. Before, during and after the establishment of the South Korean government, major political figures representing the leftist ideology and those who called for a unified government were either assassinated or fled to North Korea. In one notorious incident known as the April 3 uprising

³⁰¹ Kim Hak-jun. "Hankukeseoui ideologijeok galdeung – haebangbuteo hankukjeon hujeonkkaji (1945-1953)." *Journal of Korean Political And Diplomatic History*, 7 (1990.6): 59-79.

³⁰² Cha, Sangchul. "Syngman Rhee, the United States and the Establishment of the Republic of Korea." *The Korean Journal of American History*, vol. 29, (2009): 97~121.

³⁰³ Ibid.

³⁰⁴ <http://blog.naver.com/PostView.nhn?blogId=smallnews&logNo=7021337>.

of 1948 staged by labor party leaders including the communist Workers Party, tens of thousands of Jeju people were killed by South Korean officials and right wings, and about 30,000 houses were destroyed.³⁰⁵ After the massacre, the South Korean government covered up the Jeju Uprising and Massacre, outlawing the Workers Party of South Korea and intimidating any who dared to mention the Jeju Massacre with beatings, torture and prison sentences.³⁰⁶

Therefore, the first general elections were only competition for the rightist forces, excluding most leftist forces. On May 31, 1948, the National Assembly held its first session, electing Rhee Syng-man as chairman by a vote of 189 to 8. A constitution was drawn up in a mere forty-two days under circumstances of minimal reflection, authorizing the powers of presidential and cabinet systems. On July 30, 1948, the seventy-three year-old Rhee was elected president by a vote of 180. Thus, the Republic of Korea was officially established on August 15, 1948 with the constitutional stipulation of liberal democracy and a capitalist market economy. In September 1948 the Democratic People's Republic of Korea was founded. During this formative period, the two Koreas took separate paths; their difference only grew in the days to come.

There was an obvious conflict of interest between the American military government and the Koreans. Because the United States' main interest was to prevent Korea from becoming communist, the American military government failed to implement a policy to properly address the Japanese legacy, including pro-Japanese collaborators. Instead, the military government turned to them for post-liberation administrative purposes. For instance, as much as eighty percent of the police manpower was filled with those who worked under the Japanese colonial government.³⁰⁷ This worsened the situation when these policemen were mobilized under the rightist Rhee regime to

³⁰⁵ <http://blog.naver.com/PostView.nhn?blogId=smallnews&logNo=7469149>.

³⁰⁶ <http://www.historychannel.com.au/classroom/day-in-history/532/jeju-massacre>.

³⁰⁷ <http://blog.naver.com/PostView.nhn?blogId=alsn76&logNo=220283280842>.

crack down on any opposition forces against the regime. American policymakers were also reluctant to authorize decisive action in key areas where conditions demanded bold initiatives such as land-reform.³⁰⁸ This “failure to comprehensively address so glaring an inequity as a tenancy rate perhaps as high as eighty percent made credible to Koreans the assumption that the U.S. position in fact supported the rights of the landlord class.”³⁰⁹ Only through the land reform in 1950 did rural farmers turn conservative and become staunch supporters for Rhee. This neglect gave immunity to those who accumulated wealth under the Japanese colonial government. These colonial rule-favored businessmen were able to move ahead in the post-liberation era, emerging as *chaebol* in later years. This period also saw the seed of a black market economy as the military government was taken advantage of by those Koreans who had access to U.S.-provided materials and resources. This opened a door for future state-business collusive ties. American foreign aid functioned as “a crucial resource for the corrupt state elite.”³¹⁰

The inability of U.S. occupation personnel to communicate in Korean, or even in Japanese, led to the oft-remarked creation of “a government by interpreters,” driving a further wedge between the Korean people as a whole and their American governors.³¹¹ The “government by interpreters” refers to the reliance of English-speaking Korean interpreters to whom the military government officials frequently asked opinions about policymaking. As a result, many America-educated Korean intellectuals had unique opportunities to gain access to political and economic power sources as interpreters for the American military government. Also, many of the Korean converts to Protestant Christianity educated through mission schools or in the United States dominated Korean

³⁰⁸ Wagner, Edward in Reflections on a Century of U.S.-Korean Relations by Academy of Korean Studies. The Wilson Center, 1983. Conference Papers, June 1982, University Press of America.

³⁰⁹ Ibid.

³¹⁰ Lie, John. "Aid Dependence and The Structure Of Corruption: The Case of Post-Korean War South Korea." *International Journal of Sociology and Social Policy* 17.11/12 (1997): 48-89. Web, 61.

³¹¹ Wagner, Edward in Reflections on a Century of U.S.-Korean Relations by Academy of Korean Studies.

politics. For instance, six out of nine vice-presidential candidates were Protestant Christians when Protestant Christians accounted for less than one percent of the Korean population. During the American military rule, thirty-seven (seventy percent) out of 50 high-ranking Korean officials in the American military government were held by Protestant Christians.³¹² The American military government also provided to the Korean Presbyterian Church a total of ninety-one properties belonging to the American military government, including buildings and schools left by the Japanese. This supply of properties to Korean churches helped the rapid growth of Korean Christianity as well. All these developments cemented the ideological orientation of the pro-American, anti-communist, conservative forces in post-liberation Korean society.

The outbreak of the Korean War made the Korean economy more dependent on American grant aid. According to the *Nathan Report*,³¹³ almost half of the industrial, power generating and mining facilities were destroyed during the three-year war, totaling approximately US \$1.8 billion in damages including damage done to public facilities, ships, vehicles and houses. This amount is equivalent to Korea's gross national product (GNP) in 1949. The U.S.-backed Rhee regime was sustained mainly by U.S. aid to the point where the economy of the 1950s was called an aid economy. Rhee's Liberal Party was financed by illicit means; in the process of distributing U.S. aid dollars and the provision of access to import licensing and foreign exchange, it accumulated much "illicit" wealth.³¹⁴

A typical form of U.S. grant aid after 1953 was the proceeds of American surplus agricultural commodities sold to the South Korean market. As we saw in the previous chapter, the United States,

³¹² Baik Joong-hyun. *Presidents and Religion*. (Seoul: Inmulgwa Sasangsa. 2014).

³¹³ A proposal for the reconstruction of the Korean economy written by the United Nations Korean Reconstruction Agency (UNKRA) in March 1953 as part of its aid policy.

³¹⁴ Kim, Hyung-A. Political corruption in South Korea. Proceedings of the 21st Conference of the Association for Korean Studies in Europe. *Association for Korean Studies in Europe*: (2003): 11-16

deposited the proceeds from selling farm surpluses into the Counterpart Fund for the Korean government to use, which was a typical form of U.S. military-economic aid. The aid money was managed and allocated by the United States Operations Mission (USOM). The massive inflow of American assistance before and during the Korean War was essential to the survival of South Korea as an independent country. At the same time, American advisors were present throughout the South Korean military, and over five hundred officials at the USOM oversaw and shaped South Korea's major social and economic policies.³¹⁵ Because the United States shouldered much of the financial burden for Korea's national security against North Korean communist threats, President Rhee was able to focus on maximizing his political power. The United States "did little more than keep the economy afloat" because its focus was predominantly on maintaining very substantial Korean military forces during this period. In fact, McGeorge Bundy recognized that "the risk of the ROK being attacked again is far less than that of its being subverted because of internal weakness."³¹⁶ This anti-communist ideology and the American influence in Korean affairs dominated throughout the authoritarian era until 1987, and the effect has not waned even in the post-democratic consolidation. As I show in chapter four, preserving national security against North Korean communist threat served as a convenient excuse for all oppressive measures of authoritarian regimes. Throughout his tenure, Rhee also resorted to illegitimate means to oppress his opponents under the pretense of national security.

As a result, the Rhee Syng-man regime was undoubtedly an authoritarian government with the monopoly of political and economic resources. His authoritarian rule was reinforced by the Korean War, the American economic aid and the constitutional change in 1958 that made him president for life. The Rhee's regime left a political legacy that lasted throughout the authoritarian era: the

³¹⁵ Vogel, Ezra F., and Pyoŋ-guk Kim. *Park Chung Hee Era: The Transformation of South Korea*. (N.P.: Harvard U Press, 2011).

³¹⁶ FOREIGN RELATIONS OF THE UNITED STATES, 1961-1963, VOLUME XXII, NORTHEAST ASIA. (<https://history.state.gov/historicaldocuments/frus1961-63v22/d226>)

centralization of power at the presidency, elitist and conservative patrimonial state bureaucracy, and legitimization of using state coercive power to oppress political and ideological opposition under the pretext of national security. The United States, according to its Cold War foreign policy platform, endorsed all these political developments explicitly or implicitly. The monopolization of political and economic power in the hands of the strong president paved the foundation for the subsequent state-led development, associated with widespread state-business collusive practices and the dominance of chaebol in the Korean economy during the Park Chung-hee era.

3.2.2.2. The Park Chung-hee Regime and State-led Industrialization

On May 16, 1961, Park Chung Hee led a swift and bloodless military coup to topple the incapacitated parliamentary government. Park justified his coup by criticizing the Chang Myon government's pervasive corruption, its inability to defend the nation from communist threats and the absence of a viable plan for a social and economic development.³¹⁷ Therefore, his political survival entirely hinged on growing the failed economy. Disappointed with the Rhee Syng-man regime's inability to make a viable economy coupled with the short-lived Chang Myon government's failed democratic governance, Washington was also ready to recognize "the need for a strong government that could make the difficult decisions required for economic reform without excessive interference from the civilian population."³¹⁸ In November 1961, the Kennedy administration invited Park Chung Hee to the White House, which officially endorsed Park Chung-hee junta's coup, after which, the United States often "encouraged the South Korean state to strengthen itself at the

³¹⁷ Woo Jong-seok. *Security Threats and the Military's Domestic Political role: A comparative study of South Korea, Taiwan, the Philippines, and Indonesia*. 2007. Doctoral dissertation.

³¹⁸ Brazinsky, Gregg. *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy*, 161.

expense of civil society.”³¹⁹ This meant the very foundation of a Western type of capitalism would not take root in Korea during the Park Chung-hee era.

However, in the 1960s, the United States was able to intervene in Korea’s macroeconomic affairs in return for its economic assistance, if and when there was a glaring deviation from capitalism. When the military junta realized it would be difficult to obtain financial aid from the United States for economic development,³²⁰ the Park Chung-hee junta tried to implement a clandestine currency reform policy to raise its own capital in 1962. Park Chung-hee wanted to divert illegally accumulated capital into long-term savings and use it for investment while simultaneously preventing inflation. Through the currency reform measure, the military government hoped that hidden capital would pour out to be converted to new currency.

However, the USOM director, James Killen, expressed his objection to the currency reform: “The way in which South Korea is carrying out the currency reform is close to nationalization and a command economy. The United States is deeply concerned about the currency reform that is headed toward state capitalism. We clearly oppose the currency reform of your country.”³²¹ Later, Deputy Assistant Secretary Edward Rice, who had ordered the halt on the aid supplies, called Ambassador Chung Il-kwon again. “If the second phase of the currency reform is not scrapped completely, the United States will cut off aid completely.” That was a *de facto* ultimatum. By using the carrot and stick strategy, the United States offered an alternative: “If the Korean government unfreezes the deposits, we will provide \$40 million in funds to build the Industrial Development

³¹⁹ Ibid.

³²⁰ The reason the Kennedy administration took an unsympathetic stance toward Park Chung-hee when he asked for financial assistance was because Park toppled the democratically established Chang Myun government by force.

³²¹ Korean miracle [translated manuscript in progress]

Corporation.”³²² After this, the Korean government showed its full compliance to the wishes of the United States and consulted with the United States on all matters related to the economy.³²³

By the late 1960s, the Park regime moved toward greater authoritarianism. Security threats from North Korea intensified when a group of North Korean agents infiltrated near the Blue House to assassinate President Park in January 1968. In January 1969, President Nixon declared that the United States would assist in the defense and developments of allies and friends, “but would not undertake all the defense of the free nations of the world” (the Nixon Doctrine); this alarmed the Park Regime. This doctrine meant each ally should bear the burden of its own security. Consequently, the United State government ordered the withdrawal of approximately 20,000 troops from South Korea.

As the influence of the United States waned in the 1970s and the economic spurt was intensified under the Park regime, South Korea moved toward greater authoritarianism. The adoption of the *Yushin* constitution gave President Park sweeping powers to rule the country by emergency decrees and the nation’s fate was at his discretion. The process leading up to the adoption is illustrative of how the United States compromised its proclaimed democratic values, the basic foundation for freedom-based free and competitive market based capitalism.

On October 17, 1972, the Park Chung-hee regime declared martial law. Only on the evening of the day before the announcement, did the Korean government, through Prime Minister Kim Jong-phil, inform the American Embassy in Seoul of the regime’s plan to declare a national martial law and to introduce the *Yushin* (restoration) system. In their meeting, Prime Minister Kim told the then Ambassador Philip C. Habib that “effective 1900 hours October 17 the following actions would be

³²² Ibid

³²³ Ibid

taken: (a) The National Assembly will be dissolved, (b) All political activities will be suspended, (c) Martial law will be declared throughout the land.”³²⁴ Ambassador Phillip C. Habib notified the State Department of the United States of this decision around 10:49 pm on the night of October 16. He made it clear to the State Department that the declaration of martial law was unnecessary, given both domestic and external circumstances. His opinion was accepted by the U.S. state department, and the official position of the United States was “[w]e are obviously not associated with the occasion.”³²⁵ The U.S. government only negotiated with the Korean government to change some of the contents in the Presidential Proclamation regarding the American policy. However, it did not take any measures to address the martial law, the dissolution of the National Assembly and the adoption of the new constitution, although the U.S. government was well aware of its illegality as well as its potential danger of violating the political and civil rights of the Korean people.

Consequently, the authoritarian rule under the *Yushin* System clocked back much of what the Korean democracy had achieved until that time, while the civil and political rights of the Korean people were severely violated, not to mention the distortion of liberal capitalist economic system. The *Yushin* system allowed the Park regime to push for state-led heavy and chemical industrialization by controlling labor and favoring chaebols. In particular, the state provided various financial incentives for individual capitalists, including direct funding, allocation of foreign loans, low interest rates and tax-cuts. Although *chaebols* benefitted from such skewed industrialization policies, labor was greatly discriminated.

³²⁴ Foreign Relations of the United States, 1969–1976, Volume XIX, Part 1, Korea, 1969–1972, Document 160160. Telegram From the Embassy in Korea to the Department of State¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 543, Country Files, Far East, Korea, Vol. V, 1 Jan–31 Dec 1972, Part 2. Confidential; Immediate; Exdis. Repeated to Tokyo. Seoul, October 16, 1972, 1349Z

³²⁵ Foreign Relations of the United States. 1969 ~ 1976. Volume XIX. Part 1, Korea. 1969 ~ 1972, Document 161.

As rapid industrialization progressed, the proportion of wage and salary workers in the workplace increased from 31.5 percent in 1963 to 54.2 percent in 1985.³²⁶ The industrial workforce alone rose from ten to twenty-three percent in 1983.³²⁷ This increased workforce began to build a new labor movement in the early 1970s. When a series of labor protests broke out, the Park regime responded to them in a brutal and repressive manner, provoking sympathy from workers across the country and from radical students and anti-government forces including the Catholic Church. From the early 1970s, the state began to reveal its class characteristic by deploying more and more coercive means of controlling labor.³²⁸ However, as Chang Dae-op argues, political regulation of labor and individual capitalists created an image that the state, despite its extreme class characteristics, was a protector of the national interest, not a class apparatus.³²⁹ This “politicized regulation of labor was legitimized by anti-communist propaganda” that penetrated every aspect of life for Koreans.³³⁰

President Park was influenced by his military background under the Japanese government; he inherited the Rhee regime’s patrimonial bureaucracy and strengthened his almost dictatorial power under the pretext of national security and economic development. These factors severely distorted the entrenchment of capitalism in Korean society. The bloody oppression of the democratization movement and labor protests continued well into the 1980s under the Chun Doo-hwan regime. With the American endorsement of the Chun regime, even after the demise of Park Chung-hee, the authoritarian rule continued in Korean society, preventing the full entrenchment of liberal capitalism in Korea.

³²⁶ Minns, John. "The Labour Movement in South Korea." *Labour History*, no. 81 (2001): 175-195; 182

³²⁷ Ibid

³²⁸ Chang, Dae-oup, 1971. *Capitalist Development in Korea: Labour, Capital and the Myth of the Developmental State*, 96

³²⁹ Ibid

³³⁰ Ibid.

Conclusion

Although capitalism was implanted in a fertile soil for manifold harvest in the United States where liberal individualism is not only guaranteed but also institutionalized, Korean societal characteristics were alien to those concepts and practices in the formative years. This chapter identified some of the factors that contributed to alteration of the imported capitalism in Korea during the 20th century. Domestically, I introduced the concept of *familist collectivism* as the overarching operational principle and standard of conduct for most Koreans during the period of 1948 and 2009. Externally, I analyzed Korea's bilateral relations with Japan and the United States to explain how they set the foundation for the alteration of capitalism. All these are contributory factors to Korea's rapid industrialization and resultant economic growth, but they also prevented Korean capitalism from being fully entrenched as a culture in Korean society. The data in this chapter are generally supportive of my hypotheses one and two. In any case, I will come back to this point in the general conclusion of the study.

CHAPTER FOUR: THE STAGGERING FALL OF THE MIGHTY - PRESIDENCIES OF AUTHORITARIAN REGIMES

*When that day come, you will cry out for relief from the king you have chosen*³³¹

In the previous two chapters, I discussed Korea's unique path of a capitalist economic development (chapter 2), and the failure of capitalist culture to be fully entrenched in Korean society (chapter 3) respectively. In chapter three, I contended that the Korean society of 1948-2009 operated fundamentally on the basis of what I call *familist collectivism* as the operating principle and the standard of conduct for most Koreans. This principle stood as squarely opposed to liberal individualism, the cornerstone of American democracy, capitalism and society. As a result, notwithstanding capitalist expansionism and its attendant social changes, the tenacious Korean culture, manifested in familist collectivism, was not entirely replaced by the Western type of individual-freedom based capitalist culture. I also argued that Korea's historically dependent relationships with Japan and the United States altered capitalism to the extent that it could not replace the non-capitalist Korean culture with individual freedom-based capitalist culture of Western societies. Simply put, the combined effect of Korea's dependent external relationships and internal cultural dynamics prevented Korean society from being fully capitalized as is the case in the United States.

In this and the following chapter (four and five), I test my third hypothesis that Korean politics is characterized by overpoliticization, or tenuous liberal compromise in politics, because of the intrinsic disunity between the capitalist economic system and the non-capitalist culture in Korean society. In so doing, I argue that the Korean culture of *familist collectivism* combines with the Japanese- and American-influenced and coercion-dependent Korean presidency to produce overpoliticized

³³¹ 1 Samuel 9:18, the Old Testament of the Bible. New International Version

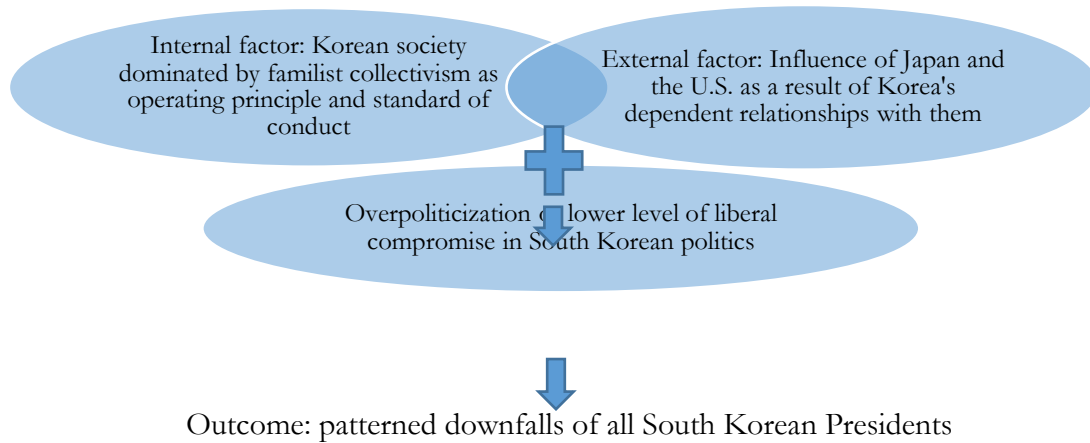
behaviors in politics. Its direct outcome is the patterned downfalls of all South Korean Presidents between 1948 and 2009.

Given the historic transition of Korea into consolidated democracy in 1987, it is appropriate to distinguish the authoritarian era (1948-1987) from the democratic one (1988-2009). It is now an accepted fact that Korea had been under the authoritarian rule since the nation's founding in 1948 and transitioned to democracy in 1987 as an outcome of the democratization movement. Therefore, this chapter focuses on how the overpoliticized behaviors in Korean politics led to the patterned downfalls of authoritarian presidents: Rhee Syng-man, Park Chung-hee and Chun Doo-hwan. Chapter five covers the presidencies of Roh Tae-woo, Kim Young-sam, Kim Dae-jung and Roh Moo-hyun in the post-1987 democratic period. This division will allow for a clearer understanding of the thesis of this study. Because Korea represents the incongruence between non-Western society and Western capitalist society, it is characterized by overpoliticization regardless of whether it is under electoral democratic regimes or authoritarian ones.

I begin this chapter with a brief explanation of Sangmpam's analytical framework of overpoliticization to lay the groundwork to discuss the study's main thesis. I then analyze some of the most salient cases that directly caused the personal demise of the authoritarian presidents: the electoral fraud of the Rhee Syng-man government in 1961 that led to the April 19 Student Revolution of the same year, which pushed President Rhee to step down; the oppressive response to the popular protests known as the Bu-Ma (Busan – Masan) Protests by the Park Chung-hee government in 1979 that led to his assassination by his own security chief; and the December 12 military coup by Chun Doo-hwan and his illegal amassment of slush funds during his term of office that eventually sent him and his own family to jail in 1996. I conclude this chapter by summarizing overpoliticized politics and its determinants for this authoritarian presidencies.

The following diagram shows the gist of the arguments to be made in this chapter and in chapter five.

Diagram 4.1. The Mechanism of Patterned Downfalls of South Korean Presidents (1948-2009)



4.1. Sangmpam's Analytical Framework of Liberal Compromise vs. Overpoliticization: *A Reprise*

Sangmpam, as already mentioned, differentiates Western liberal democracies from non-democratic societies. Regional variations notwithstanding, all Western countries are characterized by liberal compromise in politics. On the other hand, tenuous or lack of liberal compromise, or overpoliticization, marks all non-Western countries. Political regimes in Western capitalist societies abide by the three cardinal democratic “rules of the game,”³³² whereas these rules are often not respected in non-Western countries. The first rule is that, when political competition takes place, capitalist core relations are not contested or modified through coercive means or state power. The second rule is that the competition over the claimable social product takes place through institutional means of compromise. The final rule dictates that participants respect the compromise. These three

³³² Sangmpam, S. N. *Comparing Apples and Mangoes: The Overpoliticized State in Developing Countries*. State University of New York Press, Albany, 2007. PP.253-254.

rules allow built-in concessions about liberal values, competition through institutional means of compromise and the resolution of political conflicts within institutional arrangements. When observed, these rules lead to democratic stability. Most of the time—if not always—this democratic stability is the norm in most Western capitalist democratic societies.

However, most of the time—if not always—these democratic rules are not respected in non-Western countries, leading to overpoliticization. Hence, overpoliticization is the norm, rather than the exception, in most non-Western societies. Overpoliticization is defined as “a pattern of political features, institutional behaviors and settings, and state formats that denotes the absence of compromise or tenuous compromise in politics.”³³³ In this framework, politics is defined as a society-rooted competition among individuals, groups or classes over the social product. It is “a competition over property, goods, services and values.”³³⁴ The competition has a corollary, the competition over political/state power. Politics in developing countries is characterized by overpoliticization because of two outstanding facts. First, most developing countries face a situation of extreme scarcity of resources over which the competition takes place. Second, regardless of today’s emphasis on the “civil society,” almost all developing countries depend more heavily on the state than in the West for determining the outcomes of the competition over resources and value in favor of the competing groups. Sangmpam subordinates these two facts to deeper causes in society, i.e., altered capitalism. This accounts for why there is usually a cutthroat struggle over control of the state power. As a result, politics in developing countries becomes a zero-sum game, a Hobbesian and highly contentious affair.³³⁵

More specifically, according to Sangmpam, politics in non-Western countries is played out in six basic ways: (1) the competition takes place through overt compulsion by state power holders who

³³³ Ibid. P.40.

³³⁴ Ibid.

³³⁵ Ibid, p.39

organize political competition and participation, (2) political power is fluid, and constant insecurity characterizes state power holders in their relations to other social actors, (3) political competition and participation take place outside established institutions and procedures, (4) there is general use of open violence and confrontation in the competition, often expressed in the form of tribal, regional, religious or class conflicts, (5) in the absence of a compromise over the outcome of the competition, there is a higher intensity and lower resolution of political crises and (6) these five features take the form of either a pure or semi-authoritarian/dictatorial regime or a democratic (“electoralist”) regime that maintains democratic trappings through elections, however regular, while sharing many of these features with authoritarian regimes. As it will become clearer in the rest of this chapter and also in chapter five, Korean politics from the national founding in 1948 to the suicide of Roh Moo-hyun in 2009 fits well in this categorical description. Especially, the period of 1948 to 1987, characterized by authoritarianism, betrays almost all aspects of overpoliticized behaviors, the lack of democratic compromise and, hence, of democratic stability.

Sangmpam defines eighty specific manifestations in three major types of overpoliticized behaviors: electoralist, authoritarian and shared.³³⁶ Electoralist behaviors comprise thirty-four specific manifestations under four sub-categories: electoral fraud, electoral monopoly, electoral coup and electoral violence. There are ten authoritarian behaviors: military rule, one-man rule, one-party rule, absent or curtailed democratic expressions, dictatorial or absolute power, removal of legislative powers, physical/legal elimination of opposition, preeminence of the President, excessive centralization of territorial administration and electoral façade. Shared overpoliticized behaviors refer to those behaviors shared by both electoralist/democratic and authoritarian regimes. Shared behaviors are manifested in thirty-six ways under four sub-categories: illicit state coercion, state dictatorial powers,

³³⁶ Ibid. For the list of these eighty manifestations of overpoliticization, refer to pp.39-49, especially the tables on pp. 46-48.

illicit acts by opposition and violence by opposition. These include acts initiated by power holders and those by the opposition or the people at large. Actions by the power holders include illicit use of state coercion and dictatorial powers and various forms of electoral fraud, electoral coup and electoral monopoly. Actions by the opposition include illicit, but not necessarily violent, acts and violent actions. Illicit opposition differs from violent opposition in that the latter can be taken by a legally sanctioned organization, such as political parties, whereas illicit opposition is illegal or sometimes forced by power holders.

Sangmpam correlates overpoliticization to altered capitalism. In this chapter and the next, I attempt to establish this relationship between the overpoliticized behaviors of South Korean Presidents and Korea's traits of altered capitalism.

4.2. Rhee Syng-man's Presidency: The National Founder Who Floundered

Rhee Syng-man was born in Pyungsan in the province of Hwanghae in today's North Korea on March 26, 1875. His parents were poor but devout Buddhists with an aristocratic background. His early education was in the Chinese classics, but he later studied at Baejae Methodist School established by an American missionary. In his youth, he was actively involved in the Independence Club, founded by Philip Jaisohn in 1896, to spearhead a sociopolitical reform movement and prevent foreign intervention into Korean affairs. In 1899, he led a group of 8,000 men in a sit-down demonstration to protest against foreign dominance and to demand governmental and social reforms.³³⁷ He was arrested for his involvement in a plot to remove King Kojong from power, subjected to seven months of brutal torture and sentenced to life imprisonment. While in prison, he wrote "The Spirit of Independence," which became "the bible" of the Korean independence movement.³³⁸ After the

³³⁷ Kim, Choong-nam. *The Korean presidents: leadership for nation building*, 34

³³⁸ Ibid

outbreak of the Russo-Japanese War in 1904, he was paroled after seven years of imprisonment during which time he converted to Protestant Christianity. With the help of his American friends, Rhee went to America to meet Secretary of State John Hay and President Theodore Roosevelt to ask for American intervention to prevent the Japanese annexation of Korea. His hope did not materialize. Instead, he stayed in America for six years to study at such prestigious universities as Harvard and Princeton. At Princeton, Rhee became personally associated with Woodrow Wilson, then president of Princeton University and later the President of the United States. Rhee was evaluated by Wilson as “a man of strong patriotic feeling and of great enthusiasm for his people.”³³⁹ Later, Rhee often cited Wilson’s thoughts on national self-determination.

In 1919, Rhee became the first President of the Korean provisional government located in Shanghai, China. However, he found it hard to work with the first cabinet members of the provisional government because of diverse political beliefs. The cabinet members came from Hawaii, the United States, mainland China, Manchuria, Korea and Russia. Those patriots living in exile in Manchuria, Russia and China had become communists, which was not congruent with the democratically informed Rhee’s political thoughts. In 1932, he visited Geneva to appeal to the League of Nations for Korea’s independence, where he met his Austrian wife, Francesca Donner. He also appealed to the United States that an independent Korea could serve as a bulwark against Communism in Asia. On October 16, 1945, two months after liberation, Rhee returned to Korea after more than four decades of life overseas. Not only was he welcomed as a national hero by many Koreans for his public image of a life-long dedication to national independence, but his popularity and prestige were so high that almost all political parties, both left and right, wished to have him as their leader. At first, Rhee himself did not object to communism in favor of national unity. He appealed for the unity of the Korean

³³⁹ Ibid, 35

people by saying “united we live, divided we die.” From the brief biographical description, it is clear the first South Korean President was a national hero at the beginning, considering his life-long struggle for national independence and later his staunch position against the “communization” of the Korean peninsula.

Rhee was elected President by the National Assembly in 1948 at the age of 73 with the backing of the United States. He ruled for twelve years during the formative years of nation building. Shortly after he pushed the legislature to pass a constitutional amendment that exempted the incumbent President—himself—from the three-term limit, Rhee Syng-man won a third term in 1956. Legally unrestrained, the eighty- five year old Rhee could run for a fourth term and he announced his candidacy. The elections were originally scheduled to take place in May 1960, but Rhee suddenly changed the election dates to the middle of March. The elections at the time were to elect the President and Vice President. However, the public was frustrated with the prolonged dictatorial rule and the widespread corruption in the Rhee government. The public hope for a change in the presidency faded when the Democratic Party opponent Cho Pyong-ok suddenly died of heart failure in Washington D.C. Unopposed, Rhee was left as the only candidate, and he won easily with a voter turnout of 97 percent.

The public focus then shifted to the vice-presidential contest between Rhee’s Liberal Party candidate Lee Ki-bung and the Democratic Party candidate Chang Myon. Lee Ki-bung, the political heir to President Rhee, gave his own son for adoption to Rhee Syng-man. Therefore, their relationship was strongly connected through political and personal ties. However, Lee Ki-bung was viewed as incompetent for the job. In fact, Lee had unsuccessfully run in the prior election four years earlier against the same opposition candidate. However, the election of Lee was crucial for Rhee’s Liberal Party because of Rhee’s old age.

To assure Lee’s election to the vice presidency, there was a systematic and structural attempt to rig the election in his favor. The Rhee Syng-man administration and the Liberal Party mobilized

government employees and the police in particular to carry out the most blatant acts of election fraud. There were many irregularities and police interference in the opposition Democratic rallies and in the election itself.³⁴⁰ According to the Korean Report³⁴¹:

Democratic rallies were prohibited throughout the nation. Specific instructions were sent by the Home Ministry to police chiefs throughout the nation specifying the exact plurality by which Dr. Rhee and Mr. Lee were to be elected. Hundreds of thousands of pre-marked ballots accompanied these instructions, and these were dutifully stuffed into the ballot boxes on election day. Hoodlums smashed up Democratic Party offices and beat up Democratic election workers and sympathizers. In the country areas, voters were compelled by the police to go to the ballots in groups of three, one of whom was an arm-banded "Supervisor" whose duty was to check supposedly secret ballots before they were cast.

As a result, the elections were heavily rigged in Lee's favor. The administration resorted to all sorts of devices to force the voters to vote for the Liberal Party's weakling candidate: requiring open marking of ballots by voters in groups of three and four, stuffing of ballot boxes, ballot switching, obstruction of opposition party election campaigning and use of violent means. Marshall Green's eye witness account indicates:

I was, by the way, chargé d'affaires at the time when the elections were held. There was a United Nations Commission for Korea, UNCRK, that was supposed to supervise the elections, but they didn't have enough people. They couldn't get around. The elections were obviously rigged, and the results were clear in that regard, because Rhee seemed to have won just about all the votes in the country, and we knew perfectly well there was overwhelming opposition to him in the cities, but not in the rural areas. In those days, the great majority lived in the rural areas.³⁴²

The irregularities and interference committed by the police in the city of Masan, Kyung-sangbuk-do Province, angered its citizens. On election day, they waged demonstrations.³⁴³ Police suppressed the demonstrators by firing upon the citizens, causing deaths and injuries. Then, on April 11, a

³⁴⁰ Kim, CIE, and Ke-Soo Kim. The April 1960 Korean Student Movement. *Political Research Quarterly*, vol. 17, no. 1 (1964): 83-92.

³⁴¹ Korea Report, 1 (October 1961).

³⁴² <http://adst.org/2013/04/the-fall-of-south-korean-strongman-syngman-rhee-april-26-1960/>.

³⁴³ Unless otherwise mentioned, the description of the actual election scene is taken from Kim, CIE and Ke-Soo Kim. The April 1960 Korean Student Movement. *Political Research Quarterly*, vol. 17, no. 1.

fisherman in Masan Harbor picked up the mutilated body of a high school boy with part of a police teargas grenade driven into his skull. The Rhee regime tried to censor the news of the incident. But when the news leaked out with the picture of the body, it triggered a nation-wide movement against electoral corruption. Students, particularly college and university students, the carriers of modernization in a repressive traditional oligarchical society of Korea, became the center of these demonstrations. College and university professors also joined in the march. In Seoul, more than one hundred people died. This oppressive response and illegality of the Rhee government led to the April Revolution, causing the annulment of the election, the resignation and exile of Rhee, and the eventual collapse of the First Republic.

On April 19, 1960, students at Korea University called for new elections in a protest. A violent suppression led to a demonstration before the Blue House by thousands of students. By April 25, the protests had grown even larger as professors and other citizens began to join the students, nearly throwing the country into complete anarchy. At last, with no support from either the United States or the South Korean military, Rhee had no choice but to resign. Rhee stepped down on April 26 on the counsel of the American ambassador to Korea³⁴⁴ and was flown out of South Korea with the help of the CIA. He died while exiled in Honolulu in 1965.³⁴⁵ Two days after Rhee's fall on April 28, 1960, the vice presidential candidate, Lee Ki-bung was shot to death, together with his family, by his own biological son,³⁴⁶ Lee Kang-suk, whom Rhee adopted as his son on the day of his 83rd birthday.

One of President Rhee's greatest contributions to the development of Korea was the establishment of a universal education system. Since the early 1910s, Rhee emphasized the importance of education,

³⁴⁴ <http://adst.org/2013/04/the-fall-of-south-korean-strongman-syngman-rhee-april-26-1960/>.

³⁴⁵ Despite his strong desire to come back to Korea, he was able to return only after his death.

³⁴⁶ The death incident is quite controversial as to who actually killed the family. As of today, the truth has not been revealed. The alleged culprit had two bullet wounds in his head, making it suspicious for him to have killed the rest of Lee's family after he shot himself twice.

believing that a lack of education was one of the main causes for the loss of Korean sovereignty. During the 1950s, when almost half of the government budget was spent for national defense, President Rhee set aside approximately 20 percent for education. Within ten years of implementing a compulsory education policy, college students increased from 8,000 to 100,000. The illiteracy rate for those above thirteen years of age decreased from 80 percent in 1945 to 15-20 percent in 1959. Ironically, it is the educated who protested against his overpoliticized behaviors, causing his regime to be toppled, ending his political career and leading to his personal demise. He died in Hawaii with only his wife present.

4.3. Park Chung-hee: The Economic Savior Who Salvaged Democracy

Park Chung-hee was born in a tiny farming village in Gumi, Kyungsangbuk-do Province (South Korea) on November 14, 1917. He was the youngest of five boys and two girls of an impoverished family. Throughout his childhood, he was shorter and slighter than most kids his age. He was quiet and self-possessed, but excelled in studies. After teaching at an elementary school for about two years, he went to the military academy in Manchukuo, the puppet state imperial Japan had set up in Northeast China (Manchuria) in the 1930s. At the time, “training at a military academy was, for some ambitious young Koreans, a sure path to success.”³⁴⁷ He continued to receive military training at the Japanese military academy in 1942 and served as a first lieutenant in Manchuria until the day of national liberation in 1945. After returning to Korea in 1946, he finished an 80-day long training program at the South Korean constabulary and commissioned with the rank of captain thanks to his previous military career. On November 11, 1948, Park was arrested on charges of engaging in Communist activities in the

³⁴⁷ Kim Choong-nam. *The Korean Presidents: Leadership for Nation Building*, 99

army, including involvement in the Yeosu-Sooncheon Military Rebellion. A court martial sentenced him to death. Reportedly, he shared intelligence about Communist cells in the Korean army to save his life. He kept serving in the military up until his coup in 1960. Park was known “as a thrifty, clean, and unusually able officer,” and as “an indefatigable and talented organizer with a reputation for integrity.”³⁴⁸ In addition, he was “a man of few words,”³⁴⁹ and “the kind of officer that many Korean military officers aspired to be.”³⁵⁰ These traits made him a natural leader for those who staged the May 16 coup of 1961.

After the demise of the Rhee regime, the new ruling party had “neither the experience nor the capability to lead the nation.”³⁵¹ The constitution was hastily revised to change the presidential system to a parliamentary one, giving decisive powers to a new bicameral National Assembly. In the general election of June 29, 1960, the former opposition Democratic Party won control of both houses of the National Assembly. The Chang Myon government, a fragile coalition government, was staffed by men with the same background, attitudes and programs as their predecessors in the Rhee administration.³⁵² Disappointed with a government that was appallingly weak and incompetent, students and citizens took to the streets to express their discontent and frustration. Economically, the nation was on the verge of collapse. In April 1960, more than four million city residents, some thirty-five percent of the total labor force, were unemployed or partially employed.³⁵³ The hopelessness and gloomy circumstances are well captured in the following newspaper editorial on May 3:

³⁴⁸ Ibid.

³⁴⁹ For Koreans, especially men, it is traditionally considered a virtue if they don't speak much. If a man speaks a lot, he is likely to be assessed as a man who is not weighty. I often find that this trait about Korean men is often misunderstood and not properly understood by Westerners. In the minds of Koreans, in general, the stern and taciturn leaders like Park Chung-hee is more favored over compared to leadership like Roh Moo-hyun, for instance.

³⁵⁰ Kim Choong-nam. *The Korean Presidents: Leadership for Nation Building*, 99

³⁵¹ Ibid.

³⁵² Ibid.

³⁵³ Ibid.

The streets are filled with the unemployed and beggars, while the farmers and laborers are suffering from starvation and privation....Robbery and thievery run rampant everywhere, while the efficiency of law enforcement is vitiated....everyone is complaining and bemoaning. Life has certainly become more unbearable than before.

For a nine-month period, there were some 2,000 demonstrations with about 900,000 participants. The Chang Myon government was pressured by the demonstrators to discharge 17,000 policemen, including eighty-one police chiefs, and punish those who supported the Rhee regime. Because the police force was so discredited and demoralized, the country was once again in chaos and uncertainty, giving rise to fear of communist attacks. Worse, the Chang Myon government promised to reduce the military by 200,000 men, or one-third of the army. This decreased the morale of the military at a time when North Korean communists and their sympathizers in South Korea were making every attempt to foment chaos.³⁵⁴

Against this socio-political backdrop, on May 16, 1961, Park Chung-hee led a swift and bloodless military coup to topple the incapacitated parliamentary government. Park justified his coup by criticizing the Chang Myon government's pervasive corruption, its inability to defend the nation from communist threats and the absence of a viable plan for social and economic development.³⁵⁵ The military government announced a six-point pledge: (1) Anti-communism will be national policy priority number one and anticommunist measures will be reorganized and strengthened, (2) Solidarities with allied nations, including the United States, will be strengthened (3) All political corruption and old evils will be eradicated and a spirit of integrity will be instilled (4) Hardships of the public will be urgently resolved and an all-out effort will be made to reconstruct the national economy, (5) National capacities will be reinforced to confront communism in North Korea for

³⁵⁴ Ibid.

³⁵⁵ Woo Jong-seok. *Security Threats and the Military's Domestic Political Role: A Comparative Study of South Korea, Taiwan, the Philippines, and Indonesia*.

national reunification (6) Political power will be transferred to conscientious politicians and the military will return to its original duties.

On May 19, 1961, the Military Revolutionary Committee changed its name to the Supreme Council for National Reconstruction composed of thirty-two military officers. The Supreme Council dissolved the National Assembly and all political parties. Soon, Park Chung-hee became chairman of the Supreme Council. For Park, the military coup was a revolution, much like a surgical operation to cure malignant social, political and economic cancers. In his own words, the revolution “was staged with the compassion of a benevolent surgeon who sometimes must cause pain in order to preserve life and restore health.”³⁵⁶ In fact, some people were so dispirited by the political and social confusion of the Democratic Party era that they had been inwardly hoping for someone to take strong control.³⁵⁷ Those who had grown weary of political misdeeds experienced a momentary catharsis when the military government, in line with its pledge to eradicate corruption and old evils, arrested some 10,000 gang members and dismissed more than 40,000 public officials affiliated with corruption from their posts.³⁵⁸ During the period of May 16 to December 31, 1961, the military junta effectively took advantage of anti-communist public sentiment, and arrested some 3,300 pro-Communists and their sympathizers, while rounding up more than 4,000 hoodlums, smugglers, black marketers and usurers.³⁵⁹

Park, who took power in a military coup, desperately needed to legitimize his regime. Unlike Rhee Syng-man who “had an aura of having been a patriot,” Park was considered a traitor because of his background as a former Japanese military officer. Therefore, the only way for him to mollify the popular disapproval, justify his regime and keep him in power, given his Japanese background and his ascendancy into power through a military coup, was to successfully fulfill his pledges to bring the

³⁵⁶ Park, Chung-hee, 1917-1979. *Our Nation's Path: Ideology of Social Reconstruction*. (Seoul: Dong-a Pub. Co, 1962), 197~198.

³⁵⁷ Korea Miracle [translation manuscript in progress].

³⁵⁸ Ibid.

³⁵⁹ Kim, Choong-nam. *The Korean Presidents: Leadership for nation building*.

Korean people out of poverty and achieve economic development. His regime's success in terms of Korea's economic growth is so legendary, both home and abroad, that he is always ranked top in almost every public survey for presidential evaluations. President Park is recognized and respected as the nation's most effective leader.

However, given his pre-Presidential background including Japanese education, Confucian heritage and his military career, there was nothing to suggest "fealty to democracy American-style, which he considered an inconvenient and unproductive practice."³⁶⁰ When he seized power in 1961, he was virtually unknown to American officials. Trained in the Japanese Army and later suspected of leftist connections, he was not the man the United States would have chosen to lead the new Korea.³⁶¹ Also, the United States never found it easy to deal with Park, whose agenda was shaped by his country's immediate needs, not broader issues such as human rights or free trade.³⁶² Throughout his authoritarian rule, Park heavily relied on overpoliticization to achieve his policy goals and to maintain his power.

For instance, as his regime was pursuing the ambitious Five Year Economic Development Plan, he was pressed for capital because the United States switched from economic aid to loans. Partly because of the American pressure and partly out of practical needs for capital acquisition, the Park regime began to negotiate with Japan for war reparation funds. The reconciliation attempts with the former colonial Japan triggered public discontent and protests. Faced with protests, the Park government declared emergency martial law and the four army divisions stationed in Seoul were ordered to suppress the protest by force. All schools were ordered to close, while indoor and outdoor protests

³⁶⁰ Oberdorfer, Don, and Robert Carlin 1947. *The Two Koreas: A Contemporary History*. Basic Books, A member of the Perseus Books Group, New York, 2014. p.32.

³⁶¹ Donald Gregg, Time, 1999.

³⁶² Ibid.

and rallies of all sorts were forbidden. Searches and seizures, arrests and imprisonments took place without warrants.

Political fund-raising from chaebol was a highly organized state operation managed mostly by the Korean Central Intelligence Agency and the chief of staff at the Presidential Secretariat. Park established a four-member committee of political and party elites, known as “the Gang of Four,” who were in charge of fund-raising for the ruling party: Deputy Prime Minister Chang Ki-young, KCIA head Kim Hyong-uk, Presidential Chief of Staff Yi Hu-rak and ruling Democratic Republican Party’s Finance Committee, Chairman Kim Song-gon. Chang Ki-young, deputy prime minister and the head of the Economic Planning Board, approved foreign loans in return for “contributions” from borrowers, mainly chaebols. During his rule, “state-guaranteed foreign loans to chaebol were widely seen as synonymous to political-economic collusion.”³⁶³

On October 17, 1972, there were no street protests, no military provocation. Yet that same evening, President Park Chung-hee abruptly declared an emergency. He proclaimed martial law across the country, dissolved the National Assembly, banned political activities and said a new Constitution would be promulgated within ten days. Censorship of the press, publishing and broadcasting went into effect. In short, constitutional rule was suspended. The October Yushin (revitalizing) reform, making Park effectively President for life, had been his own idea.³⁶⁴ At the strong protest and demand of the American government, the phrase, “[a] cause of the measure was approaches by the U.S. and China” was deleted from the prepared statement on the morning of its announcement.³⁶⁵ Only after the Park regime consulted and received tacit approval, or turning a blind eye, the Yushin system was announced to the Koreans. For many Koreans, the term Yushin recalled Japan’s Meiji Restoration in

³⁶³ Kim, Hyung-A. 2003. “Political corruption in South Korea.” Proceedings of the 21st Conference of the Association for Korean Studies in Europe. (2003): 11-16:12.

³⁶⁴ ChosunIlbo. Jan. 20. 2016 http://english.chosun.com/site/data/html_dir/2008/08/28/2008082861026.html.

³⁶⁵ Ibid.

the 19th century. Yet, the Yushin Constitution was promulgated on October 27 and finalized in a national referendum on November 21 under martial law.

Under the Yushin system, President Park was given absolute powers: the right to proclaim emergencies, dissolve the legislature and nominate one-third of the lawmakers and justices, but the legislature was banned from impeaching a president. On December 15, an election was held to form the National Conference for Unification (NCU) that would elect the president. Some 2,359 NCU members, carefully vetted by the government through the registration process, elected Park president at the Jangchung Stadium in Seoul on December 23. It was the start of the so-called stadium elections. Park, the sole candidate, was elected president for a six-year term with the support of 2,357 NCU members. With absolute power vested in his hands, any institution of the state or organizations of society could not check the exercise of the presidential powers. It is under this political environment that Park started to push ahead with his plan to foster new growth industries in the 1970s.

The Yushin system tolerated very little individual activity without surveillance by the five-pronged intelligence agencies: the Korean Central Intelligence Agency (KCIA), the Military Security Command, the police, the Blue House Security and the Counter Espionage Operations Command—this watchdog system was undemocratic and cruel. During this period, the role of the National Assembly was nothing but a rubber stamp. With all power concentrated in his hands, Park suppressed his opponents harshly. For instance, KCIA agents abducted Kim Dae-jung, Park's political opponent in the 1971 presidential election, from a hotel in Tokyo in August 1973, precipitating a major crisis in South Korean-Japanese relations. The fierce fighter for democracy, Kim Dae-jung was spared his life only at the help of the Central Intelligence Agency of the United States.

The Yushin Regime was soon challenged by activists from groups such as college students, artists, religious leaders and the opposition. Park suppressed these protests by force. In the People's

Revolutionary Party Incident, on April 9, 1975, eight people were executed for treason. The only evidence, their confessions, were extracted by torture, and those executed are now generally cleared of their alleged crimes. Nevertheless, the resistance to the Yushin Regime continued and caused serious social unrest. The Yushin Regime also was criticized internationally for human rights abuse. The American Carter Administration warned that United States military forces might be withdrawn from South Korea unless Park eased off his dictatorship.

Amid this political climate, there was an incident that triggered a domino-like sequence of events that eventually ended Park's notorious Yushin regime and his own life. On August 9, 1979, a group of female workers of the Y.H. Industrial Company, a textile-apparel manufacturing plant, began a sit-in-hunger strike at the New Democratic Party (NDP) headquarters office in protest against the closure of the factory. The reason the protesting female workers chose the NDP headquarters was that "they believed that the NDP would be able to help and willing to support them" considering the leadership change within the party and "its pledge to amplify its anti-Park campaign."³⁶⁶ Also, the protestors reasoned that the opposition party's headquarters "would be a proper asylum against suppression by the authoritarian regime."³⁶⁷ As it turned out, the female workers earned the sympathy and support from the opposition party legislators. Frustrated with the opposition against his dictatorial ruling by the public and the opposing politicians, but yet complacent with his own sense of prowess as the imperial president, President Park Chung-hee reacted brutally to the strikers. On the third night of the sit-in, about one thousand riot policemen stormed the NDP headquarters

³⁶⁶ Kim, Sun-hyuk, 1966. *The Politics of Democratization in Korea: The Role of Civil Society*, (Pittsburg, PA: University of Pittsburgh Press, 2000), 62.

³⁶⁷ Ibid.

and arrested the protesters, killing one female protestor and injured almost 100 people, including NDP legislators and reporters.³⁶⁸

Kim Young-sam, a NDP member who strongly criticized Park Chung-hee for his dictatorial leadership declared a total war against the Park regime and launched a massive popular movement to bring down the Yushin system.³⁶⁹ Making matters worse, President Park Chung-hee was furious at Kim Young-sam because he severely criticized his regime in an interview with the New York Times on September 16, 1979. On December 4, the Park's ruling party and pro-government legislators held a secret meeting to vote Kim Young-sam out of the National Assembly on the grounds that he had "committed a series of impudent acts such as condemning Park's regime as dictatorial."³⁷⁰

In Busan, the hometown of Kim Young-sam, a full scale antigovernment protest erupted and spread to other cities. It started with students from Busan University calling for the abolition of the Yushin regime and the protests grew to include citizens and spread to Masan (the current Changwon) between October 16 and 20, 1979. President Park Chung-hee declared martial law on October 18 and referred 66 people to military court. On October 20, Park invoked the Garrison Act. The army was mobilized, and 59 civilians were brought to military court.

Inside the Blue House, there was a cutthroat power struggle over the issue of how to respond to the popular protests against the oppression of an opposition political leader Kim Young-sam. Especially, the relationship between Kim Jae-gyu, his security chief and the Director of the KCIA, as well as Cha Ji-cheol, the chief body guard was extremely bad. Cha Ji-cheol became a thorn in Kim's side. With his privileged position, Cha began to use his intimate access to the lonely President to inflate

³⁶⁸ Ibid

³⁶⁹ Ibid

³⁷⁰ Ibid

his role.³⁷¹ He built up his command to equal that of an army division with its own tanks, helicopters and troops. On one occasion, after a provincial governor surprised the President by lighting Park's cigarette, with his lighter accidentally turned to high-flame, Cha stayed behind and physically assaulted the hapless official.³⁷² Out of his loyalty, Cha equated the President to the state by saying "Sir, you are the state." He is also notorious for his screening of all documents before they were presented before the President on the grounds that the paper may be contained with poison. In his last year, Cha began to step more boldly onto Kim's territory. When he started to control the presidential schedule, he pushed the KCIA briefing, normally the first item on the daily agenda, to the afternoon. Cha allegedly interfered in KCIA attempts to block Kim Young-sam's election and then blamed Kim Jae-gyu for its failure. Cha also argued for Kim Young-sam's expulsion from the parliament, a move the KCIA director opposed and which led to the Busan-Masan uprising. Cha blamed the deterioration of events on Kim Jae-gyu's weak leadership.³⁷³

The killing of Park Chung-hee took place around 7:40 pm on Friday, October 26, 1979 during a private dinner with his closest aides at a KCIA clandestine safe-house inside the Blue House presidential compound in Seoul (hereinafter 10.26 incident). Also killed were four presidential bodyguards and the President's chauffeur. Regarding the motive of the killing, the chief investigator, Yi Hak-bong famously concluded it was too careless for a deliberate act and yet too elaborate for an impulsive act. The assassin, Kim Jae-kyu, claimed during the trial that his killing was an act of revolution aimed at the recovery of democracy in Korea. Kim Jong-phil, who knew both President Park Chung-hee and the assassin, also concluded it was an act of impulse rather than a planned revolution.³⁷⁴

³⁷¹ http://www.koreatimes.co.kr/www/news/issues/2015/11/363_104936.html.

³⁷² Ibid.

³⁷³ This description is taken from http://www.koreatimes.co.kr/www/news/issues/2015/11/363_104936.html.

³⁷⁴ August 18, 2015. JoongAng Ilbo. *Kim Jong-phil's soibudap*. 10.26

Since his assassination, Park Chung-hee has been transformed from a dead President into a cultural icon that incites wide-ranging and often polarized reactions from the public.³⁷⁵ Especially when the economy is in trouble, the Koreans are nostalgic about his leadership and his era. Thus, collective memories of him have shifted from the image of an antinational, fascist dictator to that of a superhuman hero and national savior.³⁷⁶ In April 1997, to commemorate its 77th anniversary, *Dong-A Daily* conducted a survey on the most competent President in Korean history. The result showed that 75.9 percent of the respondents chose Park, whereas Kim Young-sam, the President at the time, received the support of only 3.7 percent of the respondents. In late 1997, the government's Public Relations Office conducted a national survey on public consciousness and values and found that Park Chung-hee had become "the most respected historical figure," ahead of the Great King Sejong (who invented the Korean alphabet and has been lauded as the paragon of a sage Korean ruler) and Admiral Yi Sun-sin (whom Park had elevated to the position of "sacred hero" for his defense of the Korean nation from Japanese invasion during the late 16th century).³⁷⁷

4.4. Chun Doo-hwan: The Ambitious Ruler Who Was Politically Amputated

Chun Doo-hwan was born on January 18, 1931 into a poor family as the fifth son of seven siblings in a little farming village located thirty miles southwest of Daegu, South Korea. His father was a farmer but fled to Manchuria to escape retaliation for killing a Japanese policeman. He became one of the first-ever graduates of the four-year program at the Korean Military Academy. One of his classmates was Roh Tae-woo, who became his life-long friend and political protégé. He commanded a South

³⁷⁵ Moon, Seung-sook. Cultural Politics of Remembering Park Chung Hee. *Harvard Asia Quarterly*. October 16. (online: <http://www.hcs.harvard.edu/~asiaquarterly/?p=25>).

³⁷⁶ Ibid.

³⁷⁷ Ibid.

Korean division in South Vietnam during the Vietnam War, which made him rise rapidly through the ranks.³⁷⁸ With his excellent athletic abilities, Chun was always the leader among his friends and colleagues. Chun had favor in Park's eyes because he proposed to organize the military academic cadets to demonstrate his support of the May 16 coup. Chun served as civil service secretary for Park Chung-hee's military junta from 1961 to 1962, after which he became the chief personnel of the Korean Central Intelligence Agency (KCIA). Chun was appointed commander of the Military Intelligence Command on March 5, 1979.

The assassination of President Park not only created a power vacuum but also caused a serious national crisis because the combined effect of such problems as economic downturn, social unrest, political uncertainty and renewed tension with North Korea. Right after the assassination, it was Chun, then the chief of army security command, who took charge of the investigation of his death, arresting several suspects including his rival, the army chief of staff General Chung Seung-hwa. Although Prime Minister Choi Kyu-hah officially took over the presidential position, Chun emerged as the real holder of power. In the spring of 1980, Chun became the Defense Security Commander and persuaded the interim President Choi Kyu-hah to name him chief of the Korean Central Intelligence Agency. This meant the military and the intelligence were under the control of Chun. While labor unrest flared up and student protest intensified against the government, the Choi government imposed a nationwide martial law. The situation soon escalated into a series of violent, nationwide protests against the military rule, which were led by labor activists, college students and opposition leaders.

With the death of Park Chung-hee, the citizens of Kwangju, the then provincial capital of South Cholla in southwestern Korea, became the center of the pro-democracy movement. The Cholla region had a long history of political opposition and grievances toward the Park regime because the

³⁷⁸ Britannica Academia.

development was skewed more toward the rival region that was home to President Park. On May 18, approximately 600 college students gathered at Chonnam National University to protest against the suppression of academic freedom, but they were severely beaten. With the approval of the United States, which had maintained operational control over combined U.S. and Korean forces since the end of the Korean War, Chun's government sent elite paratroopers from the Special Forces to Kwangju to contain the unrest. When the soldiers arrived, they began beating the demonstrators. Rather than squelch the protest, the brutal tactics had the opposite effect, inciting more citizens to join in.³⁷⁹ A total of 18,000 riot police and 3,000 paratroopers brutally suppressed the demonstrators, making the Kwangju incident the worst crisis since the Korean War.

On May 31, President Choi formed the Special Committee for National Security Affairs, putting Chun Doo-hwan in charge of the standing committee composed of eighteen field-level officers and twelve high-level government officials. For all practical purposes, the standing committee took over political and economic administration, weakening the cabinet and martial law authorities.³⁸⁰ The standing committee, through fourteen functional subcommittees, carried out a sweeping purge in the name of social purification. By the end of July approximately 3,000 public employees had been dismissed or held for trial on the grounds of corruption, inefficiency, or irregularities.³⁸¹ Kim Dae-jung and 23 of his followers were indicted in July on sedition and other charges, put on trial by court-martial, found guilty and on September 17, sentenced to death. Civilians also became targets of the purification campaign, with some 30,000 troublemakers being arrested.³⁸²

On August 27, 1980, Chun Doo-hwan was elected at the National Conference for Unification (NCU) gathered in Jangchoong Gynasium in Seoul with 2,524 votes out of 2,525. It is highly suspected

³⁷⁹ Britannica Encyclopedia.

³⁸⁰ Kim, Choong Nam. *The Korean Presidents: Leadership for Nation Building*.

³⁸¹ Ibid.

³⁸² Ibid.

that the one vote against his election was purposefully rigged to differentiate him from the North Korean dictator Kim Il-sung, who claimed one hundred percent in his favor. On September 1, 1980, Chun sworn in as President of the Fifth Republic of Korea. Unlike Park Chung-hee who had carefully studied and prepared how to lead the nation, Chun had no such plans because his sudden ascension to power was not the result of a coup but of what President Kim Young-sam would later call “a coup-like incident.”³⁸³ Not only did Chun come to power in a two-stage coup or coup-like incident, but he came to power without any experience in government. His competency to run the nation in the footsteps of the charismatic Park Chung-hee raised doubts and concerns among the general public.³⁸⁴

However, his legitimacy as the President was strengthened by the Korea-U.S. summit in February 2, 1981. The newly inaugurated Reagan administration in 1981 not only supported the new Chun regime but assured the Koreans that the United States had no plans to withdraw its ground combat forces from Korea and promised full diplomatic, military and economic cooperation.³⁸⁵ It is no doubt that the official welcome by the American government extended to the newly elected Chun reinforced his position as the President of Korea, both domestically and in the United States.

Although the Chun regime had attained considerable results in economy and diplomacy, his government failed to win public trust or support. The public basically regarded Chun as a usurper of power who had deprived South Korea of its opportunity to restore democracy. Chun lacked political credentials; his access to power derived from his position as the head of the Defense Security Command—the army’s nerve center of political intelligence—and his ability to bring together his generals on the front lines. His promise for a ‘just society’ was not met, worsened by the two major

³⁸³ Kim Choong-nam. *The Korean Presidents: Leadership for Nation Building*.

³⁸⁴ Ibid.

³⁸⁵ Ibid.

financial scandals in Korea involving Chun's in-laws. In 1985, in the National Assembly elections, opposition parties together won more votes than the ruling party.

President Chun copied Park's authoritarian developmentalist regime. He resorted to a mix of systemic embezzlement, nepotism and cronyism through the members of his own family, including his wife. He became the first President to make a public apology to the people for his family members' misconduct.³⁸⁶ His brother, Chun Kyung-hwan served two years and ten months in prison for charges of embezzling and misappropriating over one billion won in revenues from the state-led rural development program, the New Village Movement, as well as for tax evasion of a similar amount.

Chun took political and personal funds from chaebol—\$1.24 billion at the then prevailing exchange rate.³⁸⁷ The owner of the Kukje group (the seventh largest at the time) refused to offer an appropriate political donation, known officially as “quasi-taxes.” Between 1979 and 1987, over fourteen major corruption scandals, including illicit fund raising through Chun's Ilhae (Sun and Sea) Foundation, *Sae Sadae Simjang* (New Generation Heart) Foundation headed by his wife, revealed a complex web of political corruption among his family members, Cabinet ministers and military generals, for private, pecuniary profit, especially through political-economic collusion. In 1996, he was convicted of bribery, mutiny and treason, and sentenced to death for his role in the Gwangju Massacre, only later to be pardoned by President Kim Young-sam with the advice of then President-elect Kim Dae-jung. The historic irony was that the Chun administration sentenced Kim Dae-jung to death some twenty years earlier.

³⁸⁶ Kim, Hyung-a. “Political corruption in South Korea.”

³⁸⁷ Ibid.

4.5. Overpoliticization and its Determinants (1948 ~ 1987)

In this study, I define politics as a “competition among individuals, groups and classes who make up society over the social product and political power.”³⁸⁸ From this perspective, it follows that politics holds a preeminent position because it determines the institutions, political behaviors and the state format.³⁸⁹ Politics is also a function of the social context. Thus, Korean politics reflects the characteristics of Korean society. As I argued in chapter three, Korean society is characterized by familist collectivism and dependent capitalism, which caused overpoliticized behaviors in politics.

The political culture of the period of 1948-1987 was authoritarianism. By definition, authoritarian rule is more prone to illicit use of state coercive power, dictatorial power, illicit opposition and violent opposition than democratic rule.³⁹⁰ The three authoritarian regimes this chapter covers share in common overpoliticized behaviors. Korean politics during the authoritarian era exhibits almost all overpoliticization behaviors, especially dictatorial powers. Because the three regimes lacked political legitimacy, they resorted to overpoliticized behaviors in the form of dictatorial powers. The resistance from forces within and without the authoritarian regimes eventually led to the personal and political demise of all authoritarian regimes.

Rhee Syng-man became President in a divided South Korean government, mainly backed by the United States. Both Park Chung-hee and Chun Doo-hwan took power through military coups. Given the dependent nature of Korea upon the United States during this period, the military coups were implicitly, if not overtly, legitimized by the American government. Domestically, all three Presidents ruled above the law, wielded enormous power by privatizing the state power and imposed emergency martial law to oppress the opposition. Rhee Syng-man rewrote the constitution to make him President

³⁸⁸ Sangmpam, S. N. *Comparing Apples and Mangoes: The Overpoliticized State in Developing Countries*.

³⁸⁹ Ibid.

³⁹⁰ Ibid.

for life. To this end, his regime relied on various types of overpoliticized behaviors. Park Chung-hee adopted the infamous *Yushin system*,³⁹¹ which gave him unlimited access to dictatorial powers, violating numerous democratic rules. Chun Doo-hwan literally privatized his presidency to keep his power base and accumulated illicit wealth to maintain his influence and retain loyal followers. During this period, the Presidential blue house had been the center for collecting and distributing political funds, closely associated with hierarchical state-business collusive ties. Also, the involvement of the United States in Korean affairs changed over time in accordance with American national interests.

In this period, the political culture of Korea was characterized by the presidential power above the law. All three authoritarian presidents, once in office with enormous state power and material and human resources at their discretion and reinforced by the societal culture of familist collectivism, fell down. The Korean presidency of this authoritarian period was well summed up in the words of David Steinberg:³⁹² The President was “half king, half chief executive. The cabinet has been his plaything, changeable at his whim; the legislature to date at most a modest thorn in his side. His phalanx of staff in the Blue House (the Presidential residence) rarely questions his decisions. In his society, he is far more powerful than the President of the United States.”³⁹³ Table 4.1 contains the summary of all three authoritarian regimes.

³⁹¹ Yushin literally means “revitalizing,” a term after the Meiji Restoration of Japan.

³⁹² Steinberg, David. Presidential Elections and the Rooting of Democracy. *International Journal of Korean Studies*, vol. (Fall/Winter, 1998).

³⁹³ In fact, this lack of meaningful communication is not exclusive to the relationship between the President and his staff. In the hierarchical culture of Korea, all relationships are subject to this type of top-down, unilateral communication. The recent demise of the current President, Park Geun-hye was attributed to her lack of transparency as well as lack of communication between her and the rest of the government.

Table 4.1. Profiles of Authoritarian Presidents³⁹⁴

	Rhee Syng-man	Park Chung-hee	Chun Doo-hwan
Birth	1875	1917	1931
Term of office	1948-1960	1962-1979	1980-1988
Education	Harvard University Princeton University	Manchukuo military academy Trained at Imperial Japanese Army Academy	Korea military academy Trained in American military
Major career Before presidency	- Independent Movement - First President of Provisional Government	- Elementary School Teacher - Career military officer	- Career military officer
Major political accomplishments	- First President of South Korea - Anti-communist political system in South Korea - Korea-U.S. alliance	- Economic modernization - Industrialization	- Economic growth - Promoting Korea's external image through International sports events like Olympics
Direct triggers for demise	Popular protests against electoral frauds	Dictatorial ruling and oppression of opposition	Widespread corruption

Thus, the three authoritarian presidents all exhibited manifestations of various overpoliticized behaviors throughout their rules. Because all three presidents lacked political legitimacy in their path to presidency, they had to resort to illicit use of state coercion to maintain their power base and to oppress the opposition. Their respective demise is clearly the effect of their overpoliticized behaviors: Rhee Syng-man regime's systematic electoral fraud, Park Chung-hee's assassination by his chief security guard over President Park's repressive and brutal treatment of the protests against the *Yushin* government, and Chun's imprisonment for his illicit use of state coercion not only to repress opponents but also to amass wealth to maintain his influence.

³⁹⁴ Otherwise mentioned, all biological information is taken from the Presidential Archive at <http://www.pa.go.kr>.

In the Korean context, overpoliticization was caused by two internal and external causal variables: *familist collectivism* and altered capitalism. As I argued in chapter three, Korean society during the period of 1948-1987 was characterized by *familist collectivism* as the dominant operational principle and code of behavior for most people. Because politics is a function of social context, it is obvious that Korean society was ripe for overpoliticization in politics. On the one hand, the Korean populace did not have a chance to develop any significant practical skills and knowledge to live as civic-minded citizens in the post-liberation Korea. As Choi, Jang-jip aptly put it, liberalism in Korean society “was outside of the people’s collective experiences.”³⁹⁵ Presidents themselves also were not trained to rule the country in a democratic way. All three authoritarian presidents were born either before or during the colonial period: Rhee Syng-man in 1875, Park Chung-hee in 1917 and Chun Doo-hwan in 1931. Therefore, all were strongly influenced by both Korean familist collectivism, Japanese authoritarian, coercion-based colonial rule and American Cold War-driven hold on Korean society.

Rhee Syng-man’s formative years were characterized by the mixture of diverse ideologies and influences. His parents were devout Buddhists, he was panned in Confucian classics, later converted to Christianity, educated in American universities and lived for decades in the United States. Like most Koreans of the day, he had a strong attachment to Confucian-marked family ties. Throughout his life, he lamented the fact that he did not have a biological heir, and he even adopted the son of Lee Ki-bung, his vice president. One episode concerning the adopted son, Lee King-suk, speaks volumes about the culture of Korea characterized by familist collectivism. Several months after Lee Kang-suk was adopted, a young man pretending to be Lee Kang-suk made a series of visits to local government offices and police stations, collecting money and receiving generous entertainment and hospitality. Wherever the younger man went, regardless of their rank, people showed high respect and the best

³⁹⁵ Choi, Jang-jip. “The Fragility of Liberalism and Its Political Consequences in Democratized Korea.” *Asea Research*. 52:3 (2009): 252-284

treatment only because he said he was “the adopted son of the President.” When he was caught, the police did not want to expose the incident to the public “because it may taint the images of the President and the Vice President.”³⁹⁶

As I described in chapter two, Park Chung-hee ruled the country like the head of a Korean Confucian-shaped household. His assassination is also related to the influence of Korea’s familist collectivism. Park Chung-hee was assassinated by Kim Jae-kyu, his chief security guard. President Park had a special bond with Kim Jae-kyu for a long time because they had *Jee-yon* (ties through hometown). According to Kim Jong-phil,³⁹⁷ the assassin Kim Jae-kyu was frustrated by the harsh criticism against him for his mishandling of the anti-governmental protests triggered by the repressive measures against anti-Park opposition forces³⁹⁸. Although Kim Jae-kyu claimed he killed Park in an revolutionary attempt to recover democracy, Kim Jong-phil believes he did it out of personal frustration.³⁹⁹ Indeed, Kim Jae-kyu, as the director of the KCIA, was also very frustrated when he found out about the suspicious personal “spiritual” relations between Park Geun-hye and Choi Tae-min, a cultish leader. Park Geun-hye is President Park’s daughter, the recently impeached and disgraced president. She was serving as the first lady after the assassination of her mother in 1974. Although President Park Chung-hee knew about the abuse of power by Choi Tae-min, who was taking advantage of his relationship with his daughter Park Geun-hye, President Park was soft on his daughter.

Although it may take more time and reliable sources to know the truth, there is some evidence that the family dynamics between President Park Chung-hee, his daughter Geun-hye, and her “spiritual

³⁹⁶<https://namu.wiki/w/%EA%B0%80%EC%A7%9C%20%EC%9D%B4%EA%B0%95%EC%84%9D%20%EC%82%AC%EA%B1%B4>.

³⁹⁷ Kim Jong-phil was married to the daughter of Park Chung-hee’s older brother. Therefore, the two are related through marriage. Kim Jong-phil is also one of the three major politicians in Korean politics, commonly known as the Three Kims, together with Kim Young-sam and Kim Dae-jung.

³⁹⁸ This is better known in Korea as “Bu-Ma incident.” It refers to the protests against President Park Chung-hee’s prolonged dictatorial rule under the Yushin system. Bu represents Busan and Ma refers to Masan, both of which are the names of cities in Kyungsang province of Korea.

³⁹⁹ <http://news.joins.com/article/18524364>.

mentor” Choi Tae-min was a major determinant of the decision by the director of the KCIA to assassinate President Park Chung-hee. Hence, the seed of disaster was sewn for later harvest of disaster about three decades later. Indeed, President Park Geun-hye was impeached, convicted and expelled from her office by the Constitution Court on March 10, 2017 because of the power abuse scandal involving the daughter of Choi Tae-min.

Chun Doo-hwan’s demise is directly connected to his illicit use of state’s coercive power to amass a large sum of slush funds both for personal and political purposes as well as to his own family members, including his younger brother. Like Park, he also managed the national affairs like a father would do for his extended family. He collected money from chaebols, distributed at his whim to maintain his own influence and support base.

For the authoritarian presidents, overpoliticization was also in large part a result of Korea’s dependent relationship with the United States and Japan. In the case of Rhee Syng-man, his presidency from the beginning to end was backed by the United States. He was picked by the United States to become the founding President, and his presidency was sustained by the political and economic assistance. Interestingly, his exit was also orchestrated by the American government. In some sense, it is symbolic that the CIA helicopter took him to Hawaii, and he could not return to the country despite his desperate wishes to do so. Although his own mother land did not receive him, the United States took care of him until his death.

Unlike Rhee Syng-man, whose presidency was much influenced by his ties with the United States, President Park Chung-hee maintained a bitter-sweet relationship with the United States throughout his reign. As I explained in chapter two, his economic policies were heavily influenced by the dictates of the United States. Unable to gain political and financial support in the 1960s, President Park had to push for normalization with Japan against strong opposition from the public. When President Park

planned the *Yushin* system, he had to compromise with the United States about the content of the statement. President Park Chung-hee also implemented the Japanese style leadership as he was trained in the Japanese military academy and developed leadership skills in Japanese army as officer. In Asia, Africa, and South America, colonial repressive habits have been often repeated by the postcolonial successor states. Park and Rhee, before him, did not escape this reality.

Korea and the United States celebrated their 100th anniversary of diplomatic relations in 1982. Despite the official rhetoric that the bilateral relationship between the countries would be more of a partnership, Korea was still dependent. The official visit of the newly inaugurated Chun Doo-hwan to the United States was conditioned by several important issues, including the release of the well-known opposition leader and democratic advocate Kim Dae-jung. The Chun Doo-hwan regime reciprocated by buying up one million tons of American rice and defense weapons.⁴⁰⁰ His visit was a politically calculated move on the part of the United States;⁴⁰¹ it highlighted this dependence.

In short, all three presidents of authoritarian era were under the dictates of the United States externally and under the culture of familist collectivism, which provided a fertile soil for various overpoliticized behaviors in politics.

⁴⁰⁰ <http://blog.naver.com/PostView.nhn?blogId=backtopast&logNo=80001970418>.

⁴⁰¹ A declassified document on Alexander Haig, 1981 memorandum to Reagan.

∴ HIGH JUMP INTO THE DEEPER PIT
PRESIDENCIES OF DEMOCRATIC REGIMES

The strength of a nation derives from the integrity of the Home – Confucius

“I had ambition. So I prepared and disciplined myself for it. But they (his own direct family members, relatives and those who are closely related to him) have been pushed to get into the world of power because of me without any preparation” – LATE PRESIDENT ROH MOO HYUN⁴⁰²

In chapter four, I analyzed some of the most outstanding over-politicized behaviors that led to the tragic endings of authoritarian presidents. I showed that Korean politics, as a function of social context, was characterized by over-politicization, or tenuous liberal compromise. The social context was determined by two causal variables: internally, the tenacious Korean cultural trait of familist collectivism and externally, Korea’s dependent relationships with the United States and Japan. As a result, all three authoritarian presidents displayed various manifestations of over-politicized behaviors, whose effect was their demise. In the same vein, this chapter covers the presidencies in the post-1987 democratic transition: Roh Tae-woo, Kim Young-sam, Kim Dae-jung and Roh Moo-hyun. The following analysis aims to show that even after the democratic transition in 1987, Korea’s altered capitalism invariably led to over-politicized politics, which in turn caused presidential downfalls.

More specifically, I take as a point of reference some of the most salient cases of overpoliticized behaviors related to their disgraceful downfalls: Roh Tae-woo’s illicit accumulation of slush funds that cost him imprisonment, both Kim Young-sam and Kim Dae-jung’s tarnished image caused by corruption scandals involving their own children, and Roh Moo-hyun’s suicide in the aftermath of aggressive investigations into corruption charges involving his own family. The analysis will clarify

⁴⁰² President Roh Moo-hyun committed suicide on May 23, 2009. This note [unofficial translation] was written by him.

that the nature of overpoliticization in Korean politics for democratic presidencies is qualitatively different from that of the pre-1987 authoritarian regimes. The presidents of the democratic era are more constrained by democratic institutions, whereas those of the pre-1987 period ruled more often outside legal and institutional arrangements. Unlike their authoritarian predecessors, democratic presidents enjoyed political legitimacy because they were duly elected and ruled generally within institutional and constitutional boundaries. Relatively speaking, post-1987 Korea is institutionally a stabilized presidential democracy. There has been no serious threat to the political system itself, no blatant above-the-law attempts to rewrite the Constitution against the public's sentiment as was often the case during the authoritarian era, no illegal attempts to extend presidential terms and no recourse to military coups to topple down existing regimes. Theoretically, these democratic presidencies did not have compelling reasons for resorting to illegitimate means to defend their political legitimacy as their authoritarian counterparts did.

Nevertheless, post-1987 presidents also fell victim to personal disgrace and downfalls. In a sense, their demise is not “despite” but “because of” their sense of political legitimacy and relatively superior sense of morality vis-à-vis their undemocratic counterparts. Their sense of moral superiority and political efficacy emboldened all of them to push ahead with ambitious policy agendas, including drastic measures to correct the wrongdoings of the past and well-intentioned anti-corruption drives. However, these policy goals ensnared them in the end, partly because of their complacency as the nation's most powerful leaders reinforced by the culture of familist collectivism in Korean society. In particular, all democratic presidents invariably failed because of the negative effects of what I call “the politics of family cabinet.”⁴⁰³ I define the family cabinet as an

⁴⁰³ This term was inspired by the “kitchen cabinet” of President Andrew Jackson. When President Andrew Jackson (the seventh president, 1829-1837) was frustrated by factional disputes within the official cabinet, he relied on an unofficial group of trusted friends and advisors. This practice was mocked in the rival press as the “Kitchen Cabinet” because the meeting was often held in the kitchen. (<http://www.blairhouse.org/history/historical-events/jackson-and-the-kitchen-cabinet>). In Korean media, the term *biseonsilse* (shadowy rulers or powers) is used to refer to those who are close to the president and wield influence and powers behind the

informal, often unofficial, group of individuals who are close to the President by personal connections formed mainly through, but not exclusively, such ties as blood, school and hometown. Assuming the mantle of authority in shadow without the due process, the family cabinet was deeply involved in major policy-making and appointment processes, disrupting the democratic rules of the game. The politics of family cabinet is nothing new in developing countries, but it served a more pronounced form of familist collectivism in Korean society since the 1987 democratic transition. As a result, the demises of democratic presidents are all the more disappointing because of the high expectations placed upon their presidencies. The following table shows the fluctuations of popular support for the presidents in post-1987 presidencies.

Table 5.1. The Fluctuations of Approval Ratings in the Post-1987 Democratic Presidents⁴⁰⁴

Election Year	President	Turnout	Votes Gained	The highest approval rate	The lowest approval rate
1987	Roh Tae-woo ⁴⁰⁵	89.2%	36.6%	57.1%	7.8%
1992	Kim Young-sam	81.9%	42%	83%	6%
1997	Kim Dae-jung	80.7%	40.3%	71%	24%
2002	Roh Moo-hyun	70.8%	48.9%	60%	12%

curtains. I prefer the term ‘family cabinet’ to the Jacksonian type to illustrate the influence and prevalence of familist collectivism in Korean society and politics. Not a single president is exempt from the negative effect of their family members’ involvement in corruption scandals that discredited their presidencies in the post-1987 democratic era.

⁴⁰⁴ <http://100.daum.net/encyclopedia/view/47XXXXXd1377>; [Issuemore Zoom] Yeokdeadeatongryung Jijiyul. 2016. 11.3. (retrieved from <http://v.media.daum.net/v/20161103082403969>); <http://kiss7.tistory.com/674>

⁴⁰⁵ Roh Tae-woo’s approval rating is taken from Kim Choong-nam. *The Korean Presidents*, 255.

5.1. Transitional Presidency from Authoritarianism to Democracy – Roh Tae-woo (1988-93)

The Roh Tae-woo presidency stood at a crossroad of Korea's presidential history. His regime was neither authoritarian nor democratic in its purest terms. Rather, his presidency was transitional and dual-natured. On the one hand, he rose to power by the political and financial backing of his predecessor Chun Doo-hwan. On the other hand, the army general-turned politician was popularly elected in a free and fair election in accordance with the revised Constitution in 1987. On February 25, 1988, the Koreans witnessed the peaceful and orderly transfer of power from an authoritarian government to a civilian one, the first of its kind in forty years. Unlike his political and life mentor/friend President Chun who had neither political nor governmental experiences prior to his presidency, Roh Tae-woo had served in various governmental posts before he took office. His candidacy was also well regarded by the international media. He was described as the one who does not "fit the caricature of a third world general."⁴⁰⁶ To an uninformed outsider, Kim Dae-jung would be labeled as "the power-seeking general," Kim Young-sam as "a slick and shallow politician" and Roh Tae-woo as "an earnest and intelligent alternative to the present leadership."⁴⁰⁷ This benign labeling is ironic because his image as such was backfiring in Korea's cultural context. He was often ridiculed by the public as "*mul-Tae-woo* (Water Tae-woo)," insinuating his lack of decisiveness and authoritarian authority.⁴⁰⁸

Unlike his authoritarian predecessors, President Roh Tae-woo did not use state coercion to threaten or suppress opposition parties. Historically, it can be said the Roh Tae-woo administration operated within the confines of the constitution.⁴⁰⁹ In fact, he made efforts to have a dialogue with the

⁴⁰⁶ Kim, Choong-nam. *The Korean presidents: leadership for nation-building*, 217

⁴⁰⁷ Ibid.

⁴⁰⁸ This attitude of the public also seems to reveal how Koreans prefer a powerful and strong leader. For instance, President Park Chung-hee who was considered a brutal dictator, especially under the Yushin system, is always rated as the best and the most respected president of all time in almost every opinion poll.

⁴⁰⁹ Strnad, Grażyna. The Sixth Republic Under Roh Tae-woo: The Genesis of South Korean Democracy. *Polish Political Science*, Vol. XXXIX, 2010, PL ISSN 0208-7375.

opposition and compromised when necessary.⁴¹⁰ When he found himself politically incapacitated in a divided government as a result of the 1988 general election, where his own ruling party lost its majority standing, he merged his own party with the two opposition parties to create a majority ruling party in 1990. One of the two opposition parties was that of Kim Young-sam's who strongly opposed and criticized previous authoritarian regimes.

Most notable of President Roh Tae-woo's achievements as president was his administration's northern policy that led to the establishment of diplomatic relations with the Soviet Union and China, strategically and economically significant countries for Korea. Within a decade since the diplomatic normalization in 1992, China became the second largest trading partner to Korea.⁴¹¹ Also, the isolationist North Korea was brought to the negotiation table, eventually signing a basic framework to improve inter-Korean relations.⁴¹² The Soviet Union stopped arms provision to North Korea after the establishment of diplomatic ties with South Korea.⁴¹³ Roh Tae-woo is very proud of his achievements as president, including the democratization of 1987 through June 29 declaration, building up the largest middle class, and positioning Korea as one of the core countries in the world through northern policy.⁴¹⁴

However, President Roh Tae-woo echoed his predecessor Chun Doo-hwan when it came to privatizing state power. Like Chun who used his presidential power to collect private gains, Roh collected a \$650 million political slush fund in systemic and structural ways, involving the three most powerful institutions in Korean: the Presidential Blue House, the banks and chaebols.⁴¹⁵ As he admitted in his own memoir, his slush fund scandal almost canceled out all his achievements.⁴¹⁶ He

⁴¹⁰ Kim, Choong Nam. *The Korean Presidents: Leadership for Nation Building*, 256.

⁴¹¹ Ibid.

⁴¹² Ibid.

⁴¹³ Ibid.

⁴¹⁴ Roh, Tae-woo. *Roh Tae-woo's Memoire*. (Chusun News Press. 2001), 498

⁴¹⁵ Kim, Hyung-A. 2003. Political corruption in South Korea.

⁴¹⁶ Roh, Tae-woo. *Roh Tae-woo's Memoire*, 498

managed the government as if it was his own household. He doled out collected money like a patrimonial father figure would do with his own family's finances. In other words, what Roh Tae-woo did was the duplicate of what Chun did. Both Chun and Roh ran the government as a father would do for his own family. However, President Roh Tae-woo justified his slush fund by saying that;

If we think of the state as a machine, it needed oil in all parts so the machine can function smoothly. The governing fund played a role as such...social order was disrupted in the process of democratization due to labor disputes and student protests. It was costly to maintain order. There were only two choices for us to choose to solve this problem unless we resorted to military force: one was to call upon the people to maintain order on their own autonomous account, and the other is to reinforce the police force...it was a common practice at the time to dole out gift money on national holidays to encourage or compliment to hundreds of organizations from the political party to street cleaners... Those who receive such congratulations and encouragement from the president will never forget the sense of gratitude and tend to act exemplary for those around them for the rest of their lives. I did not think that such a practice was irregular. Rather, isn't it part of our society, culture, tradition and common practice?"⁴¹⁷

The slush fund scandal involved some of biggest conglomerates including the Dae Woo group in return for a major submarine depot and a total of three hundred million dollars from some thirty companies.⁴¹⁸ For Roh, however, he was innocent because it was part of Korean politics at the time:

I apologize deeply to the people of Korea. I will take full responsibility for this scandal and I am ready to accept any punishment. I am very sad that because of this scandal many businessmen have been through many difficulties. I would like to ask the Korean people to make sure that the businesses do not fall behind economically or internationally by looking after them and giving them strength and support. I'd like to tell the politicians one thing I will bear all the mistrust and conflict. I will take these with me. I will take any punishment. Please let this be a lesson to you. Do away with the distrust and conflict. Create a new political culture through understanding and cooperation. Let's leave this for the next generation.⁴¹⁹

⁴¹⁷ Ibid. [unofficial translation by the author], 506.

⁴¹⁸ AP Archive. South Korea: Roh Tae-woo arrested on corruption charges. November, 16, 1995.

⁴¹⁹ The tone of his apology implies he acts as if he serves the country by taking up responsibility, not necessarily being remorseful or apologetic per se. Even when he was convicted of such wrongdoings, he presented the image of a scapegoat or an instructive message to the country.

His indictment was the first time a Korean president faced legal action for deeds committed while in office. As he was trying to differentiate himself from Chun Doo-hwan; unfortunately, there was moral hazard in the bureaucracy, which caused in part one of the largest corruption scandals in democratized Korea during his rule. The scandal was exposed when an opposition legislator disclosed one of Roh's secret bank accounts. Nine top politicians and public officials were arrested for taking bribes in return for altering the classification of land designated for a greenbelt zone to enable an apartment complex to be built on it. The scandal, widely known as the "*Suso* scandal," revealed "how public officials, politicians and business executives work together to promote their private interests to the detriment of the general public interest."⁴²⁰ Roh Tae-woo was also the first Korean president who witnessed his own daughter and her spouse, SK Group Chairman Choi Tae-won, questioned for taking \$200,000 out of the country in 1994. Park Cheol-eon served a jail term for his involvement in a gambling machine scandal.

Roh Tae-woo's family cabinet politics was done through a private group called "*wolgeysohoë*" (meaning the group of laurel tree). The group was formed and led by Park Cheol-eon, the cousin of Roh's wife Kim Ok-suk. For Roh, he is the nephew-in-law. The private group grew to have a membership of two million. The core leadership of the group grew from eleven to sixty members. As the group name indicates, the group's founding goal was to push Roh Tae-woo to the presidency. In other words, they wanted to put the crown of laurel branches on the head of Roh Tae-woo. Throughout Roh Tae-woo's term of office, the influence of Park Cheon-eon was so great that he was nicknamed "the crown heir of the 6th Republic." Park served not only on the official cabinet of the Roh government but more importantly as a close confidant for Roh Tae-woo. Park Cheol-eon was

⁴²⁰ Gerald E. Caiden, and Jung H. Kim. A New Anti-Corruption Strategy for Korea. *Asian Journal of Political Science*, vol. 1, no. 1 (June, 1993).

arrested and sentenced to imprisonment on charges of bribery on a slot machine licensing decision.

5.2. The Kim Young-sam and Kim Dae-jung Presidencies—Democratic Fighters’ Defeat in Authoritarian Way

President Kim Young-sam (1993-1998) had been widely known as the staunch fighter for democracy. He was also the first elected civilian president since 1960. Kim Young-sam rose to the presidency in a political deal that merged his political party with Roh Tae-woo’s ruling party and a minor opposition party led by Kim Jong-phil, a relative and close associate of Park Chung-hee. The Kim Jong-phil’s merge with Roh Tae-woo’s military backed governing party was widely condemned as a betrayal of pro-democracy forces.⁴²¹ In fact, the merger was a political marriage of convenience because what Roh Tae-woo wanted was a parliamentary majority, while Kim Young-sam wanted to win the election.⁴²² This shows that even political parties existed not so much for representing diverse interests of the public, but for the personal gains to the power-seekers.

Nevertheless, the Kim Young-sam presidency started with high expectations from the public. Before Kim’s presidency, the presidential office had been the center for collecting and distributing Korea’s largest political funds under regimes of the past. But Kim vigorously advocated for a “New Korea,” primarily aimed at uprooting political corruption and many other “Korean diseases” of the past—Korea’s institutionalized corruption. One of the first things he did once in office was to declare he would not receive any illegal political funds from chaebols. He introduced a series of anti-corruption laws, including the Public Servants’ Ethics Law. Of all his accomplishments, Kim issued

⁴²¹ CNBC-Asia Pacific News (<http://www.cnbc.com/2015/11/21/new-york-times-digital-kim-young-sam-former-president-of-south-korea-dies-at-87.html>).

⁴²² Ibid.

an emergency decree banning anonymous bank accounts and requiring the mandatory use of real names. He also introduced a compulsory rule for registering and declaring the property and assets of every official in his efforts to wipe out corruption in government.

Once elected, President Kim was under pressure to correct the wrongdoings of the past regimes. To end any chance of the military's interference with politics, he purged a group of politically ambitious army officers who went by the name of "*Hanaboe*," which roughly meant "an association of one-for-all, all-for-one." His military purge culminated in the arrest and conviction of Chun and Roh on mutiny and corruption charges for their roles in the 1979 coup and a bloody crackdown on a pro-democracy uprising in 1980 as well as their enormous slush fund. Convicted of these charges in 1996, Chun was sentenced to death, and later reduced to life imprisonment, while Roh was sentenced to an imprisonment of 22 and a half years, later reduced to seventeen years. Both were released from prison in December 1997 by President Kim Young-sam's pardon. Nevertheless, the lesson—that dictators may eventually be punished for their brutality—reverberated across Asia⁴²³. However, in his rush and ambitious initiative to rectify history or to build a new Korea, he disrespected and disregarded the past presidencies as well as his own political ally whose political party was one of the tripartite deal that pushed him to the presidency. Therefore, his act damaged rather than strengthened Korea's presidency.

Kim Young-sam's presidency also manifested deeply-rooted, over-politicized behaviors in the way he appointed staff for his government. Given his lack of practical experience in government, he needed a well-balanced staff for his presidency, but he relied on recommendations of his informal aides; thus his appointments "heavily skewed toward his long-term followers, irrespective of their professional backgrounds."⁴²⁴ As a result, the presidential staff consisted of inexperienced outsiders,

⁴²³ <http://www.nytimes.com/1997/12/22/world/seoul-s-heroic-failure-departing-chief-kim-young-sam.html>.

⁴²⁴ Kim, Choong-nam. *The Korean presidents: leadership for nation building*, 302

not able to prepare practical politics for his major policy agendas and of monitoring and coordinating these policies.⁴²⁵ This nepotistic and crony appointment practice “compromised the competence and efficiency of his government, undermined the expansion of his power base, and bred favoritism and corruption.”⁴²⁶ Although Kim Young-sam declared he would not receive any political fund from chaebols, he understood the significance of the cooperation from the business circles. Therefore, he invited them to the Blue House for a luncheon meeting, which was considered a turning point in tilting the balance toward chaebols in their bilateral relationship⁴²⁷.

His anti-corruption measures were “unfortunately too much of a mixture of the old and the new.”⁴²⁸ Despite his anti-corruption legislation, he did not reform many of the restrictive rules inherited from the past. Thus, laws that prohibited unions from associating with funding, or from supporting political parties or candidates for political office, remained unchanged in spite of boisterous complaints.⁴²⁹ Through privatizing the state power, his sons and his long-standing personal clique who, with no apparent expertise other than their personal record of service to him, managed almost all his affairs. The so-called *Sangdo-dong* kasin (retainers) from his private residence on *Sangdo* Street, Seoul, and his son Hyun-cheol were particularly influential in managing Kim’s political affairs, including the 1992 election campaign in which his party spent nearly 13 billion won, more than three and a half times the legal limit for campaign expenses.⁴³⁰ The alleged involvement of his son’s illicit activities and retainers turned out true in 1997 when he was sentenced for receiving bribes in connection with the bankruptcy of the Hanbo group, which was “a major factor in the 1997 financial crisis.”

⁴²⁵ Ibid.

⁴²⁶ Ibid.

⁴²⁷ Choi, Jeong-pyo. *Hankuk Jaebolsa Yun-gu*. (Seoul: Haenam Publishing, 2014), 55.

⁴²⁸ Kim, Hyung-A. 2003. Political corruption in South Korea.

⁴²⁹ Ibid

⁴³⁰ Korea Herald. Jan. 22, 1999.

President Kim Young-sam's ending was quite the opposite of his heroic beginning. His approval rating plummeted to 14 percent by the time he neared his term of office after the financial fiasco that put Korea under the management of the International Monetary fund. His much publicized anti-corruption drive ended in shame as his own son, Hyun-cheol, was charged with tax evasion in May 1997. His son was notorious for his exercise of unearned authority. People called him "Sotongryung" (meaning the little President). In October 1997, a South Korean court found him guilty of accepting bribes and evading taxes and sentenced him to three years in prison. The junior Kim was ordered to pay a fine of more than \$1.5 million, and the court confiscated more than \$500,000 in illegally amassed assets.

Kim Dae-jung's presidency (1998-2003) is no different from Kim Young-sam's fate. He started with high expectations and ended tragically. When he became President, he was considered as "one of the few Korean politicians with special interests in, and visions for, the South Korean economy and national unification."⁴³¹ His significant achievements as President include the economic recovery from the 1997 financial crisis. He followed the terms of the IMF bailout including the restructuring of the financial sector, pushing the big conglomerates to focus on core businesses, and passing laws encouraging transparency and competitiveness.⁴³² By the time he finished his term of office, foreign exchange reserves reached more than \$120 billion, the fifth largest holder of foreign exchange holdings in the world.⁴³³ With this accomplishment, he was praised as "one of the few leaders in Asia to take an active and personal leadership role in restructuring the economy," and to launch "one of the most ambitious economic makeovers any country has ever attempted."⁴³⁴ The IMF Survey stated,⁴³⁵ "A key lesson from the recovery is the importance of political leadership. Kim Dae-jung was able to unify the country to overcome the crisis."

⁴³¹ Kim, Choong Nam. *The Korean Presidents: Leadership for Nation Building*.

⁴³² Ibid, 357.

⁴³³ Ibid, 357.

⁴³⁴ Ibid.

⁴³⁵ IMF survey. Nov. 4, 2002. Cited in Ibid, 346.

Throughout his political career, he endured a suspected assassination attempt, a kidnapping, repeated arrests, beatings, exile and a death sentence. His life-long democratic advocacy earned him the nickname as “Asia’s Nelson Mandela.”⁴³⁶ “President Kim Dae-jung’s vision for the Korean people led him to pursue a policy of engagement toward North Korea. He and North Korean leader Kim Jong-il worked together on a joint declaration they signed on June 15, 2000 “paving the way for a brighter future for all Koreans and other peace-loving peoples of the world.”⁴³⁷ But his honorable reception of the Nobel Peace Prize was tarnished by the controversy surrounding the alleged bribery for his first Summit with North Korean leader Kim Jong-il.

Once in office, Kim Dae-jung repeated almost identical bribery and influence-peddling scandals, orchestrated by his two sons, while a string of the President’s associates and officials at the highest levels were charged with various forms of corruption. Like his immediate predecessor Kim Young-sam, he also filled key governmental positions with people from his own hometown, Cholla region, or his close friends and aides. But, “his hometown buddies” got involved in a series of bribery scandals, tarnishing his hard earned moral legitimacy.⁴³⁸ Worse, two of his own sons were charged with graft and bribery. Although Kim Dae-jung also made efforts to eradicate corruption, the average amount of bribery per case is much higher than that of the Kim Young-sam government⁴³⁹. He confessed in 2009 that “I thought democracy is founded on the rock, but I was mistaken.”⁴⁴⁰ Kim Dae-jung has three sons —nicknamed “*Hongsam* Trio”—(Hongsam refers to red ginseng as Hong referring to their family name and sam referring to three sons) and one daughter. All three sons were convicted and imprisoned for their influence-peddling corruption scandals.

Some may argue that the reason for the corruption fiasco for both Kim Young-sam and Kim Dae-

⁴³⁶ Kim, Choong Nam. *The Korean Presidents: Leadership for Nation Building*, 360.

⁴³⁷ http://www.nobelprize.org/nobel_prizes/peace/laureates/2000/dae-jung-bio.html.

⁴³⁸ Kim, Choong-nam. *The Korean Presidents: Leadership for Nation Building*, 343.

⁴³⁹ Baik, Wan-gi. *Hankuk Haengjeong Munhwa*. (Seoul: Korea University Press, 1990), 101.

⁴⁴⁰ Kim, Gwang-ho. The Kyunghyang Shinmun. Nov. 23. 2015.

(<http://blog.naver.com/PostView.nhn?blogId=p111555&logNo=70067615060>)

jung was not so much that these governments were more corrupt than the previous authoritarian regimes as that, because of their strong anti-corruption drive, more corruption involving the political-business collusion had been exposed and uncovered.⁴⁴¹ But, the involvement of their own children, not to mention their associates and aides, in a series of corruption scandals and influence peddling, robbed them of the public trust in their leadership and the presidential institution.

5.3. A Dwarfed Giant - Roh Moo-hyun

Roh Moo-hyun (2003-2008) was the ninth president of South Korea. His ascent to the presidency signaled the end of the so-called “the 3 Kim Politics,”⁴⁴² and the beginning of the generational change in Korean politics. As a son of a poor family, a graduate of a vocational high school, and a self-taught labor and human rights lawyer, he was considered “a principled underdog who challenged the powerful.”⁴⁴³ His main support base was the younger segment of the populace, especially those known as the “386 generation.” This generation refers to those who reached their 30s in the 1990s, who attended college in the 1980s, and who were born in the 1960s. Two-thirds of young voters voted for him during his presidential election. This generation also categorically represents the student movements for democratization and against the authoritarian military regimes and their labor repressive policies in the 1980s. In a sense, Roh’s election victory was the triumph for the 386 generation, implying the authoritarian and conservative era was finally over. Furthermore, triggered by the deaths of two high school girls by a United States Army armored vehicle in June 2002 in a city nearby Seoul, “massive anti-American demonstrations turned the presidential election into a referendum on Korea’s relationship with the United States.”⁴⁴⁴

⁴⁴¹ Baik, Wan-gi. *Hankuk Haengjeong Mumbwa*, 100-101.

⁴⁴² Kim Young-sam, Kim Dae-jung, and Kim Jong-phil is collectively called “Three Kims’ Era” to represent their strong influence in Korean politics and their respective regional support base: Kim Young-sam for the Youngnam Region, Kim Dae-jung for the Honam Region, and Kim Jong-phil for the Chungcheong region.

⁴⁴³ Kim, Choong-nam. *The Korean Presidents: Leadership for Nation Building*, 364.

⁴⁴⁴ Ibid.

During his tenure, however, President Roh contributed to the strong and vital relationship between the United States and the Republic of Korea. Roh hoped to leave a legacy of improved relations with North Korea. Just before he left the presidency, Roh became the first South Korean leader to cross the demilitarized zone and meet with North Korean leader Kim Jong-il. Roh believed in the “sunshine policy” of his predecessor, Kim Dae-jung, who sought to engage the north, and Roh also promised aid.

Nevertheless, his anti-establishment mindset and his often provocative communication style backfired on him during his presidency. Most notably, he inherited a political dilemma of the ruling party being a minority (Our Open Party) and the opposition party being a majority in the National Assembly. Confronted with the political reality that his administration’s policy proposals were likely to be blocked by the two opposition parties, on October 10, 2003 the radical Roh Moo-hyun took a bold step to call for a confidence vote to get the people’s mandate. In an attempt to mobilize people’s support, President Roh Moo-hyun vowed to tackle with the chronic corruption issues of the political establishment, including the political parties that had raised a large amount of illegal campaign funds for the 2002 presidential election.⁴⁴⁵ In a newspaper interview, he admitted his party indeed received illegal campaign funding during the 2012 presidential election, but said he would resign if the amount of his campaign funds were more than one-tenth of those of his primary opponent, Lee Hoi-chang.⁴⁴⁶ Later, it was revealed that he received more than one-tenth of the opposition party’s illegal campaign funds. On March 12, 2004, the National Assembly passed the motion to impeach President Roh Moo-hyun by a vote of 193-2 with his ruling Our Open Party members absent in protest. It was a coalition of opposition parties. The ruling Our Open Party members attempted to physically block the passage of the motion but failed to do so. The National Assembly security guards were called in to literally

⁴⁴⁵ Shin, Eui-Hang. “Political Demography of South Korea: Cohort, Gender, Regionalism, and Citizens’ Movement in Election Democracy.” (retrieved: <http://iussp2005.princeton.edu/papers/50965>)

⁴⁴⁶ Ibid.

drag members of the ruling party away from the speaker's platform.

The motion to impeach President Roh Moo-hyun was based on three factors. First, his public confession that his party received illegal campaign funds during his 2012 presidential election. The prosecution reported that Roh's campaign collected about \$9.4 million from large corporations, while the GNP took about \$72 million. Second, he openly supported his own political party, arguing that it would be a waste of vote if people would vote for the MDP in the April 15th General Election and "it would only help the GNP to maintain the majority in the National Assembly."⁴⁴⁷ Third, the MDP and GNP claimed he neglected his constitutional duties to protect the rights of the people to pursue their happiness and welfare by his mishandling of the national economy.⁴⁴⁸

In the April 15, 2004 general election, the progressive Our Open Party won a majority status in the National Assembly for the first time since the early 1960s in Korea. It is believed that the backlash after the impeachment attempt by a coalition of opposition parties on March 12, 2004.⁴⁴⁹ The opposition coalition pushed ahead with their plan to impeach the President despite the clear opposition from the public. After the motion was passed on March 12, tens of thousands of South Koreans poured into the streets in support of President Roh Moo-hyun, chanting "save our democracy" and decrying the National Assembly's vote to impeach him. With polls showing the public opposing the impeachment by a lopsided margin of more than 3 to 1, the Constitutional Court later overturned the impeachment motion. Despite such a public outcry and the claims of the President's own party, some may argue that the impeachment process indicates the South Korean democratic institution is in full operation. In the past, sitting presidents may have been removed from power at the hands of the military, but not by the democratically elected legislature.⁴⁵⁰ But, the violent protest of the ruling party

⁴⁴⁷Ibid, 14.

⁴⁴⁸ Ibid.

⁴⁴⁹ Ibid.

⁴⁵⁰ WebMemo #446 on Asia. <http://www.heritage.org/research/reports/2004/03/the-impeachment-of-president-roh-whats-next-for-south-korea>.

members in the National Assembly to block the passage of the motion was a clear manifestation of the over-politicized behaviors even in this democratically consolidated Korean democracy.

The 386 generation and those who were close to him, not by merit but by proximity through personal relations, not only contributed to his rise to the presidency but unfortunately, to his fall as well. Like his predecessors, Roh Moo-hyun also heavily relied on those who were close to him, but not according to their professionalism. Once they were in power, they ceased to serve as student fighters for democracy with high ethical standards and a sense of social justice. Rather, they became part of the privileged, power-holding class. A series of corruption scandals involving his own staff in the Blue House while in office greatly disappointed the general public. The 386 politicians could not properly control their new political power and privileged access to the resources resulting from their political success.⁴⁵¹ Like Presidents Kim Young-sam and Kim Dae-jung, these young politicians and presidential staff of the 386 generation were good at fighting against the establishment and their corruption but poor at how to turn those principles into practice. They had high ethical standards when they criticized the politicians and the haves of society, but they failed to practice what they preached. Overall, as Kim Tae-sung points out, these 386 generation policy makers failed to provide a common goal or a new political direction in post-Roh Moo-hyun era.⁴⁵²

The corruption scandals concerning the Roh Moo-hyun presidency is comparably trivial in terms of its scale, but the ripple effects were gigantic. Worse, soon after his tenure, the Lee Myung-bak government hunted down the Roh family and exposed the bribery cases involving his family and relatives. Roh admitted that his wife had received \$1 million from a business owner. Allegations concerning his family members had been leaked to the press almost every day involving his own

⁴⁵¹ Kim, Tae-seung. "A Study on the Moral Failure of Politicians of the 386 Generation: Related with Bathsheba Syndrome." *The Korean Political Science Association*. Vol. 45. No.4 (2011).

⁴⁵² *Ibid*, 230.

brother, his daughter, his wife, his closest friend-turned-chief of staff in addition to his 386 politicians and supporters. He was pushed to the edge with no way out.

He ended his life on May 14, 2009 by jumping to his death from a hill known as “Owl Rock” behind his hometown house. He left a suicide note for his family on his personal computer and reads:

I am in debt to so many people. Many people suffered because of me. I cannot fathom how great sufferings they must go through in the days ahead. The rest of my life would only be a burden for others. I cannot do anything because of my poor health. I cannot read. I cannot write. Do not be too sad. Isn't life and death a piece of nature? Do not feel too sorry. Do not resent anyone. It is fate. Cremate me. And just leave a small tombstone near my home. I've thought on this for a long time.

As President Roh Moo-hyun confessed, those involved in corruption charges might not be prepared for what power would bring to their life. They have not disciplined themselves as much as the presidents themselves have done. Roh's death came amid an investigation into a bribery scandal that tarnished his reputation. Prosecutors were investigating Roh for allegedly receiving \$6 million in bribes from a South Korean businessman while in office. In addition, Roh's wife was scheduled to be questioned by prosecutors that very week, and Roh was planning to answer a second round of questions the following week. Now that Roh was dead, prosecutors said the case against him was suspended. Roh said he was ashamed about the scandal. In the first round of questioning, he said he was losing face and was disappointing his supporters. The former President said he learned about the payments only after he left office and that some of them were legitimate investments. Although Roh had not made a formal guilty plea, many were disappointed that a man who came to power vowing an end to corruption would face such allegations. His death was all the more tragic because he resorted to such drastic means amid a barrage of charges of family and associate related corruption. His wife, his children, his older brother, not to mention his close associates, were all alleged to be involved in corruption scandals.

5.4. Change and Continuity in Overpoliticization and Its Determinants in the Post-1987

Democratic Era⁴⁵³

The year 1987 marks a milestone in Korea's modern political history. After almost four decades of authoritarian and dictatorial rule above the law, the constitution finally granted its citizens the right to elect their head of state by universal, equal, direct and secret ballot.⁴⁵⁴ "From massive protests in the spring to government capitulation in June, from the negotiations for a new constitution to its adoption in October, the world watched as developments culminated in December in the first election of a president by direct popular vote in 26 years."⁴⁵⁵ Hence, the election of President Roh Tae-woo was the outcome of a legitimate presidential election, at least in legal and procedural sense, as stipulated in a revised Constitution, which was negotiated and approved both by the ruling and opposition political parties. Korean democracy finally began to be consolidated.

Since the democratic election of President Roh Tae-woo and peaceful transfer of power from the authoritarian President Chun Doo-hwan in 1988, six presidents have been elected under this revised Constitution that required a direct election by the people. After the prolonged and arbitrary power wielding of authoritarian reign under Rhee Syng-man, Park Chung-hee and Chun Doo-hwan, the Koreans witnessed the peaceful transfer of power: from the military to the civilian (Kim Young-sam, 1993-1998); from the ruling party to the opposition party (Kim Dae-jung, 1998-2003); and from the right wing to the left wing (Roh Moo-hyun, 2003-2008). For almost four decades since 1987, Korean presidential democracy has not broken down. The country has not only become democratically consolidated, but also economically maneuvered to survive and prosper in the face of

⁴⁵³ Although Korea is often considered to have transitioned to democratic consolidation in 1987 with the adoption of a new constitution that stipulated a direct popular presidential election, Sunhyuk Kim points out the difference between substantive and procedural democracy. He argues the reason civil society groups continued their antigovernment struggles even after the 1987 period is because of the different interpretations of what constitutes democracy. Refer to "State and Civil Society in South Korea's Democratic Consolidation: Is the Battle Really Over?" *Asian Survey*, vol. 37, no. 12. (December 1997)

⁴⁵⁴ Korean constitution, Article 16.

⁴⁵⁵ Han, Sung-Joo. "South Korea in 1987: The Politics of Democratization." *Asian Survey*, vol. 28, no. 1, A Survey of Asia in 1987: Part I (Jan., 1988): 52-61.

several major economic crises to become the tenth economic powerhouse. The world has been impressed with Korea's ability to host the 1988 Summer Olympics under the presidency of Roh Tae-woo, the joining of OECD during the presidency of Kim Young-sam, the recovery from the financial crisis of 1997 under the presidency of Kim Dae-jung and the radical reform efforts of the establishments by the Roh Moo-hyun presidency.

The revised constitution also allowed a greatly enhanced role in providing checks and balances vis-à-vis the executive and legislative branches.⁴⁵⁶ For instance, the once imperial presidents were subject to legal punishments for their wrongdoings: imprisonment of Presidents Chun Doo-hwan and Roh Tae-woo in 2005; imprisonment of the children of Presidents Kim Young-sam and Kim Dae-jung; the impeachment of President Roh Moo-hyun in 2003 and the subsequent ruling by the Constitutional Court in his favor that reinstated him to the office. Obviously, some of these incidents are politically motivated and quite controversial. Nevertheless, presidential democracy has managed to survive, and all seems to indicate the relative soundness of Korean presidential democracy and its institutional stability vis-à-vis the formerly authoritarian presidencies. Compared to the previous authoritarian era, Koreans now enjoy more freedom of speech, assembly, religion and the like.

One notable change in Korean politics is the intensification of regionalism. Regional rivalry has been one of the key factors in Korean electoral politics since 1987. The reason for this is skewed development in favor of the hometown regions of the previous three presidents: Park Chung-hee, Chun Doo-hwan and Roh Tae-woo. There had been splits between the then three most prominent opposition leaders, known widely in Korea as the three Kims' Politics. These three Kims became the founding presidents of Reunification Democratic Party (by Kim Jong-phil), the Peace and Democracy Party (by Kim Dae-jung) and the New Democratic Republican Party (by Kim Young-sam). The three Kims managed their respective parties strictly through personalized styles and methods, thereby

⁴⁵⁶ Choi, Jang-jip. The Democratic State Engulfing Civil Society: The Ironies of Korean Democracy. *Korean Studies*, vol. 34, (2010): 1-24.

monopolizing National Assembly nomination rights and controlling candidate nomination fees, one of the main sources of income for political parties. Some even describe the monolithic authoritarian party rules under these leaders as an “emperor-like system.”⁴⁵⁷

The influence of the so-called TK power group after the initials of their hometown (T for Taegu and K for Kyongsang region) during the Roh Tae-woo era became so dominant in all areas of politics, the economy, the bureaucracy and the military, that the conflict between these two regions therein became irreconcilable. For instance, in the 1997 presidential election, Kim Dae-jung received 94.4 percent in the cholla region, while approximately 13 percent from Kyungsang area. Yi Hoe-chang, from the Grand National Party, received almost 70 percent in the Kyungsang buk-do and 3.3 percent from the cholla region. Kim Dae-jung, who won the presidency with a very narrow margin of 39.7 against 38.2 percent, strengthened his power base predominantly in his own home district, the Cholla region. The regional rivalry between the cholla and Kyungsang regions under his presidency exceeded every regional rivalry in Korea’s contemporary history.⁴⁵⁸

Despite all these institutional changes, democratic progress, and worsening of regionalism, there is a high degree of continuity in post-1987 Korean presidential democracy. Even the 1987 Constitution retained the institution of a strong presidency, whose power was seldom constrained “by an effective system of institutionalized checks and balances.”⁴⁵⁹ A strong state and strong presidency were most permanently intertwined in the minds of the people. Moreover, in the glamor of economic development and its attendant physical transformation of the cities, houses, attires and foods, both the outsiders and Koreans themselves have been too mesmerized to see the hidden, deeply-rooted non-capitalist ideology and practices. They are bewildered as to why Koreans cannot be and are not

⁴⁵⁷ Kim, Hyung-a. 2003. “Political corruption in South Korea.”

⁴⁵⁸ Ibid, 15.

⁴⁵⁹ Choi, Jang-jip. “The Democratic State Engulfing Civil Society: The Ironies of Korean Democracy.” *Korean Studies*, vol. 34 (2010): 1-24: 3.

‘truly democratic.’ Until the transition of 1987, “the Korean people had little *practical* experience with democracy.”⁴⁶⁰ Therefore, the question in the post-1987 period has been “how to operate a formerly authoritarian state in a democratic way?”⁴⁶¹

According to Sangmpam, over-politicized behaviors occur even in electoralist countries like South Korea that are not “authoritarian but which, although proclaiming their allegiance to liberal democracy, violate its most visible tenet of representative government and liberal compromise, especially the electoral process and substance.”⁴⁶² These behaviors include electoral fraud, electoral monopoly, electoral coup and electoral violence. For instance, in the period of 1987-1996, almost every presidential and legislative election in Korea was marred by electoral fraud and violence, including the 1996 legislative elections when a candidate used a gun to fend off his rivals.⁴⁶³ Since the introduction of local autonomy in 1995, every local election is tainted by overpoliticization. Political continuity is also found in the centralized nature of state power in favor of the President and the hierarchical collusion between politics and business that lead to pervasive corruption in Korean society. In post-1987 Korea, corruption has become widespread and deeply rooted in almost every sector of society. Because politics is understood as a function of social context, Korean politics is ripe with familist collectivism-driven corruption.

Traditionally, Korean political culture was based on authority.⁴⁶⁴ In Korean society, the relationship between the rulers and the public was based on the traditional family model,⁴⁶⁵ where the father was supposed to work for the entire welfare of the family. Therefore, challenging the father’s decision is a disloyalty to the entire family. As argued in chapter three, familist collectivism is one of the most

⁴⁶⁰ Italics added for emphasis.

⁴⁶¹ Choi, Jang Jip. “The Democratic State Engulfing Civil Society: The Ironies of Korean Democracy”, 3.

⁴⁶² Sangmpam, S. N. *Comparing Apples and Mangoes: The Over-politicized State in Developing Countries*. State University of New York Press, Albany, 2007.

⁴⁶³ Sangmpam, S. N. *Comparing Apples and Mangoes: The Over-politicized State in Developing Countries*, 111.

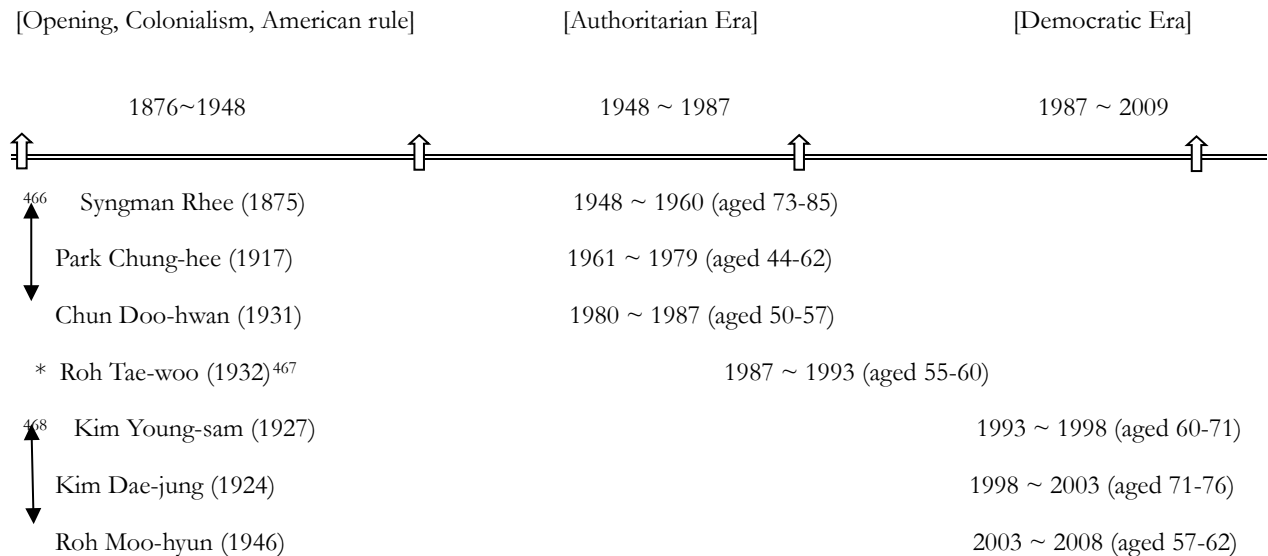
⁴⁶⁴ Oh, Je-guk. “21segi Hankukui Jeongchimunhwaedaehan Sogo.” *The Journal of Asian Culture Studies*, vol 7 (2003): 45-68; 52.

⁴⁶⁵ Kuk Minho. “Patrimonial Tradition and the Role of the State in the Industrial Development of South Korea.” *Dongyangsaboesasang*, vol. 1 (October 1998): 195-223: 217

important causes of corruption concerning the collusion between the state and business that tarnished Korean politics since its founding in 1948. In post-1987 democratic period, exacerbated by the competitiveness of democracy, corruption associated with familist collectivism has become more pronounced. Given the preeminence of the presidency in Korean society, the effects have been felt by all post-1987 presidents. The continuity in the centralized presidential power is closely related to its dominant role as a provider and distributor of many socially coveted resources and values.

Another important continuity is the nature of Korean presidents themselves as seen in the following diagram. All presidents in the post-1987 democratic era were born, grew up and educated during the Japanese colonial era and the Korean War. They all went through the oppressive, and authoritarian colonialism, the extreme poverty and uncertainty during and after the Korean War. They all ruled in a country still strongly altered by American presence. As a result, democratic presidents also ruled the country in a new institutional setting with the old ways of thinking and political practices.

Diagram 5.1. The Chronology of Korean Presidents' Lives



⁴⁶⁶ These are presidents during authoritarian era

⁴⁶⁷ Roh Tae-woo is transitional president.

⁴⁶⁸ These are presidents during democratic era.

President Roh Tae-woo faced the same destiny as that of his predecessor Chun: his involvement in the illegitimate military coup as well as his illicit use of coercion to amass wealth. Presidents Kim Young-sam and Kim Dae-jung also fell in disgrace because of their own children's involvement in the abuse of power. Roh Moo-hyun was no exception. The moral failure of all democratic presidents excluding Roh Tae-woo was significant because it shows how pervasive the culture of familist collectivism is in Korean society and its reflection in Korean politics. In one way or the other, all presidents in the post-1987 privatized state power.

Both Kim Dae-jung and Kim Young-sam had been known widely in the United States as dedicated fighters for democratization in Korea. Both Kim Dae-jung and Kim Young-sam knew the power of the United States and thus capitalized on it. As I mentioned in chapter four, Kim Dae-jung's life was spared by the American CIA when he was kidnapped by the Korean Central Intelligence Agency in 1973. The Chun Doo-hwan regime also released Kim Dae-jung as a trade-off for his state visit to the United States in 1981.⁴⁶⁹ Kim Young-sam was denounced by President Park Chung-hee for his interview with the New York Times, where he severely criticized Park Chung-hee's Yushin system. Even President Roh Moo-hyun, considered anti-American, had to enter a free trade agreement with the United States in 2011. All these episodes and events revealed American influence on Korean society and politics even though the impact of such influence on overpoliticization was not as big as that of family collectivism in this period.

In a survey of all political elites⁴⁷⁰ who served the governments between 1948 and 2012, Ahn Byung-man finds that 5,134 (95 percent) out of 5,385 governmental elites were born and raised before 1960. Because of this, the democratic presidents were influenced by Japanese colonial rule,

⁴⁶⁹ <http://blog.naver.com/PostView.nhn?blogId=backtopast&logNo=80001970035>.

⁴⁷⁰ The elites include all lawmakers, ministerial-level executive officials, mayors and governors and justices of the supreme courts. A total of 6,608 were surveyed.

American dominion and the culture of familist collectivism. The general public is not much different from the elites. Korean society during the period of 1987 to 2009, although procedurally democratized, is still dominated by familist collectivism as the operating principle and code of conduct. Even during the post-democratization era, Koreans including the presidents and the elites valued family ties, its extended version of personal connection through hak-yeon (ties through schools), jee-yeon (ties through hometown), and hyul-yeon (ties through blood). In fact, the influence of familist collectivism has been more pronounced in the overpoliticization of Korean presidents in the post-1987 presidencies than under authoritarian rule of the pre-1987.

CONCLUSION

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness⁴⁷¹

This study attempted to understand and explain why there is a patterned downfall of all South Korean presidents from 1948 to 2009, despite their undeniable contributions to the country's development amid a series of daunting challenges from within and without. It is worth indicating that I did not intend to evaluate whether particular policies presidents took were successful or not. Presidents all over the world make policy blunders, intentional or not. Nor did I intend to analyze the external factors that might have contributed to such downfalls. Although these factors are important in and of themselves, I mainly focused on the linkage between societal characteristics of South Korea (in which politics plays out) and political behaviors of presidents. I defined politics as a function of social context.

I argue that although South Korea developed both politically and economically, the country was not a fully capitalized democracy in the period of 1948-2009. For this study's thesis, I proposed three hypotheses. Hypothesis one posited Korea's traditional and cultural traits as an internal modifier of capitalism in South Korea. Hypothesis two examined the nation's dependent nature of its relationships with the United States and Japan, respectively, as an external factor that prevented capitalist entrenchment in Korean society. In testing these two hypotheses in chapter three, I showed that Korean society was characterized by *familist collectivism* as an operational principle and code of conduct for most Koreans, as opposed to the liberal individualism in the United States. The combined effect of these two variables is the alteration of capitalism in South Korea that defies the three cardinal rules of democracy.

⁴⁷¹ Declaration of Independence of the United States of America. (<http://www.ushistory.org/declaration/document/>)

Democracy literally means the rule by the people. In a representative democracy, the country is ruled by those who are elected by the people. In this definition, sovereignty of the people is premised on the inherent truth that all men are equal and autonomous. This is exactly what the American liberal individualism is about; individual liberty and freedom are cherished and are not only considered sacred, they are guaranteed and protected through the Constitution with the Bill of Rights⁴⁷². These fundamental values and beliefs are shared by the people as well as the federal and state governments.⁴⁷³ However, this truism did not apply to Korean society, in particular during the time period of the present study. Individuals were not sovereign. They were not the ultimate decision makers for their own life, both at home and in society vis-à-vis the coercive state. For example, it was not uncommon that Koreans did not choose their spouses on their own for most of the period between 1948 and 2009. Furthermore, the government decided on how many children married couples should bear and which gender they should have or not have. Such trivial and personal matters as the lengths of skirts and hair and clothes were not decided by individuals but by the coercive state. The military, through its compulsory conscription system as well as and public schools through rigid curricula, brainwashed the Korean young minds into becoming more conformist than individualist in the sense of American type of liberal individualism, the cornerstone of liberal democracy and capitalist market economy.

More importantly, there was never a consensus about what ‘liberalism’ truly meant for Koreans. During the colonial period, liberalism was mainly understood as independence from the colonial rule. Therefore, it was a nationalistic liberalism. Because Rhee Syng-man’s presidency was supported by the United States, liberalism has been virtually synonymous with anti-communism. In a divided

⁴⁷² Even such violent struggles as civil rights movements to secure rights for African Americans, women, and today the LGBTs, have been concerned about securing the constitutionally guaranteed individual liberty and freedom. All these have been resolved, though sometimes hesitantly, within the confines of political institutions and social norms.

⁴⁷³ The 14th Amendment to the Constitution (1789) mandates that the state also abide by the constitutionally guaranteed civil liberties and freedom to the people.

Korea, whether authoritarian or electoralist, all regimes played the card of anti-communism to advance their interests and oppress opposition. Even the so-called democratic fighters, including Presidents Kim Young-sam and Kim Dae-jung, who risked their very lives for liberal democracy, betrayed the discrepancy between their avowed beliefs in democratic values and their political behaviors. Politicians did not and could not practice what they preached. Therefore, as Choi Jang-jip calls for, “now liberalism finds its role in Korean society” because it is “now needed to reinforce democracy.”⁴⁷⁴ In a nutshell, South Korean liberal democracy is a democracy without liberalism.

An analogy may help here: when a child grows in a good living environment with good nutrition, the child will grow taller and healthier than his counterpart in worse conditions. Therefore, people may assume he is an adult. But once you talk to him, you realize he is only twelve years old. His physical growth, or development, disguises his true immaturity. Regardless of his physical growth, it takes ‘time’ for him to mature mentally and intellectually.

This analogy applies to Korea. A traditional Korean society was drastically transformed into a modern metropolis, blinding the observers from home and abroad with its brilliant and rapid economic prosperity, technological advancement and democratic political institutions. However, the Korean society of 1948 to 2009 was dominated by the familist collectivism as the standard code of conduct and operating principle of inter-personal relations and organizational culture. To understand the impact of familist collectivism, the example of a Korean couple living in the United States with their children may help. The parents speak only Korean at home but the children go to American schools and speak both Korean and English. As they grow older, the parents cannot catch up with their mindset, not to mention the language. As adults, the parents find it difficult, almost impossible to master the language. The children can eat both Korean and American food,

⁴⁷⁴ Choi, Jang-jip. “The Fragility of Liberalism and its Political Consequences in Democratized Korea.” *The Journal of Asian Studies*, vol. 52:3 (2009): 252-72.

although they mostly prefer pizzas and hamburgers to Kimchi. As they reach puberty, they get confused and feel the sense of distance growing between them and their parents. The parents raise them as their friends would do back in Korea: sacrifice, sacrifice and sacrifice. Naturally, they expect their children to be successful in life. When the couple meet with other Koreans, they force their children to bow their heads to show respect to the Korean adults. In that house, the parents will be Korean for the rest of their life although they live in America and drink coffee in the morning. On the other hand, the kids will be Korean and American at the same time. The family is almost schizophrenic.

This schizophrenic behavior is similar to what happened in Korean politics. There is a gap between the elites (or leaders), including presidents who acted like traditional Confucian parents and the general public, which is viewed as subjects or children who need care and provision. The state mobilized its efforts to systematically oppress the freedom of speech and disadvantaged those who opposed the government. Presidents had to fight hard to obtain state power, after which they ruled like father-kings.

Against this backdrop, I suggested in hypothesis three that Korean politics was characterized dominantly by overpoliticization, or tenuous liberal compromise as opposed to liberal compromise in the fully embedded capitalist culture in Western countries. Consequently, as the nation's supreme political institution, the South Korean presidency manifested the effects of overpoliticization most saliently. The presidential system has operated very differently in the United States and Korea. This different functioning is more than differences in institutional arrangements. The views of and expectations of presidents for the dominantly individualistic Americans differ from those of South Koreans, who have become individualistic in recent years but are still indoctrinated in collectivist and hierarchical mindset. The Presidency, as the most powerful and visible institution, and the President, as the most influential and vulnerable political actor in Korean politics, bear the brunt of the effects of the

lack of liberal compromise or overpoliticization. Although the history of the Korean Presidency is not as long as that of the United States, it has been riddled with so many tragic stories, and complex problems, both at personal and institutional levels.

The empirical evidence in chapters four and five supports these hypotheses for the most part. Both authoritarian and democratic presidents displayed manifestations of diverse over-politicized behaviors. Under the pretext of national security, all three authoritarian presidents frequently resorted to martial law. They all used illegal coercive means and tactics to oppress the opposition, and rewrote at will the constitution to strengthen their power. Accusations against the opposition were often accompanied by fabricated charges of subversion and incitement to revolt. More importantly, this authoritarian leadership style and recourse to overpoliticization left a legacy for future Korean presidents even after democratic consolidation in 1987. Aspects of this legacy include the privatization of the presidential power, illicit use of state coercion that leads to widespread corruption associated with the hierarchical state-business collusion. All democratic presidents abused their power by relying on an unofficial group of advisers, including their own family members, in managing national affairs.

However, there is a striking difference between the two eras. Authoritarian presidents were more influenced by the external causal variables that altered capitalism because of Korea's heavy dependence on the United States and Japan. Democratic presidencies were more challenged by internal causal variables that modified capitalism, especially the characteristics of familist collectivism. This difference does not deny the reality that both eras were under the influence of familist collectivism. Instead, the difference stems from the fact that in the post-1987 democratization, institutional restraints were in place preventing presidents from resorting to such overt dictatorial and authoritarian means as martial laws, outright human rights violations facilitated by Japanese and American rules. Recall that the United States and Japan were more influential

during the formative years of Korea because of the nature of the bilateral relationship. During this period, Korea was heavily dependent upon the United States both for security and economic reasons. Because the two countries were moving toward a more equal relationship since the late 1980s with Korea's political and economic development, the domestic variables surfaced more prominently as the cause of the over-politicized behaviors of the presidents.

Although Korea transitioned to procedurally consolidated democracy in 1987, the presidential downfalls during the democratic period (1987-2009) indicate that overpoliticization was still the norm rather than the exception in South Korean politics. Although the post-1987 presidents did not commit such overt illegal acts as declaring martial law at whims and rewriting constitution for their own political gains, they also suffered from the illegality of their presidential actions. All democratic presidents had their images severely tarnished in no small part by the direct consequence of the prevalent culture of familist collectivism, the operating principle and standard of conduct for most Koreans both in public and in private. Before 1987, the falls of authoritarian presidents and the over-politicized behaviors that brought the downfalls resulted from a combination of familist collectivism and the impact of Japanese and American rules on Korean society. The evidence clearly proves that Korea has a mismatch between its capitalist system and its not fully entrenched capitalist culture.

Unfortunately, despite institutionalization of the presidency itself, the fate of post-2009 presidents is no different from their predecessors. As of December 2016, South Korea's National Assembly passed a motion to impeach President Park Geun-hye, the daughter of President Park Chung-hee for major influence-peddling scandals with and by her close friends. On March 10, 2017, the first female president of Korea was convicted by the Constitutional Court, expelled from her office and imprisoned. History repeats itself in Korea. Family members, close friends, aides and the brother of

former President Lee Myung-bak, Park Geun-hye's immediate predecessor, have been indicted of illegal influence peddling activities including bribery.

Implications for South Korea and other Non-Western Presidential Democracies

This study has sought to test the validity of Sangmpam's middle range theory of overpoliticization as an empirical and conceptual unity that threads through all non-Western countries. Further research on what particular social characteristics define the politics of other non-Western countries will shed more light on the validity of the theory. Although familist collectivism and dependent capitalism served as the two main explanatory variables for South Korea, other developing countries may have other variables according to their own specific circumstances and historical experiences. The findings of this study suggest we need to pay more attention to the nature of the underlying society in which politics plays out. Copying particular institutional arrangements of advanced Western democracies is no cure for all. It only obscures the real causes of the widespread over-politicized politics in non-Western countries. Institutional arrangements can be made more easily than changing societies and the perceptions and mindset of the people. Non-Western countries, including South Korea, are characterized by a lack of liberal individualism as the dominant operating principle and code of conduct, which is the cornerstone of liberal democracy. The patterned downfalls of all presidents reflect Korean society's unique characteristics involving familist collectivism and altered capitalism.

To solve this problem, it does not depend necessarily on fixing institutional drawbacks of presidentialism, as is often suggested. Fukuyama and his associates concluded that the presidency as an institution is not necessarily in crisis in presidential countries such as the Philippines, Indonesia,

South Korea and Taiwan.⁴⁷⁵ All these countries have used democratic institutions, particularly constitutional courts, to resolve problems. Indeed, they do have a point. In Korea, the most recent example is President Park Geun-hye's expulsion from her office by the ruling of the constitutional court on March 10, 2017. However, whether the Korean state will sustain or not, the fact is that Park Geun-hye did not survive. This suggests presidentialism as an institution is not the issue any longer because she, like all her predecessors, met the same fate: disgraceful downfall, even after all the efforts of institutionalization of the Korean presidency. The state-society relations matter.

It follows, then, that the implications for South Korea are not to rely on institutions such as parliamentary system as some have suggested. It is likely that doing so would take us back to the situation similar to what happened to the Korean society during and after the transitional parliamentary regime's rule in 1960-61. Parliamentarism fundamentally involves the principle of majority in the parliament, which, considering the social characteristics of South Korea still dominated by familist collectivism, would breed more corruption.

Therefore, theoretically and logically, my analysis suggests that to solve this chronic problem of patterned downfalls of presidents, South Korea needs to adopt the American type of capitalist culture that ensures liberal compromise. The real question then becomes: "Is it possible or is it even desirable for South Korea to have the American type of capitalism?" The decision is in the hands of the Korean people themselves. I suggest it is high time that South Korea adopted at least the value and principle of liberal individualism that respects individuals as autonomous and sovereign entities. If South Korea chooses to move toward a fully entrenched capitalist society where liberal compromise is the norm, this value and principle of liberal individualism should be taught and practiced both at home and schools, the two primary sources of political socialization. Unless the

⁴⁷⁵ Fukuyama, Francis, Boo-Seung Chang and Bjorn Dressel. Facing the Perils of Presidentialism? *Journal of Democracy*, vol. 16, no. 2 (2005): 102-16.

social causal variable is properly addressed, the problem may remain whether under presidentialism or other regime types.

Appendix A. The Amendment (Revision) history of South Korean Constitution

Order	Promulgation Date	Main Contents	Causes	Notes
Founding Constitution	July 7, 1948	- Presidentialism - Indirect presidential election in National Assembly - Unicameralism, 4 year term (reelection for one more term)	Established the Republic of Korea	Proposals of parliamentary system turned into indirect presidential election system due to rejection of President Rhee
1 st Revision	July 7, 1952	- Direct presidential election - Bicameralism (Lower House for 4 year term; Upper House for 6 year term) (reelection for one more term)	Reelected Syngman Rhee	Political crisis due to <i>Balchwe</i> ⁴⁷⁶ Amendment; Promulgation of martial law Imprisonment of Nation Assembly men
2 nd Revision	Nov. 29, 1954	- Repeal of limit on the number of reelection of the president	Reelected Syngman Rhee the third time	Two days after announcement of rejection on Nov. 29, correction announcement of pass (<i>sa-sa-o-ip</i>) ⁴⁷⁷
3 rd Revision	June 15, 1960	- Parliamentarism - Presidential election by NA - five-year term with one more reelection	April 19 Revolution	Birth of DP Government
4 th Revision	Nov. 29, 1960	- Punishment of antidemocratic	April 19 Revolution	Retrospective legislation

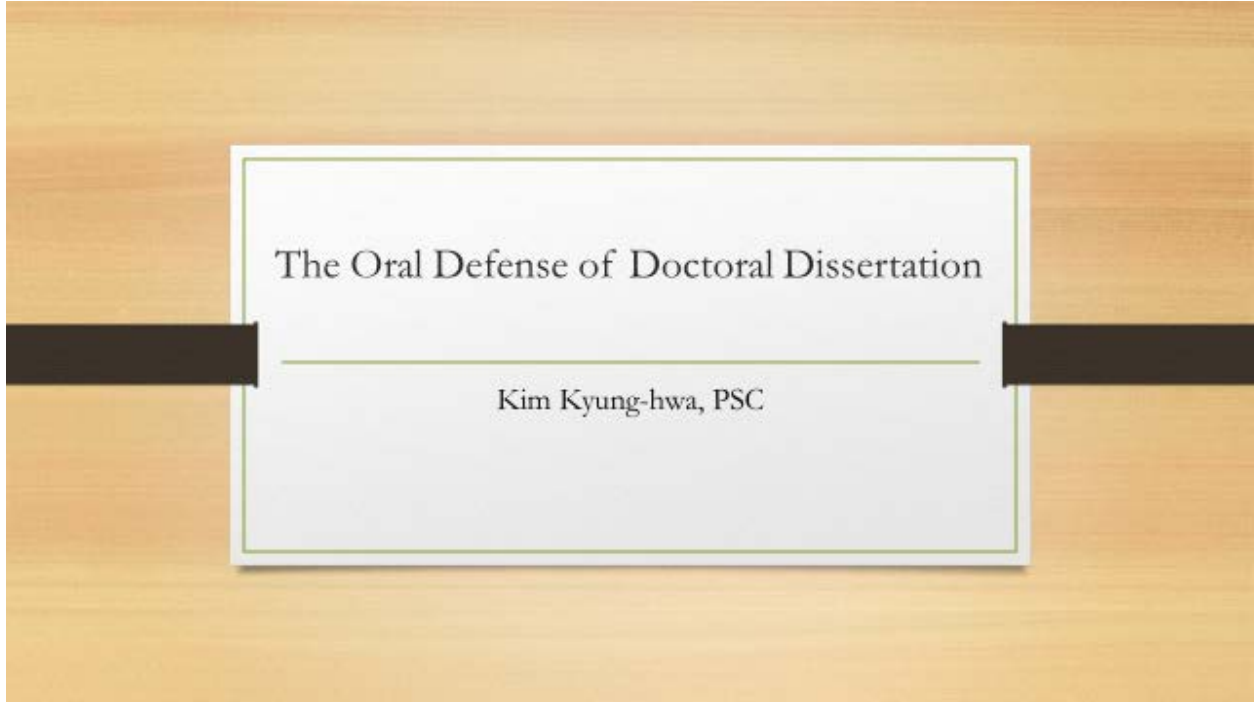
⁴⁷⁶ The opposition, majority party proposed parliamentary system, while the government preferred presidentialism with direct election and bi-cameral system. However, both proposals were rejected, and a mixed one of the two proposals was passed by the National Assembly. *Balchwe* is a Korean term to describe the mixing of the two.

⁴⁷⁷ On Nov. 27 in a secret NA voting, a total of 202 members were present out of 203 quorum. 135 voted for the governmental proposal; 60 voted against it, 7 abstention. The required vote was 135.33 (203 divided by 2/3rds of the quorum are required for passing). So, the bill was officially rejected. Two days later, the ruling party insisted that according to mathematical calculus, the necessary vote was 135.33, but it is not possible to divide up a human being to be 0.33. So, by applying the 'round up' principle, the vote of 135 is enough to declare that the bill is passed. This is what Koreans call 'sa-sa-o-ip' revision of the Constitution

		actors & illegal fortune collectors		
5 th Revision	Dec. 26, 1962	- Presidentialism - Direct presidential election (reelection for one more term) - PR system - Unicameralism	May 16 Military Coup	Establishment of DRP government
6 th Revision	Oct. 27, 1969	- Allowed third presidential reelection	Third reelection of Park Chung Hee	Anomalous pass at third annexed building of NA
7 th Revision	Dec. 17, 1972	- Presidentialism (no limit) with indirect presidential election by NCR	Park Chung Hee's lifetime seizure of power (<i>Yushin</i>)	Promulgation of martial law
8 th Revision	Oct. 27, 1980	- 7-year single term for the president with indirect election - PR system	Rise of new military group after December 12 Incident	National martial law except for Cheju; New military group nullifies agreed proposal of constitutional amendment of direct presidential election
9 th Revision	Oct. 29, 1987	- Direct presidential election with a 5 year single term - revival of parliamentary inspection of administration	June resistance by the public June 29 Declaration	First agreed on constitutional amendment; Direct presidential election system in 15 years

(Source: Revised by the researcher from *Understanding Korean Politics* (2001))

Appendix B. Power-point presentation



Dissertation Title

Presidential Instability in a Developing Country:
*Reassessing South Korean politics
from a state-society relations perspective*

The Modern History of Korea

- Liberation from Japanese colonialism (1905-1945)
- American military rule (1945-1948)
- Ideological and national divide (1945-1948)
- The Korean War (1950-1953)
- Authoritarian and dictatorial rules (1948 ~ 1980s)
- Economic and political development (1960s ~ 2000s)



The Problem & The Puzzle

- Constant Security Threat
- Economic development and democratization
- Under presidential system
- Institutionalization of the presidency and presidential failures

Rhee Syng-man – National founder









Park Chung-hee – Economic Savior



Chun Doo-hwan and Roh Tae-woo - Prosperity and democratization



Family-related corruption scandals

	Chun	전기환(말형) 노랑진 수산시장 운영권 강탈 전경환(동생) 새마을운동본부 회장 맡아 70억원 횡령	
	Roh T.W.	박철언(처사촌) 슬롯머신 업자로부터 6억원 받은 혐의로 구속	
	Kim Y.S.	김현철(차남) 10억원 받은 혐의로 구속 손성훈(처사촌) 10억원 받은 혐의로 구속	His son imprisoned
	Kim D.J.	김홍일(장남) 10억원 받은 혐의로 구속 기소 김홍업(차남) 10억원 받은 혐의로 구속 김홍걸(3남) 10억원 받은 혐의로 구속	All three sons charged with bribery, two imprisoned
	Roh M.H.	노건평(형) 10억원 받은 혐의로 구속	Brother imprisoned
	Lee M.B.	김옥희(처사촌) 공천 로비용 30억원 받은 혐의로 구속 김재홍(처사촌) 제일저축은행으로부터 4억원 받은 혐의로 구속	

Research Question

Why have ALL of South Korean presidents, without exception and notwithstanding their individual major contributions to the process of Korea's development, fallen victim to disgraceful downfalls?

Literature

- Institutionalism
 - (1) Leadership
 - (2) Presidential vs. parliamentary regimes
 - (3) New institutionalism

Thesis

- Patterned downfalls of ALL Korean presidents are an institutional outcome of over-politicization in Korean politics, which is itself a function of not fully entrenched capitalist society.

Theoretical Foundation

Classification	Western Countries (U.S.)	Non-Western Countries (South Korea)
Societal characteristics	Fully entrenched capitalist culture → Triple convergence (everything converges toward capitalist core relations)	Not fully entrenched capitalist culture → Triple divergence (not everything converges toward capitalist core relations)
Society-rooted politics	Liberal Compromise → Rules of the game observed → Conflicts resolved within legal and institutional boundaries	Over-politicization → Highly contentious politics → Conflicts outside these boundaries, often resorting to violent means
State	Liberal Democratic State	Over-politicized State

Liberal Compromise

- Three cardinal rules of the game
 - (1) When political competition takes place, capitalist core relations are not contested, or modified through coercive means or state power
 - (2) The competition over the social product takes place through institutional means of compromise
 - (3) Participants respect the compromise

Over-politicization

- Attempts to resolve political conflicts through non-democratic, often violent, means
 - (1) Non-respect of three rules of the game
 - (2) 80 manifestations of over-politicized behaviors
 - electoralist, authoritarian, and shared behaviors

Hypotheses

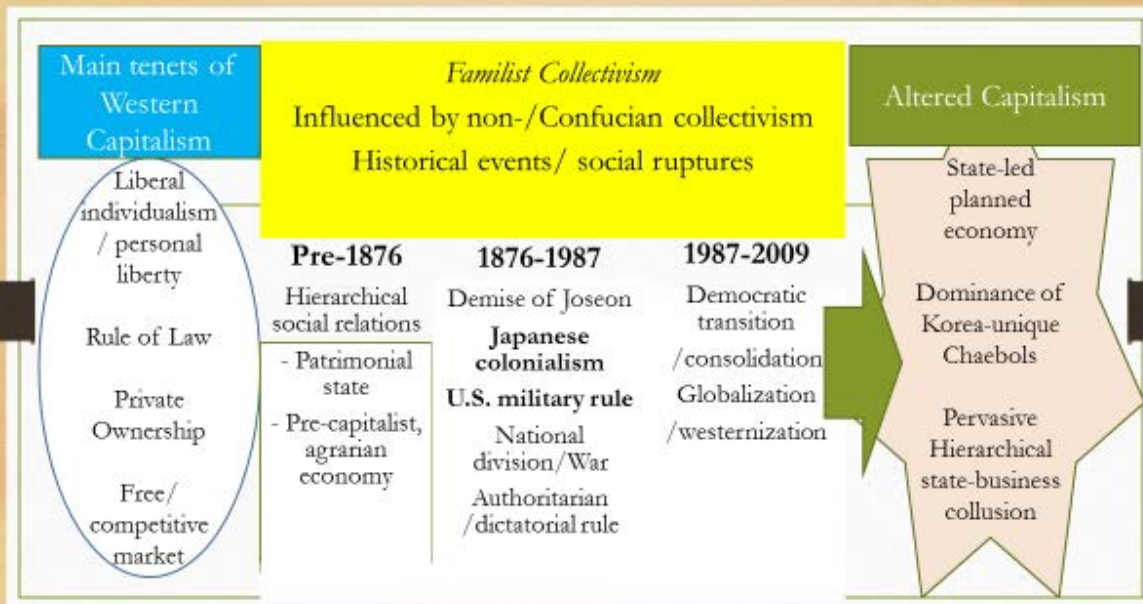
H1: As social and political ideologies and praxes, Confucianism and other Korean cultural traits stand opposed to capitalist social order. As such, they modify capitalism in Korea, preventing the development of an entrenched capitalism as found in the United States.

H2: The more dependent capitalism is, the more it deviates from the norms of capitalism in the west. The Japanese colonial impact and the historically dependent nature of South Korea upon the United States have further hindered the full entrenchment of a U.S. type capitalism in Korean society.

H3: The more entrenched capitalism in a society, the more politics leads to liberal compromise. Likewise, the less capitalism is entrenched in a society, the lower the level of liberal compromise in politics. Given the lower level of capitalist entrenchment in Korean society, politics in Korea is characterized by over-politicization, or a lower level of liberal compromise. Because the presidency is the supreme institution in South Korea, it experiences the effects of over-politicization more prominently than is the case in a country such as the United States.

Methodology

- Qualitative approach
- Participant observation (1967-2017)
- Primary and secondary sources



Testing Hypotheses 1 & 2

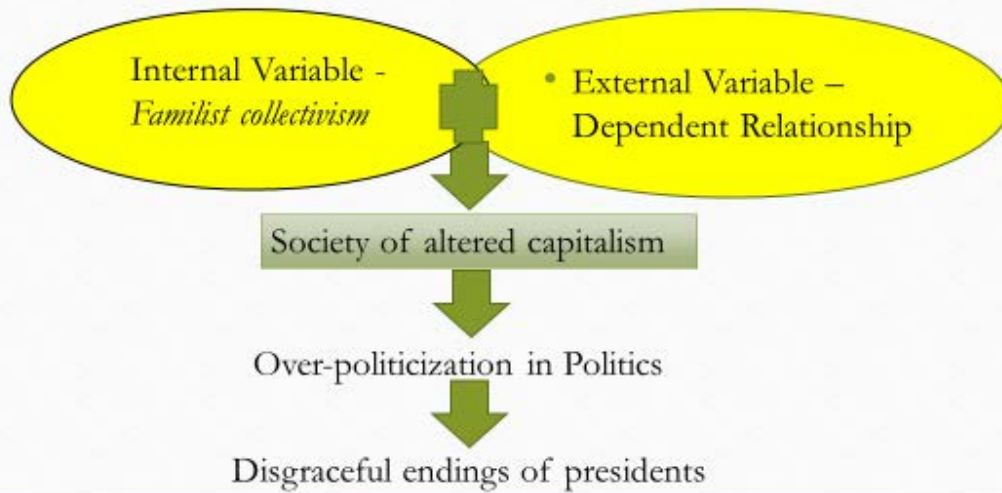
- H1 – Traditional and cultural traits as internal modifier (*familist collectivism*)
- H2 - Dependent relationship with the United States and Japan
- The combined effect of H1 + H2
 - altered capitalism

Hypothesis 3

H3: The more entrenched capitalism in a society, the more politics leads to liberal compromise. Likewise, the less capitalism is entrenched in a society, the lower the level of liberal compromise in politics. Given the lower level of capitalist entrenchment in Korean society, politics in Korea is characterized by over-politicization, or a lower level of liberal compromise.

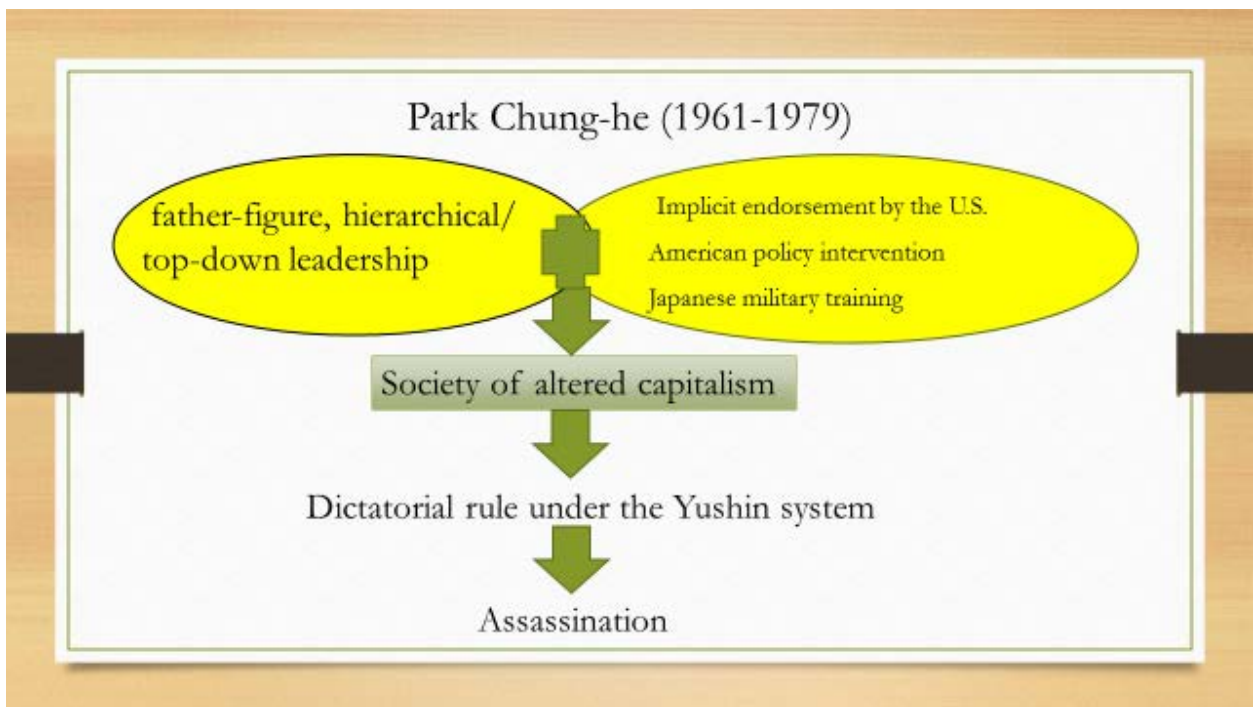
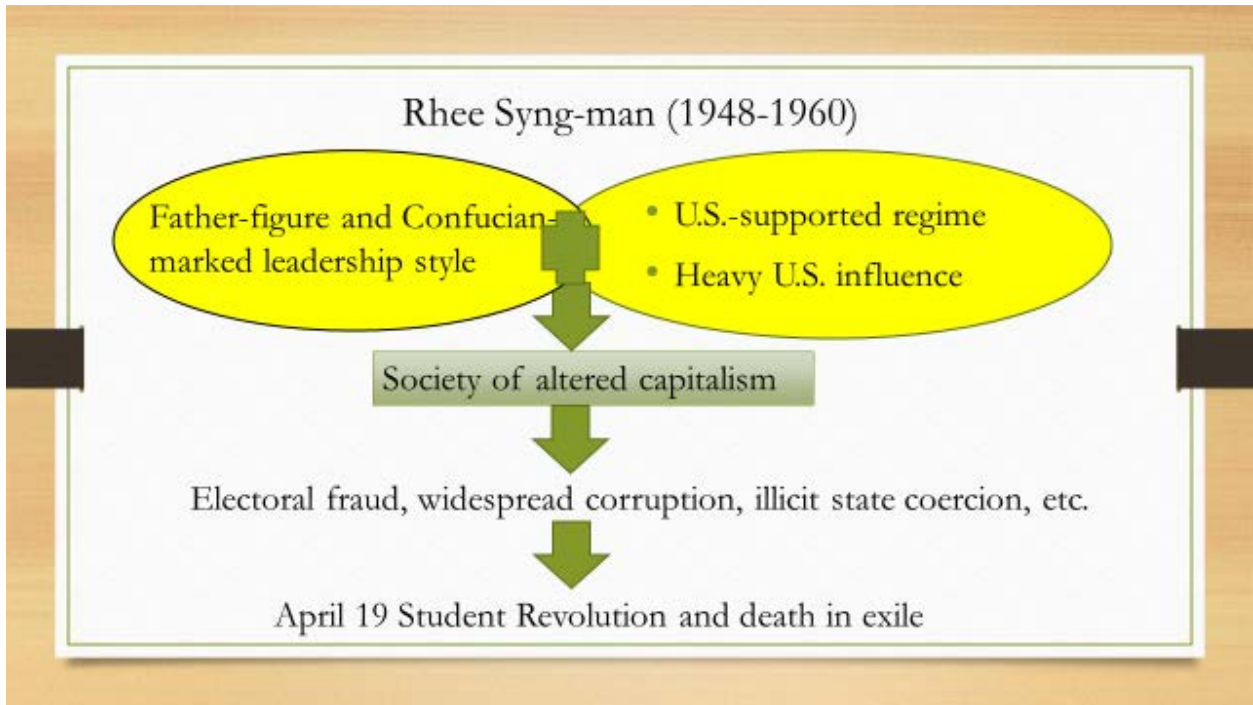
Because the presidency is the supreme institution in South Korea, it experiences the effects of over-politicization more prominently than is the case in a country such as the United States.

The Mechanism of Patterned Downfalls of Presidents



Testing HP 3- Authoritarian Presidents (1948-1987)

- All lack political legitimacy
- Japanese influence – birth and education
- Coercion-based colonial rule
- Heavy American influence in a donor-recipient relationship
- Traits of familist collectivism



Chun Doo-hwan & Roh Tae-woo (1981-1993)

Personal connections
Hierarchical

- Military coup – implicit endorsement by U.S.

Society of altered capitalism

Authoritarian, illicit state coercion, slush funds, corruption scandals, etc.

Imprisonment for treason and corruption

Testing HP 3- Democratic Presidents (1988-2009)

- Democratic transition in 1987
- Peaceful transfer of power
- All have political legitimacy
- Less American influence
- Ambitious goals such as anti-corruption drive and reforms
- The politics of family cabinet

Kim Young-sam & Kim Dae-jung (1993-2003)

Politics of family cabinet
Authoritarian leadership

• Bilateral relationship
with the United States

Society of altered capitalism

Corruption involving family, inner circle

Imprisonment of their children

Roh Moo-hyun (2003-2009)

Politics of family cabinet

• Bilateral relations with
the United States

Society of altered capitalism

Corruption involving family, inner circle

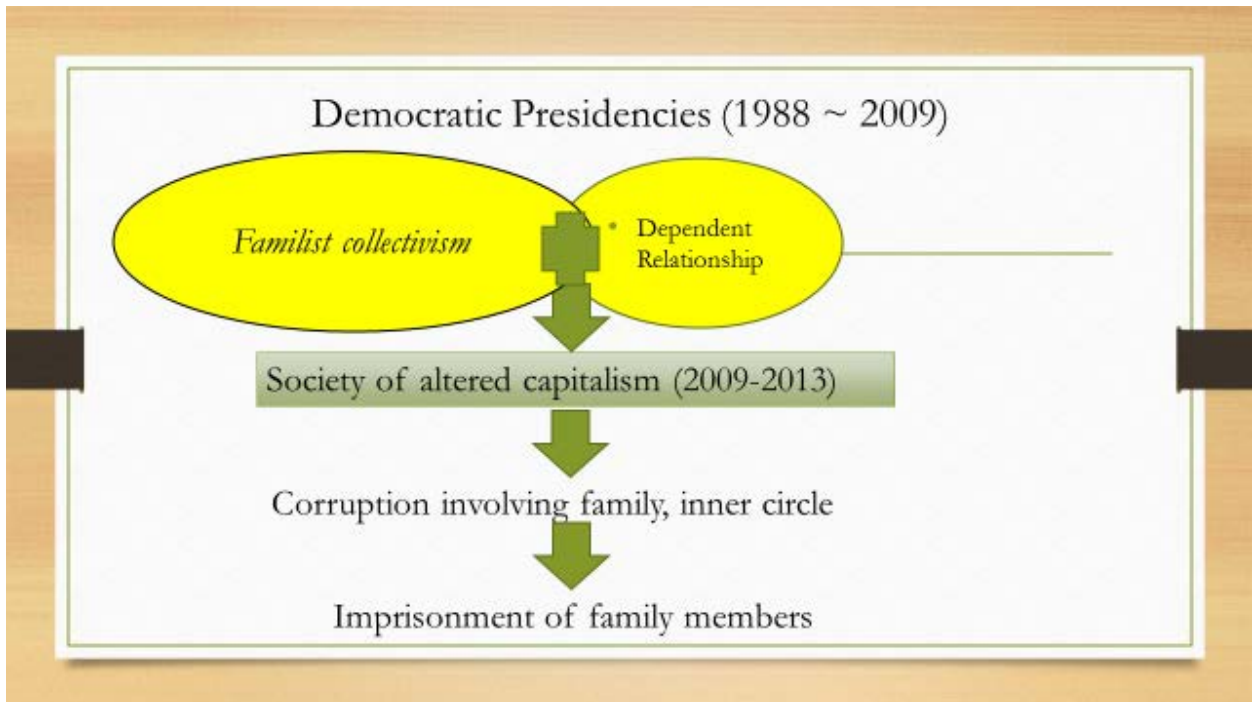
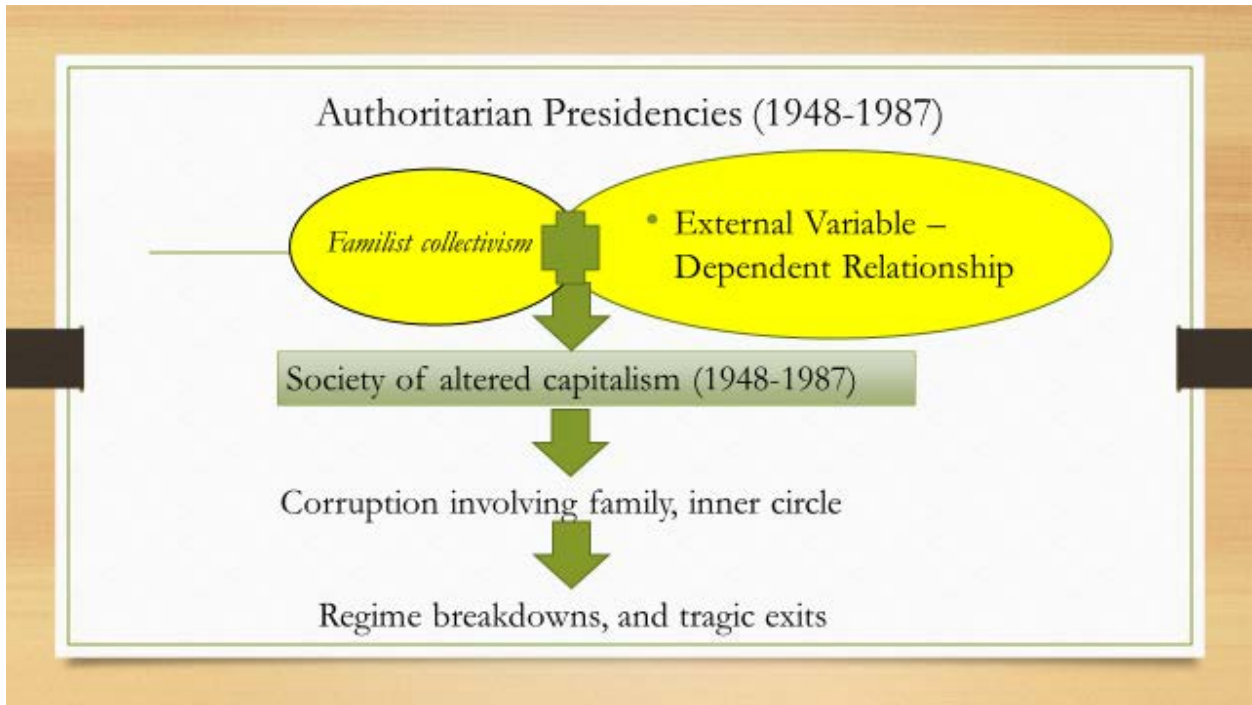
Suicide

Confession – Roh Moo-hyun's Suicide Note

- *"I had ambition. So I prepared and disciplined myself for it. But they (his own direct family members, relatives and those who are closely related to him) have been pushed to get into the world of power because of me without any preparation"*
- *I am in debt to so many people. Many people suffered because of me. I cannot fathom how great sufferings they must go through in the days ahead. The rest of my life would only be a burden for others.*

Confession – Roh Moo-hyun's Suicide Note

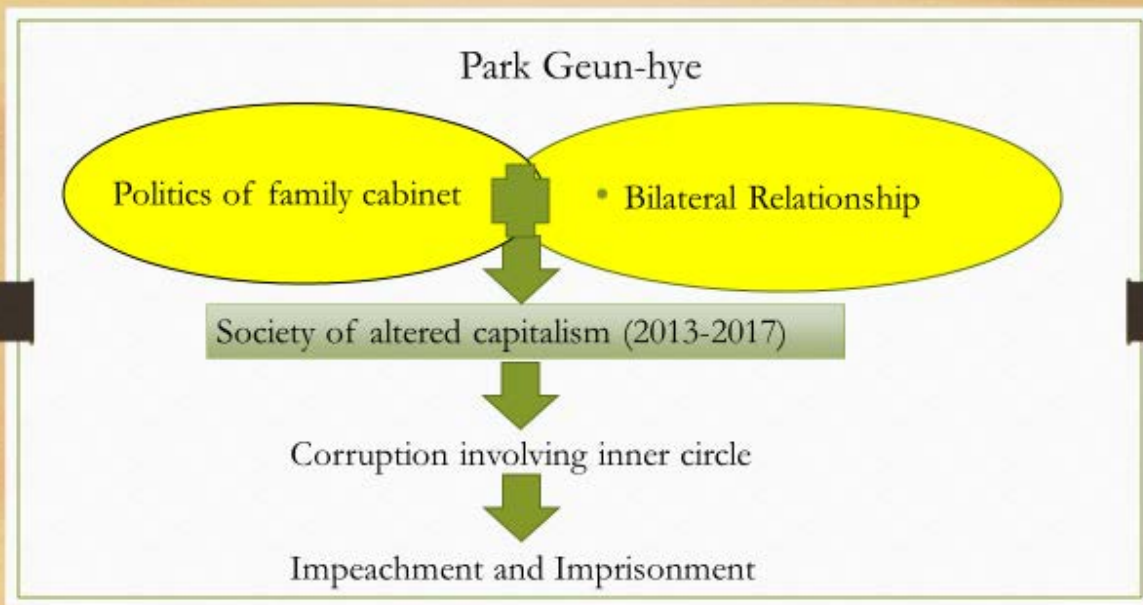
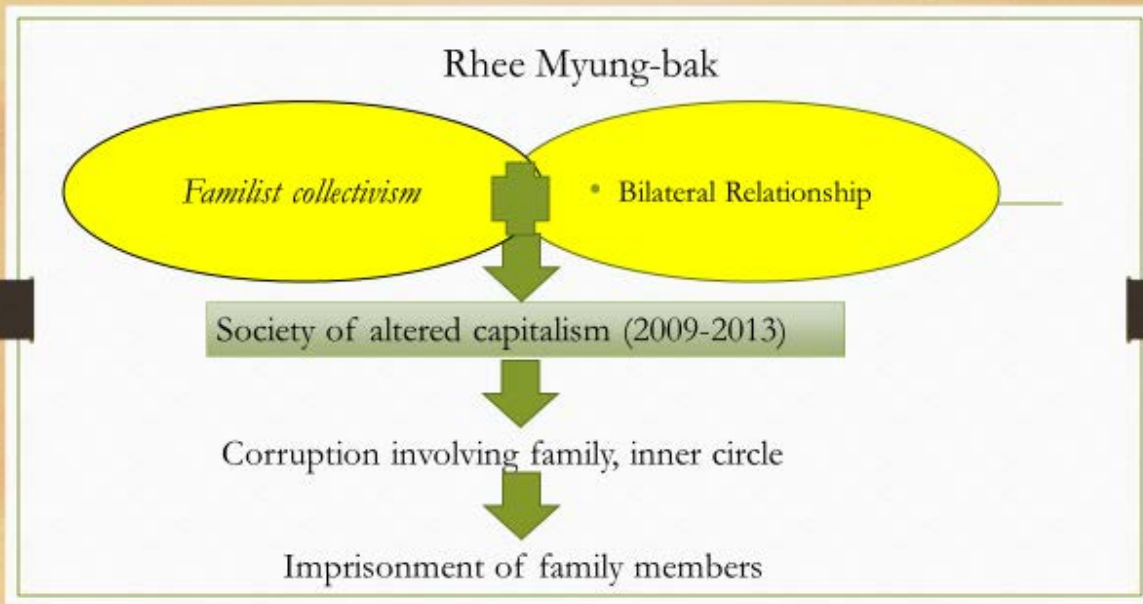
- *"I had ambition. So I prepared and disciplined myself for it. But they (his own direct family members, relatives and those who are closely related to him) have been pushed to get into the world of power because of me without any preparation"*
- *I am in debt to so many people. Many people suffered because of me. I cannot fathom how great sufferings they must go through in the days ahead. The rest of my life would only be a burden for others.*



Lee Myung-bak apologizes for bribery scandals
involving his family and inner circle

- CNN, July 24, 2012 -





Implications

- Understanding society-rooted politics is crucial
- Different explanatory variables for other countries
- Presidentialism is not the culprit
- Without addressing social causal variable, the problem may remain regardless of regime types
- American type of capitalist society will ensure liberal compromise

Recommendations

- Education and practice of fundamental liberal values and beliefs
- Political socialization at home and schools

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