

THE ANTINOMIES OF SUCCESS IN SOUTH KOREA

Postwar Korean politics have always been stormy. Recently, recurrent and violent student demonstrations, the sacking of several of President Chun Doo-hwan's most trusted advisors and trade tensions with the United States have cast doubt on the likelihood of political stability prior to and during the 1988 Olympic Games and presidential election. Economically, South Korea (hereafter "Korea") has leapt from the dramatic negative growth of 1980 to the remarkable trade surpluses of 1986, developments which, in an economy guided more by planning than are most other capitalist economies, continue to surprise officials and observers.

Capitalist industrialization over a quarter of a century has transformed Korean society, but economic success has generated contradictory political pressures, pressures that conflict with perceptions of Korean society formed when Korea was an underdeveloped country. Now that Korea is approaching industrial maturity, with some degree of economic power in the world and with the class structure of an industrial, middle-income society, these old relationships and perceptions are changing and putting great stress on the Korean political system. Some sections of society are becoming increasingly disaffected from a system that has failed to spread the benefits of rapid growth to some large socioeconomic groups and which concentrates political power in the hands of a military oligarchy.

The principal stresses growing out of the success of Korean industrialization are fourfold. Firstly, there are the increased expectations and heightened demands of a well-established and restive working class. These demands remain principally economic and grow out of the disparity between the expectations created by sustained rapid growth and the reality of inferior living conditions for large numbers of working-class families.

Secondly, members of the "new middle class" of technocrats, managers and professionals—who have been the principal beneficiaries of

the industrialization process—are demanding more forcefully political reforms that would give them (and others) a degree of political power more commensurate with their economic status. This class feels disempowered and disenfranchised; its economic importance stands in contrast to its political impotence. The resurgence of student dissidence and the reformation of opposition politics can be seen at least in part as an expression of this contradiction.

Thirdly, Korea can no longer be regarded as a struggling, underdeveloped country. Its trade surplus with the United States, Korea's principal sponsor, has transformed the perception of Korea into one of a threat to important U.S. manufacturing industries. Other countries have felt similarly threatened, with the result that Korea now must reorient its approach in dealing with its international partners.

Finally, economic success has been closely tied to both domestic militarization, the perceived threat from North Korea and military alliance with the United States. As Korean economic capacity and political confidence have grown, so too have the prerequisites for military autonomy, and with that, pressures for greater equality within the alliance. The U.S. military presence in Korea is no longer universally acclaimed and the deployment of American nuclear weapons in Korea is now subject to mainstream political questioning.

The Rise of the Working Class

Although its significance has not yet been fully manifested, one of the most important political developments of the 1980s in Korea has been the subtle coalescence of student dissidence and working-class opposition. In different ways, each of these represents a threat to the structure of Korean capitalism. This emerging coalition melds both political and economic opposition to the regime. On the one hand, the "into the workers" movement among campus activists and expelled students is motivated by a recognition of the weakness of sectional political dissent in the face of powerful and often ruthless repression by the state. In the words of one dissident: "We have learned now that the people are our backbone and that their power is deep and broad."¹

On the other hand, there is an embryonic recognition by some rank-and-file trade union activists that the isolated struggles for improvement in pay and conditions in factories and workplaces across Korea are united in their opposition to certain central characteristics of the political and economic system as a whole. In particular, the absence of

1. Quoted in Mizushima Yu, "A Close Encounter With the Korean Democratic Movement," *AMPO*, 17:1, (1985), p. 33.

political democracy denies workers the opportunity to press effectively for reforms such as minimum wage laws and housing development, which are most appropriately pursued at a national level.

In attempting to explain the emergence of the working class as a political force, it is important to trace its evolution over the last two decades, a period in which there have been some profound changes in its structure. Through the 1960s the ranks of the proletariat were more or less continually augmented by migration from the countryside.² The speed with which huge numbers of farmers were uprooted (largely as a result of the government's agricultural policies) and forced to adopt an urban lifestyle was dramatic by historical standards. For most workers, the newness of the urban-industrial environment was frightening and alienating. The immediacy of survival in hostile and unfamiliar surroundings submerged all other considerations, and political protest, especially in the 1960s, was the preserve of students and middle-class dissidents; issues of a political nature did not seize the awareness of the bulk of the working class.

Due to the brevity of its history and its inchoate character in the 1960s and 1970s, the expectations of the Korean working class were low and its organizations were weak. In advanced countries, trade union movements have evolved over several decades and have as much to do with the development of a working class culture and sense of community as the need to organize to achieve improvements in pay and working conditions. Although the working and living conditions of most Korean workers were appalling, the proletariat had not had time to unify as a class and to form organizations to press for political reforms and economic advancement, as it had in more advanced countries in Europe and Japan.

As a result of the underdevelopment of the proletariat, political opposition to the Park regime was not closely tied to the working-class movement, but was more subjective, concentrating on political demands for liberty and democracy rather than economic reforms. This is not to say that there was no expression of dissent on the part of the working class in these years. On the contrary, the urban proletariat was at times swept into the mass movements that challenged the regime, such as the demonstrations against rapprochement with Japan in 1965 and the presidential elections of 1971.

The 1970s and 1980s have been marked by a continuing resurgence

2. See Clive Hamilton, *Capitalist Industrialization in Korea* (Boulder: Westview Press, 1986), ch. 2. The growth of a significant proletariat during the Japanese occupation is also discussed in this book.

of unofficial, shop-floor trade union activity which the government, despite vigorous efforts, has found impossible to suppress. Militant unionism, usually in opposition to the official, company-sponsored unions, grew rapidly in the mid-1970s. It reached its peak in 1980 after the assassination of President Park, but the subsequent accession of General Chun Doo-hwan to the presidency and the suppression of the Kwangju Uprising were followed by revisions to the labor laws that were used to repress all forms of independent union activity. The "Guidelines for the Purification of Labor Unions" of August 1980 and revisions to the labor relations laws in December of that year shifted the basis of official union bodies, under the umbrella of the Federation of Korean Trade Unions (FKTU), away from industries and toward enterprises, so that even at this level avenues for cooperation among workers would be limited.

Female workers have been essential to the growth of the Korean manufacturing industry and have usually endured the worst working conditions and the lowest rates of pay. This is due in part to the types of jobs in which women workers are concentrated; but even where women and men do the same work, women generally receive less because they are not considered to be the principal breadwinners of their families. It is not surprising, therefore, to find that most of the rank-and-file militancy of recent years has involved women and often has been led by women. There have been instances where male workers supporting management have physically attacked women workers engaged in strikes. This is in addition to attacks by police and thugs hired by the employers. One such instance was the 1982 strike by women at the factory of the U.S.-based Control Data company. There, the company used male workers to brutalize the protesting women.³

Since 1980 the government has arrested and jailed hundreds of labor leaders and placed many more on a blacklist that deprives those engaged in previous industrial disputes the right to employment elsewhere. Much of the work of controlling rank-and-file unrest is in the hands of the Agency for National Security Planning (ANSP, formerly the Korean Central Intelligence Agency), and the labor movement in recent years has been forced to organize secretly.

The resurgence of industrial union activity and the increasing difficulty the government has in suppressing it results from structural changes in the Korean working class and its perception of itself and its

3. This and other instances of women workers leading industrial campaigns are recorded in *Human Rights in Korea* (Washington, D.C.: *Asia Watch*, January 1986), as well as many other publications.

place in society. Not only is the labor opposition more militant, it is more sophisticated in its social analysis and uses techniques for political mobilization that rely on traditional and emergent cultural forms. The character of the Korean working class, both its objective features and the nature of its political consciousness, has matured along with economic and social developments.

Over the last twenty years the expectations of Korean workers regarding their standard of living have increased greatly. No longer are the workers transplanted peasants grateful for an opportunity to earn a subsistence in the factories of the cities. Workers have witnessed the dramatic and sustained expansion of productive power around them and the growing incomes of significant parts of the population, especially professional, technical and managerial workers and, of course, the owners of capital. Evidence of increasing disparities of income is scant, but even an official publication provides an indication of a significant worsening of income distribution since the early 1970s.⁴ In particular, industrial workers have received the lowest wages among broad groups of income earners. Wage levels are also lower in labor-intensive industries where female workers predominate, such as clothing, footwear and electronics manufacturing. In general, wages in export industries are substantially lower than in domestically oriented industries.⁵

The dominant view among Western experts on Korea, that its growth process has been characterized by a marked degree of distributional equality, has recently been seriously questioned.⁶ The original equalizing impact of the land reforms of the 1950s has since been eroded by inequalities due to differential labor market power and the emergence of a class of wealthy capitalists. Whatever the true situation, the distribution of income is no longer one of comparative equality from the perspective of the mass of the Korean working class. Growing inequality led one unionist to observe that as workers

witnessed the rapid industrial development of the nation during the 1970s, their endurance came to an end. A quiet change of opinion spread among laborers: poverty is not our destiny and society should be held responsible for it.⁷

4. Korea Exchange Bank, *Monthly Review*, December 1986.

5. Hagen Koo, "Dependency Issue, Class Inequality, and Social Conflict in Korean Development," in Kyong-Dong Kim, ed., *Dependency Issue in Korean Development: Comparative Perspectives* (Seoul: Seoul National University Press, 1986).

6. Ibid.

7. Quoted in Michael Launius, "The State and Industrial Labor in South Korea," *Bulletin of Concerned Asian Scholars*, 16:4 (October-December 1984).

Workers have also internalized the ideology of growth and success stressed by the government. No longer do the rewards of success seem naturally to belong to others; the working class that migrated by the millions from the countryside to the cities is now reproducing itself in the cities and sees itself as an essential part of the fabric of Korean society, and not as a transitory, alien force. This is due in part to the government's corporatist propaganda, which emphasizes the theme of all sections of society working together to build a stronger and richer Korea.⁸ But in opposition to this, the development of a working-class culture has begun to bind the lower orders together and to raise their level of political understanding. One expression of this is the rise of the *minjung* cultural movement which, through art, stories and dance portrays Korean history as a series of people's struggles against foreign domination. A number of popular novels in recent years have featured exploited workers as their central characters. The government has viewed this new emphasis on exploitation and struggle as a threat to its corporatist vision, and has attempted to suppress it.⁹

In recent years, large industrial concerns have begun to adopt a Japanese-style corporatist approach toward their workers. There is emphasis on company loyalty and team spirit based on strong nationalistic appeals. For example, the Pohang Iron and Steel Company (Posco) says that its workers "have solemnly accepted the grand national task of building a modern steel industry. . . . A sense of mission is instilled in all Posco workers." With this sense of united purpose no unions are necessary or permitted at Posco, for "here it is just one big family."¹⁰ Unlike the Japanese *zaibatsu*, however, Posco is unable to look after its workers adequately until retirement. They work fifty-two hours a week for \$2.50 an hour with one day's leave per month.

In the face of rising expectations, however, large segments of the Korean working class have been excluded from any substantial benefits flowing from twenty-five years of rapid growth. It is difficult to obtain any clear indication of this from official figures, but direct observations

8. This is discussed in more detail in Jang Jip Choi, *Interest Conflict and Political Control in South Korea* (Unpublished Ph.D. dissertation, Political Science Department, University of Chicago, 1983).

9. See Tim Shorrock, "The Struggle for Democracy in South Korea in the 1980s and the Rise of Anti-Americanism," *Third World Quarterly*, 8:4 (October 1986).

10. Quoted in Chang Paek-San, "The Phoenix of 1984: A Vibrant Democratic Mass Movement Erupts in South Korea," *AMPO*, 17:1 (1985). However, as Choi argues in *Interest Politics and Political Control*, there is little evidence from the 1970s that government and company attempts at implanting corporatist ideologies met with any degree of success.

of working-class life and of disputes at workplaces expose a great deal of distress. This is due in part to the inability of wages to provide for basic housing, food and clothing needs of workers.¹¹ Two-thirds of all Korean families live in just two rooms; one-third live in a single room.¹² Life is hard, working hours are long and many jobs are exhausting. There are several studies, some of them from official and semi-official sources, which show that most wage-earners have an income below the poverty or subsistence level. For example, a Korea Development Institute survey found that the minimum cost of living for a family of five in 1980 was 270,000 won per month, while 56 percent of workers receive less than 200,000 won. A 1982 FKIU survey reported that the minimum necessary income for an average family was 431,000 won, while the average wages paid to its members was 248,000 won.¹³ The majority of workers earn less-than-average wages. Even with two fully employed breadwinners, most families find it difficult to earn a minimal subsistence.

These facts lie behind the current pressure for enforcement of minimum wage laws, a concept with which the government expresses public sympathy. There are strong moves from the tame FKIU for a wage system in which the minimum wage reflects the expenses of a basic livelihood, a level of income many workers do not attain.¹⁴ But working-class distress and repeated wildcat disputes are also due to working conditions which are generally unpleasant and often very dangerous. In 1980 the International Labor Organization reported that Korean workers worked longer hours than workers in any other country surveyed, with both men and women in industry working approximately fifty-three hours per week.¹⁵ In heavy industries, such as steel, there are usually only two shifts of twelve hours duration. When shifts rotate each week, some workers are required to work twenty-four hours straight.

In addition, the absence of health and safety codes has given rise to the worst industrial accident rate in the world, twenty-two times higher than Japan's. According to official figures, which refer only to large enterprises and are based on reported injuries only, 1,718 workers were killed in industrial accidents in 1985, up 35 percent from 1980. The cost to the economy of deaths and injuries was estimated to be about 1.3

11. Yu, "A Close Encounter."

12. *Asian Labour Monitor*, 3:2 (July 1986).

13. Quoted in Launius, "The State and Industrial Labor in South Korea," pp. 8-9.

14. *Asian Labour Monitor*, 3:2 (July 1986).

15. Quoted in Launius, "The State and Industrial Labor in South Korea," p. 8.

percent of GNP.¹⁶ Workers have also begun to object more vociferously to the uncertainty of their employment status, including the late payment of wages. The latter has become such a problem that the government recently announced that business representatives who cause labor disputes by paying wages more than three months in arrears will be subject to arrest.¹⁷

In addition to these depredations, the integration of the new proletariat into Korean society has, as elsewhere, provided workers with both a sense of their obligations to society and of society's obligations to them. The absence of social welfare provisions is something that is increasingly resented, particularly in light of the increased threat of unemployment, the breakdown of traditional rural family support mechanisms and the increased expectations which workers have of society. The government has recognized this; the most remarkable feature of the Sixth Economic and Social Development Plan (1987-91) is the emphasis on improvements in social welfare. According to the Korea Exchange Bank,

Prior to the fifth plan, the government had concentrated little effort toward the development of educational, housing, and health programs. Social development was overshadowed by the overwhelming emphasis placed on rapid industrialization. Welfare functions were basically the responsibility of the people themselves.¹⁸

The combination of higher expectations and the failure of twenty-five years of rapid growth to deliver substantial improvements in living standards for large sections of the working class has given rise to a new mood of resentment and militancy which provides fertile ground for the ideas of political dissent.

The "New Middle Class" and Opposition Politics

A quarter of a century of capitalist industrialization has created not only an industrial working class but a large and differentiated "new middle class," made up of self-employed professionals, upper-level technicians and managers in the private sector, in addition to a range of managerial state employees.

An important social factor distinguishing the new middle class in Korea is education. Traditionally highly valued by Korean Confucianism, tertiary professional and technical education is a major concern both of

16. *Asian Labour Monitor*, 3:4 (November 1986).

17. *Ibid.*

18. Korea Exchange Bank, *Monthly Review*, p. 25.

the state, in pursuit of economic growth and national strength, and of individual families seeking the relative economic security and status afforded by higher education.

Income differentials according to educational level have been marked for some time, and have increased in recent years. Taking the income of the average primary school graduate as a base equal to 100, in 1971 a high school graduate's income was 179, and that of a college graduate 313. By 1978, college graduates' income had increased to 399, while that of high school graduates remained the same.¹⁹ In other words, college graduates increased their earning power to more than twice that of high school graduates. Not surprisingly higher education, despite its cost, attracts more and more students: in 1985, some 1.2 million students were undertaking some form of tertiary education.²⁰

The size of this new middle class has expanded considerably, in both absolute and relative terms. If low-level clerical workers are excluded from the grouping, its size expanded from 8.6 percent of the labor force in 1960 to 10.5 percent in 1975. On a broader definition of all non-manual workers (excluding self-employed professionals), the group is larger still, growing from 6.6 percent in 1960 to 17.7 percent of the total labor force in 1980.²¹

Above the new middle class is the capitalist class, dominated by a surprisingly small number of families of great wealth centered on the *chaebol*, a few large and ever-growing companies. Throughout the Park era (1961-1979), government plans for economic growth focused on the expansion and protection of the *chaebol*. While economic policy under the Chun government has been nominally less favorable to the *chaebol*, little has been done to redress the bias against small and medium-sized firms. For the smaller capitalists excluded from government patronage, this longstanding history of government favoritism is a source of great political resentment.

Conspicuous consumption and the blatant exercise of political power by the new rich is denied the cultural and political protection of traditional legitimization by family lineage, higher education or demonstrable moral superiority. To their smaller capitalist competitors and the aspiring middle classes, the families that control huge fortunes appear on the one hand as objects of emulation, and on the other as illegitimate beneficiaries of government favor.

19. See Hagen Koo, "Transformation of the Korean class structure: the impact of dependent development," *Research in Social Stratification and Mobility*, Vol. 4 (1985), Table 4.

20. *Far Eastern Economic Review, Asia Year Book 1986*, p. 6.

21. Koo, "Dependency Issue."

The problem of legitimization is all the more pointed because of the role of the state in sponsoring the selective rise of the *chaebol*. Not only are their gains of dubious legitimacy, but they are transparently the result of political intervention rather than of the invisible hand of the market. The implication is that what has been politically made can be politically unmade, and the pattern of capital accumulation redirected.²²

In the past, the relationship between state and capital has been by and large one of straightforward state direction of capital through a panoply of administrative directives, prohibitions and inducements.²³ But in recent years, the relationship has become more complex, with more power accruing to business, particularly, but not exclusively, to the *chaebol*. Policies of economic liberalization, the selling off of government banks and a lessening of the administrative grip of the government over economic activity have all worked towards depositing more power in the hands of business.²⁴ In part this has led to increasing public contestation of economic policy, despite a still-firm government hand. But with the rise of pressures for more open electoral politics, the state is beginning to acquire a degree of dependence on business as a source of funding for the government party's electoral activities. This in turn opens several avenues of political pressure.

For the diverse middle class the key political issues are political liberalization, democracy and expansion of political participation, and for the small and medium capitalists, the degree of government favoritism towards the *chaebol*. The primary concerns are with political rights—the drastically restricted freedoms of expression and political association, fear of police surveillance and harassment, arbitrary arrest and torture and the constitutional framework for electoral democracy.²⁵ As street protests escalate, the absence of these freedoms becomes more acute.

22. The possibilities of state intervention for an alternative pattern of capital accumulation is dealt with in Koo, *ibid.*, and in Richard Tanter, "The Political Economy of Arms Control and Demilitarisation: the Case of South Korea," Proceedings of the Korean Association of International Relations, International Conference on the Arms Race and Arms Control in Northeast Asia, Seoul, August 1986 (forthcoming).

23. See Richard Luedde-Neurath, *Import Controls and Export-Oriented Development: A Reassessment of the South Korean Case* (Boulder: Westview Press, 1986).

24. For an account of South Korean economic policy in the early 1980s see Bijan Aghevli and Jorge Marquez-Ruarte, *A Case of Successful Adjustment: Korea's Experience During 1980-84*, Occasional Paper No. 39, (Washington, D.C.: International Monetary Fund, 1985).

25. For a detailed and reliable account of the human rights situation in South Korea see *Human Rights in Korea*.

The students protesting on the campuses are the children of middle-class and elite families and usually are led by students from the most elite of the hierarchically organized universities. The education system poses a serious dilemma for the government. On the one hand, there is great stress on the importance of education and the status of students both from tradition and technocratic values. On the other hand, those same traditional values demand from the students a political activism and moral responsibility for the wider society, and generate broad social support for their activities. The growing number of university students who have chosen to express their opposition to the government through public suicides testifies to the power of a Confucian ethos of social duty, shared by both actors and audience in the otherwise secular drama of the struggle for democracy.

Despite the high level of censorship and repeated purges of media staff, public debate has reflected these concerns. For example, a set of three government scandals coincided in May 1987 to lead to the removal of the most senior of President Chun's cabinet advisors, including Prime Minister Lho Shin-yong and the director of the ANSP, Chang Se-dong. These grew out of revelations of a police cover-up of the torture and murder of a student in custody, an embezzlement scandal in a Pusan welfare office and the involvement of government officials in a corporate foreign exchange scheme. Such activities have been known in the past, and the fact that the president felt obliged to sacrifice some of his most trusted associates testifies to the strength of middle-class public opinion. As in other industrially maturing societies, the repression of political information sits ill with the freedom of flow of technical information. Industrialization and totalitarian government are familiar but uneasy bedfellows. The call for democracy and political liberalization remains the most salient and potent of middle class political concerns.²⁶

Opposition politics in Korea revolve around two increasingly distinct

26. In a recent speech in Seoul, Robert Scalapino instructed his Korean audience on the "political modernization" version of this argument: "South Korea is also a prime representative of the societies where a growing tension has developed between a largely traditional political order and a dynamic socioeconomic environment" (*Korea Herald*, 22 May 1987). Almost no aspect of Korean society is less traditional than the militarized state, the origins of which lie in the Japanese colonial period and the impact of forty years of largely militarized attention from the United States. See Gregory Henderson, "The United States and the Militarization of Korea: The Effects on Political Development," *Korea Scope*, 3:2 (October 1983). As Henderson argues, one of the bitter fruits of the American-sponsored militarization of Korean society has been obliteration of a long tradition of political philosophy in a society with a weak military tradition.

cores: a parliamentary political party, and a broad social movement drawn from labor, student, church and intellectual circles. The present major opposition party, the Reunification Democratic Party (RDP), was formed in mid-1987 when Kim Dae-jung and Kim Young-sam left the New Korea Democratic Party (NKDP). They took with them their faction members who held the bulk of the seats gained by the NKDP in the February 1985 elections. Like the NKDP, the RDP is best thought of as a coalition of distinct groups forming a temporary united front in opposition to the government. Little binds the factional groupings together except their determination to push the Chun government to the point of holding fair elections and getting the military back to the barracks. Bonds between faction leaders and supporters within and outside the National Assembly are highly personalistic, and suffused with a hierarchical sense born of both Confucian ethos and machine politics. Yet despite its fragile nature and the past rivalry between its two leaders, the coalition between the factions has survived determined government efforts to precipitate a split.

The formation of the RDP may well mark a new stage in Korean parliamentary opposition politics. The key goals remain an end to dictatorship, the holding of fair elections, the restoration of civil freedoms, and a vague commitment to social justice and equality. While the split from the NKDP in itself probably strengthened the two Kims' leadership (by shedding the more opportunistic rump of the NKDP under Lee Min-woo), it also led to a broadening and hardening of opposition demands. By both its name and platform, the RDP highlighted the emotional issue of reunification with the north, previously treated in largely bipartisan terms. Moreover, by voicing its concern about the stationing of U.S. nuclear weapons in Korea, the RDP has expressed an oblique criticism of the U.S. military presence, questioned the nationalist credentials of the government and opened the way to a middle-class critique of both nuclear weapons and the strategic, as well as domestic, basis of militarization.²⁷

Yet for all the influence that the RDP and the NKDP have been able to exert through the National Assembly and the mass media, their success has been conditional on the existence of a broader social movement which has articulated a popular critique of the militarized state and the economy, and has mounted a more direct challenge to the regime through demonstrations, occupations and community-based cultural activities. The broader movement's ideologies and the issues it ad-

27. For the RDP platform and the government accusation of "communist influence" see *Korea Herald*, 16 May 1987.

addresses differ in emphasis from those of the party politicians. Trade union and farmers' groups give the broad movement a far greater concern than the RDP with issues of labor rights and inequality. With increasingly large numbers of committed students, the opposition movement has been able to use banned street demonstrations to visibly challenge the authority of the government.

The relationship between the opposition party and the opposition movement is a source of both strength and weakness for each. For much of the broad movement, the parliamentary opposition is tainted by opportunism and its middle-class concerns.²⁸ For the parliamentary leaders, the more militant movement threatens their middle-class constituency, leaving them vulnerable to government charges of leftism and harsher military intervention. The parliamentary party leaders are concerned not to be identified with the more radical movement's tactics and demands, but neither can they afford to be left too far behind. The dominant direction is undoubtedly a more radicalizing one, with the movement leading and the party leaders following, partly pulled by the need to retain a relationship with the broad movement, partly pushed by an uncompromising government prepared to use force in place of legitimacy.

The development of these class-based pressures in Korean politics is beginning to call into question the social structure of accumulation that produced them. Rapid economic growth was made possible by the militarization of the Korean state and by the location of that state in the wider structure of American security planning for Northeast Asia. In the first two decades of Korean industrialization, the military control of the state in the context of the security threat from North Korea contributed to the state autonomy required for industrialization to occur. The line of command led decisively from the militarized state to compliant capital. This pattern of state dominance is now threatened and with it the political dominance of the military.

The comparative absence of corruption in the Korean military is striking. Military corruption appears to be largely internal (for example, related to matters of promotion) and does not reach out on the institutionalized scale of, say, the Indonesian officer corps, where military access to state resources provides the basis for a distinct military capitalist class.²⁹ While it is clear that generals are well paid and have substan-

28. On the history and structure of the opposition movement see Shorrock, "The Struggle for Democracy . . ."

29. See Richard Tanter, "Trends in Asia," *Alternatives: A Journal of World Policy*, Special Issue on Global Militarization, 10:1 (Summer 1984), for a comparative discussion of

tial retirement benefits, they do not form a distinct economic grouping. If such a grouping has not sprung up after forty years of militarization, it is unlikely to do so now. Neither the political nor economic attractions of the military are likely to increase in years to come. Through an adept use of inducement (military budgets, plum command jobs and retirement sinecures) and threat (control of internal military intelligence and sensitive commands), Chun has to date headed off military challenge. Rewarding loyal senior officers with safe and lucrative jobs on retirement remains an important tool of presidential patronage, but one now increasingly subject to public scrutiny and criticism as conflicting with economic efficiency.³⁰

The Antagonisms of Economic Growth

Korea can no longer be thought of as an underdeveloped country. The changed perception of Korea internationally, especially in the United States, is imposing increased pressures on the economy. The success of Korea in penetrating foreign markets is meeting increased resistance, particularly as the types of products exported are changing and represent a greater threat to established industries in the advanced countries. There are several forces at work here.

Firstly, far from diminishing its reliance on international trade as its economy approaches industrial maturity, Korean dependence has continued to grow. Exports as a percentage of GNP rose from a simple average of 32 percent in 1975-77 to 38 percent in 1983-85.³¹ These figures drive home the total dependence of Korean industry on imported goods. In 1986, 95 percent of all imports into Korea were capital goods or raw materials.³² Both export-oriented and domestically oriented manufacturing industries rely on imports for their survival.

The overwhelming dependence of the economy on continued growth of export markets has imposed a binding constraint on the growth of costs in export industries. The first severe crackdown on labor militancy by the Park regime, including the introduction of a range of repressive labor laws, occurred in the early 1970s when a wave of industrial activity threatened to increase wage levels in export industries.

the economic and strategic impetus to militarization. On the Indonesian case, where a military caste has used its access to state resources to generate capital for a long-term position in that country's capitalist class, see Richard Robison, *Indonesia: the Rise of Capital* (Sydney: Allen and Unwin, 1986).

30. See James Schiffman, "Ex-Generals Get Economic Jobs," and "Korea Trims Power of Political Appointees," *Asian Wall Street Journal*, 15 and 29 May 1984.

31. International Monetary Fund, *International Financial Statistics*, 1982, 1987.

32. Korea Exchange Bank, *Monthly Report*, 1987, Table 5.

The choice of industrialization strategy has imposed on the Korean economy the unchallengeable priority of international competitiveness. This explains why wages in export sectors are well below those in other sectors of the economy. The need to keep costs low has also meant that improvements in working conditions have been very slow. Heavy integration of the Korean economy into international markets has been good for growth but inimical to development.

Pressures from within the Korean economy, including the inability to keep wages in the export sector static and the increased costs of inputs into export production from other sectors of the economy, have meant that Korea's traditional manufactured exports have faced increased competition from a later generation of newly industrializing countries (NICs), including those in Southeast Asia and China. This has led the Korean planners to attempt to shift export production away from clothing, footwear and electronics into products with a higher value added through more skilled labor and advanced production techniques. These industries include ship-building, steel, petrochemical products and especially motor vehicles.

There is no reason why Korean firms should not be very efficient in producing some of these products. The difficulty they face is the threat that these new industries pose to established industries in the advanced countries, industries which have suffered from recession in the 1980s and whose future is politically sensitive in countries facing continuing high unemployment. The wave of protectionist sentiment sweeping the United States, Korea's largest export market, is inspired in part by the threat of Korea. This is most dramatically illustrated in the case of automobiles. In recent years Hyundai's small cars have sold extremely well in Canada, and penetration of the huge U.S. market is being vigorously resisted by the industry and its supporters.

There is a good deal of irony in this situation, since the United States has been the principal sponsor of Korean economic success. From the Korean planners' perspective, the situation is unfair because, while managing to achieve a trade surplus with the United States (after decades of deficits), Korea continues to run a large deficit with Japan, the major supplier of Korean imports. Korean goods are restricted from Japanese markets in the same way that U.S. goods are, and the United States is threatening to do to Korea what Japan has done to the United States for many years. In 1986 Korea relied on the United States for 36 percent of its export markets (and on Japan for 19 percent) and bought 34 percent of its imports from Japan (buying a further 21 percent from

the United States).³³ In response, Korean planners are attempting to reduce imports from Japan through import substitution ("Koreanization") and to diversify exports to the European Economic Community and the Third World. This is part of the longer-run strategy of shifting the industrial base to higher-technology and skill-intensive industries through heavy investment in research and development, emphasis on technical education and overseas investment by Korean companies.

In addition to increased international resistance to penetration by Korean exports, demands are being made for the liberalization of Korean import policy. Imports of consumer goods, considered an unnecessary drain on productive resources, have been almost wholly outlawed since the 1950s. Restrictions on imports are becoming less tolerable to the United States, in particular where there has been a florescence of free trade ideology in recent years, in addition to the material concerns about the trade balance. The Korean government periodically announces a major reduction in the level of protection; these announcements generally coincide with the visits of senior U.S. policymakers (for example, during the visit of the U.S. secretary of commerce in April 1987). It has been shown conclusively, however, that the much-heralded liberalizations that have occurred since the early 1960s have been largely chimerical, so that Korean planners continue to exercise the detailed control over flows of imports and exports that has been so fundamental to their success.³⁴ Recent attempts to lower import barriers on a few selected commodities have demonstrated the strength of political opposition to liberalization both from the public and from sections of the Korean bureaucracy.

Korean planners are thus trying to steer the export economy between external pressures from below (the emerging Pacific Basin NICs) and above (the United States in particular). Internally, too, there are conflicting pressures from the increasingly militant unions and from the growing economic and political power of the few huge commercial conglomerates that dominate the economy. Nine *chaebol* account for more than half of Korea's exports; they also dominate the domestic economy and absorb nearly half of total available credit.³⁵

The concentration of production in so few hands is a source of concern for the government, which now believes that size and monopoly power are detrimental to efficiency. The government is making greater

33. Ibid., Tables 4 and 5.

34. See Luedde-Neurath, *Import Controls and Export-Oriented Development*.

35. Korea Exchange Bank, *Monthly Review*, December 1986, p. 23; Department of Trade (Australia), *Survey of Major Western Pacific Economies*, 1986, p. 35.

efforts to support small and medium-sized enterprises. It was not always like this, for in the 1960s and 1970s the government actively encouraged the emergence of large conglomerates on the model of the Japanese *zaibatsu*. It was believed that only big companies could best produce for, seek out and compete in world markets. Businesses engaged in trade, whether large or small, but especially the large ones, operated under the direction of the planning agencies.³⁶

The big state-sponsored conglomerates have seen the growth of a group of powerful industrialists who have close links with the government and the bureaucracy. This group of businessmen, whose predecessors were the servants of the government's economic planning agencies, have a growing independent political influence which is already taking it into conflict with the government and some of its agencies.

In the face of all of these pressures on the economic performance of the Korean export sector, the economy nevertheless recorded an overall surplus on its current account in 1986. This remarkable feat was largely due to the so-called three blessings: the sharp drop in oil prices, the appreciation of the yen and the fall in international interest rates. These events respectively lowered Korea's import bill, raised the competitiveness of its exports compared with Japan's and reduced the interest burden on foreign borrowing. The surpluses, most of which are accounted for by the trade surplus with the United States, have continued into 1987. The current account surpluses provide some much-needed breathing space for the government and gives it an opportunity to go some way toward resolving the economic conflicts building within Korean society.

Korea's position as the world's fourth largest debtor, and Asia's largest, has created political tensions by reinforcing arguments from radicals about Korea's dependent status in the world economy and the U.S. alliance. The trade surpluses have been used to pay off some outstanding debts, although several years of surpluses would be necessary to make a major impact on the debt burden. By sending the surpluses back overseas the government has also been able to serve the macroeconomic policy objective of limiting money supply growth, which tends to cause inflation with all of its social stresses.

Perhaps more importantly in the long run, sustained trade surpluses would allow some of the pressure to be eased on export industries and allow the government to channel more resources into projects which will make life easier for the working class, such as housing, urban renewal and health and medical services. The willingness of the govern-

36. Luedde-Neurath, *Import Controls and Export-Oriented Development*, ch. 5.

ment to pursue this path, one that will be difficult for it with counter-claims on the surplus coming from the *chaebol* and the middle classes, will depend on the extent of pressure coming from the working class. The government will be hesitant to make any early concessions; if the surpluses prove to be transitory the government would be forced to enter into a renewed phase of austerity, something that would be politically explosive.

The Contradictions of Alignment

The Park regime initiated a process of capitalist transformation that not only delivered rapid economic growth, but did so in a manner that optimized national economic autonomy within a general pattern of integration into the global capitalist economy.³⁷ Militarization was at the core of the economic transformation. High levels of domestic coercion have been employed to establish the social basis for industrialization. Moreover, the capacity of the military to exercise that coercive power, and the capacity of the Korean state to retain and expand national economic autonomy, derived from the strategic privilege accorded to Korea as a frontline state in American global containment policy. Whatever may have been the doubts in Washington at certain points about the economic and political direction in Seoul, the contribution of a militarily strong and politically acceptable administration overrode almost all other considerations.

Throughout the 1960s and early 1970s, American hegemony was essentially uncontested in the region. The United States was without rival in the military field; it was the world's strongest economy with healthy trade and fiscal surpluses; it was the political leader of the "free world"; it enjoyed a position of cultural preeminence as the embodiment of modernity. Each of these four domains of power reinforced the others, with overt conflicts limited.³⁸ In the South Korean

37. Two of the most important ingredients in this economic autonomy were the absence of significant direct private foreign investment and the bureaucratic capacity of the state. South Korea relied heavily on high levels of foreign borrowings which whatever the cost, left control in Korean hands. Government control of and access to these overseas borrowings were then the principal means of state control over capital. On South Korean state autonomy see Stephen Haggard and Chung-in Moon, "The South Korean State in the International Economy," in John Gerard Ruggie, ed., *The Antinomies of Interdependence, the International Division of Labor and National Welfare* (New York: Columbia University Press, 1983).

38. Hegemony is understood here not as simple dominance but "as both material and cultural domination and intellectual and moral leadership." Stephen Gill, "American Hegemony: Its Limits and Prospects in the Reagan Era," *Millennium: Journal of International Studies*, p. 323. Gill emphasizes the structural continuities of American power in a

case, U.S. hegemony meant a close but subordinate integration of the Korean military into a U.S.-commanded and financed local military structure, as well as a capacity for effective U.S. intervention in the Korean political system (as in the ousting of Syngman Rhee in 1960), and a formative influence on the economic policy of the Park administration. The U.S. presence also drew strength from the gratitude and admiration of most South Koreans as the saviour of the nation and a social model to be emulated. Alignment within the system of U.S. hegemony was the *sine qua non* of Korean economic growth under a militarized state.

The acceptance of U.S. hegemony did not, however, imply a simple client status for the Korean state, however great its initial dependence on the United States. For Park and the Japanese-trained officers who came to power with him, the power of the state was the center of their thinking, a power which was needed for the security of the nation against the threat from the north. Like their Japanese teachers in the Manchurian Army, Park and his colleagues believed in a strong and expanding economy to provide the resources for military national security. Even before the great shocks of the Nixon doctrine and the end of the Vietnam War, Park was intent on establishing a basis for South Korean self-reliance.

This ultimate goal was always seen as possible under the umbrella of U.S. hegemony, which, in Cumings' phrase, set the outer limits of the regional system.³⁹ Conflicts between Park and successive U.S. administrations over economic, military and nuclear policy never tested the fundamental basis of the alliance. The outer limits were accepted, and indeed, internalized into the Korean polity.

That period of U.S. hegemony in Northeast Asia has ended, even though the United States remains the dominant power in the region. While the United States is the strongest military power in the area, Soviet regional naval and air capacity is now comparable to that of the United States. Japanese economic power constitutes the most immediate and irresolvable threat to the U.S. economy, with Japan beginning to exercise commensurate political power. The power relationship is more even, the structure of power defined by fluid bilateral bargaining, and the results far from predetermined. In the military sphere, a com-

period of transnational restructuring; the decline in American power is relative and involves a change of form. In absolute terms the United States remains the dominant world and regional power.

39. Bruce Cumings, "Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles and Political Consequences," *International Organization*, 38:1 (Winter 1984).

bination of economic weakness, an overextended naval capacity and a desire to spread the fiscal burden of defense has led successive U.S. administrations to press Japan to remilitarize, with the inevitable consequence that at some point a new Japanese military capacity may be used in its own national interest, possibly even against the United States.⁴⁰ An end to hegemony, then, certainly does not mean a loss of U.S. dominance, but it does reflect and permit a diversification of sources and forms of power in the hands of other states, especially alliance partners.

In South Korea, the erosion of hegemony is seen most clearly in economic issues, where, as shown above, American tutelage has generated a threatening success. In a striking symbol of the interlinked components of the old alignment, and the diminished U.S. influence on each dimension, former Secretary of Commerce Elliot Richardson recently warned South Korea of the security consequences of rising protectionism in the United States.⁴¹ U.S. military credits to Korea were recently terminated by Congress on the grounds that a country with such a large trade surplus with the United States could well afford to pay for its own weaponry.⁴²

The outer limits of the system established under U.S. hegemony remain, but the relationship within those limits is more fluid and open to bilateral bargaining. As U.S. political pressure over Korean trade and investment and monetary policies demonstrates, it retains sufficient power to ensure at least minimal compliance. But Korea's overt resistance and foot-dragging will increase, and the amount of public pressure exerted by the United States to ensure compliance will also have to increase.⁴³ Attempts to reestablish the *status quo ante*, for example

40. See Herbert Bix, "The Japanese Challenge: US-Japan Relations at Mid-Decade," *Bulletin of Concerned Asian Scholars*, 17:4 (October-December 1985).

41. *Korea Herald*, 23 May 1987. Richardson's warning, echoing others, is that unless Korean trade pressure against the United States is eased, the administration is unlikely to resist congressional calls to review the security commitment.

42. Korea's military budget is now entirely internally financed. For details of the South Korean military budget see Walter Galenson and David Galenson, "Japan and Korea" in David Denoon, ed., *Constraints on Strategy: the Economics of Western Security* (Washington, D.C.: Pergamon-Brassey's, 1983) and Charles Wolf, Jr., et al., *The Changing Balance: South and North Korean Capabilities for Long-Term Military Competition* Rand Study/1-NA (Santa Monica: Rand Corporation, 1985). For these and several other documents the authors are grateful to Peter Hayes of Nautilus Research.

43. One recent example of Korean foot-dragging was its response to U.S. pressure to revalue the won, and as a result, diminish the competitiveness of Korean exports to the United States (particularly compared to Japanese products) and decrease the price of U.S. imports. Between January and May 1987 the Korean won appreciated 3.4 percent against the dollar, compared with 9.4 percent for the Taiwanese dollar and 11.2 percent

by linking security and trade issues, achieve their success in the short run at the cost of a long-run demonstration of weakness.

The contradictory effects of declining U.S. hegemony and rising Korean autonomy are also to be seen in the military relationship. The primary goal of South Korean military policy remains, almost obsessively, the defense of the country against a North Korean surprise attack. However, despite the weight placed on the maintenance of the U.S.-Korean alliance, and particularly the U.S. nuclear deterrent, the basis of Korean military planning is, and has been for many years, self-reliance. The degree to which that goal has been attained is questionable, but many of the prerequisites are in place. While the rhetoric of the alliance from the declaration of the Nixon doctrine onwards has been concerned with establishing the self-reliance of the U.S. ally, the reality is likely to have considerable implications for the alliance as a whole, rendering it more equal, more contested, and more problematic for both partners.

There are four principal respects in which the Korean state is more militarily self-reliant than at any time in the past: the fighting capacity of its force structure; national capacity to finance its military expenditures from domestic sources; its military industrial capacity; and the development of war-planning, rather than simply battle-planning, capacities. All were drawn from the realization in the early 1970s that whatever may be Korean wishes, the United States was not going to maintain its troop presence in Korea indefinitely.⁴⁴

Korean military nationalism is rarely analyzed, although its importance in the constitution and economic policies of the Park regime is clear. Nationalist concerns within the military about the consequences of the present structure of the alliance are beginning to emerge, although documentation is difficult. Four sets of concerns can be identified: the command structure; the Korean "allergy" to military cooperation with Japan; nuclear weapons policy; and the implications for Korea of U.S. global strategic doctrines of horizontal escalation.⁴⁵

All observers of the joint command structure stress its extraordinary complexity, as the U.S., Korean and United Nations commands attempt

for the Japanese yen (*Korea Herald*, 21 May 1987).

44. In 1972 Premier Kim Jong P'il (the founder of the Korean CIA) remarked: "Now is not the time to survive through dependence on others. The U.S. troops now stationed in our country will return home sooner or later. This means we must defend our country through our own strength." Quoted in Ralph Clough, *Deterrence and Defense in Korea: the Role of US Forces* (Washington, D.C.: The Brookings Institution, 1976), p. 24.

45. These issues are discussed at greater length in Tanter, "Political Economy of Arms Control and Demilitarisation."

to integrate diverse operational goals with the requirements of international politics. Since 1978 there have been two joint commands in South Korea: the United Nations Command and the U.S.-Korean Combined Forces Command. As a result, the senior U.S. military officer in Korea wears at least five distinct hats, each with its own command responsibilities: Commander-in-Chief of Combined Forces Command; Commander-in-Chief, United Nations Command; Commander-in-Chief, United States Forces Korea; Commander-in-Chief, Eighth United States Army; and Commander-in-Chief Ground Component Command of the Combined Forces Command.⁴⁶ This serves to illustrate the extraordinary complexity of these interlocking command structures which attempt to reflect the divergent political as well as military tasks of the alliance. The command structure necessarily reflects the basic inequality of the partners. Korean military observers have pointed to the organizational weakness that derives from the fact that within the Combined Forces Command "most central functions and staff posts are assigned to U.S. officers no matter how heavy the burdens they bear from other jobs they hold." The Deputy Commander of the Combined Forces Command is a Korean, but unlike his equivalent in NATO, he is "deprived of responsibilities of any comparable importance except to act for his superior in his absence."⁴⁷ These technical criticisms of an unwieldy military structure mask a deeper nationalist wound: the fundamental slight to national pride of a foreign military commander of the larger part of the Korean army.

Nationalist sentiment within the military has also stood in the way of earlier American hopes of integrating the structure of U.S.-Korean operations and U.S.-Japanese operations. While there has certainly been an increased political cooperation between Japan and South Korea, U.S. hopes for a three-way military alliance appear to have foundered on a nationalist aversion to Japan as strong amongst the military as elsewhere in Korean society. Such cooperation as has been achieved after U.S. urging appears to be limited to exchange visits by senior officers, some naval training visits (after much controversy) and "arms-length" electronic naval and air surveillance.⁴⁸

For at least a quarter of a century, the U.S. nuclear deterrent and the deployment of U.S. nuclear weapons on the Korean peninsula have been the bedrock of Korean defense policy. The expectation is that tac-

46. Brigadier-General Tak-Hyung Rhee, *US-ROK Combined Operations: A Korean Perspective* (Washington, D.C.: National Defense University Press, 1986), p. 3.

47. *Ibid.*, p. 46.

48. Interview, Professor Masashi Nishihara, August 1987.

tical nuclear weapons would be used against invading North Korean forces, especially in the defense of Seoul. Public policy fully commits South Korea to this strategy, but can we not imagine some doubts in the minds of Korean planners? There are tactical considerations, such as the proximity of allied troops, that would argue against their use in particular situations. The Demilitarized Zone (DMZ) is barely 150 miles long, and the center of Seoul, a city of 9 million, is only twenty-five miles from the DMZ. These doubts about the wisdom of using nuclear weapons in one's own country must be exacerbated by the fact that they are to be employed by foreign troops. There are some indications of Korean military planners' unhappiness with the nuclear command system, from which they appear to be excluded almost wholly. The decision of the RDP to make a public issue of the deployment of U.S. nuclear weapons may well reflect a streak of military anxiety.

Shifts in U.S. global strategy during the Reagan administration, particularly those made by former Secretary of the Navy John Lehmann, have serious implications for Korea. The doctrine of "horizontal escalation" suggests that a limited nuclear war with the Soviet Union may be conducted in a region of the world other than where the initial conflict breaks out. "We might choose not to restrict ourselves to meeting aggression on its immediate front," Secretary of Defense Weinberger explained to Congress in 1982.⁴⁹ Since the Northwest Pacific is an area where the United States believes it has a greater advantage over the Soviet Union than elsewhere, it is quite conceivable that Korea could become the scene of a "limited" nuclear war for reasons that have nothing to do with the defense of South Korea against North Korea. The secrecy blanketing all matters internal to the Korean military means that no evidence of such doubts has emerged publicly, but it is reasonable to hypothesize that they exist to some degree amongst hard-headed military realists of a nationalist bent.

These four areas of concern are likely to increase rather than diminish in the years to come, leading to quiet pressures for an equalization of the command relationship, a Korean commander-in-chief, rationalized joint controls over U.S. nuclear weapons and a formulation of joint strategies on terms more strictly tied to Korean definitions of national interest. A Korean desire and capacity for military autonomy

49. Quoted in Peter Hayes, Lyuba Zarsky and Walden Bello, *American Lake: Nuclear Peril in the Pacific* (Ringwood, Australia: Penguin Books, 1986), p. 124. The theme of different expectations from an unequal alliance is dealt with by Joo-Hong Nam, *America's Commitment to South Korea: The First Decade of the Nixon Doctrine* (Cambridge: Cambridge University Press, 1986).

arising from the fruits of four decades of alignment could thus contribute towards a measure of dealignment.⁵⁰

On the American side, there are also signs of reconsideration of the relationship with South Korea, and with it the basis of Korean militarization. U.S. policy towards South Korea has never been unequivocal. The complex of institutional interests and ideological approaches to global security issues has resulted in conflicting policy currents within the American state. Now the successes of Korean economic growth are beginning to raise opposition voices more loudly within the United States on the security relationship itself.

Whatever may be the benefits of the Korean alliance to the United States, the costs are considerable—economically, militarily and politically. In economic terms, the costs of maintaining U.S. forces on the Korean peninsula are substantial, despite large subsidies from South Korea. The direct cost of maintaining U.S. troops in Korea in 1984, excluding weapons, equipment, plant and reinforcements, was estimated at \$2 billion. Total costs of the Korean commitment are likely to be much greater. U.S. Asian deployments, of which the Korean contingent is the largest component, are placed at \$47 billion.⁵¹ In a period of fiscal austerity, pressures to reduce the overseas military burden are building in Congress, and will probably continue.⁵²

The political risks for the United States derive from its identification with the militarization of Korean society and illegitimate state power. The problem is similar to that faced by the United States in the last years of the Marcos regime in the Philippines: the longer it maintains its loyalty to a dictatorship without popular support, the more it contributes to a deepening political and cultural disillusionment with the United States as saviour.⁵³

In the past, debate has dealt mainly with U.S. military commitment to Korea, and the effectiveness of particular force structures: whether

50. "De-alignment does not necessarily mean withdrawal from the formal military alliances, but it does mean changing the content of those alliances." Mary Kaldor, "Disengaging from the Superpowers," *Bulletin of the Atomic Scientists*, (August 1985), p. 143.

51. Stephen Goose, "The Military Situation on the Korean Peninsula," *Korea Scope*, 4:3, p. 21.

52. In May 1987 Democratic Congressman Robert Mrazek sponsored a troop-cutting amendment, arguing that "a country that has one of the most dynamic and robust economies in the world should do more for its own defense" (*Korea Herald*, 1 May 1987). The amendment was easily defeated, but is likely to be reintroduced sooner or later.

53. The emergence of widespread and vociferous anti-American sentiment is a fairly recent phenomenon in Korean politics, but it is escalating rapidly (see Shorrocks, "The Struggle for Democracy. . . ." For an early, characteristic statement see the clandestine student movement document "Is America our ally?", *Korea Scope*, 2:6 (December 1982).

to maintain ground troops, whether nuclear weapons on the peninsula constitute more hazard than advantage, and whether the real airborne and naval nuclear deterrent offshore in fact constitute an effective deterrent to putative North Korean aggression.

These particular debates over Korean policy mirror a more fundamental debate about global response to declining U.S. power. This is best understood in Schurmann's terms of unilateralists, who seek to restore the global economic and military *status quo ante*, and internationalists, who seek to optimize American resources through a minimization of coercion and skillful use of economic diplomacy and international coordination (the global "trilateralist" project).⁵⁴

The unilateralist response with regard to Korea involves an emphatic U.S. protectionist stance, pressure on Korea to liberalize its economic domestic policies, firm support for Korean military elites and increasing militarization of the Northwest Pacific as a whole. Such responses, if maintained, will amplify the discontents of the alliance, reinforcing its dealigning elements, and diminish the prospects for a peaceful transition to democracy and development in South Korea.

Conclusion

Industrialization has been achieved in South Korea. The economic conditions for a higher level of social well-being have been established, but there is now a pervasive feeling that the level of development is lagging well behind Korea's industrial maturity. Industrial maturation has brought with it an industrial working class seeking distributional recognition of its contribution to economic growth, an articulate middle class seeking political enfranchisement, and a powerful capitalist class unwilling to accept continued direction from above by the state. No longer an underdeveloped country in reality or in the eyes of its trading partners, Korea now sees its strategy of export dependence provoking a highly threatening protectionist response in its alliance partner. To a powerful nationalist state, a subordinate position in a military alliance has generated demands for a relationship of bargaining equals. Success has its antinomies.

54. See Franz Schurmann, *The Logic of World Power* (New York: Pantheon, 1974); Robin Luckham, "Anarchy or Transformation? Scenarios for Change," *IDS Bulletin*, 16:4 (1985); see also Gill, "American Hegemony." For an important application of Schurmann's framework to contemporary U.S. policy debates see Lyuba Zarsky, "Rivalry and Reconstruction: Security Implications of Pacific Economic Dynamism," United Nations University Conference on Peace and Security in Oceania, Auckland, New Zealand, 3-6 April 1986.

The presence of the economic preconditions for genuine development rather than growth alone is now recognized and articulated in Korean opposition calls for equality, democracy and demilitarization. The trade surpluses of recent years may not last, but the possibility exists of putting them to uses other than the government's preference for lowering the foreign debt, for example by improving social welfare or increasing wages for the lowest paid. Moreover, military spending absorbs one-third of the entire national budget, representing an enormous loss of resources otherwise available for social purposes more appropriate to an industrial society.

The conjuncture of the 1988 summer Olympics and the presidential elections in both Korea and the United States will heighten the contradictions elaborated in this article. Both Korean and U.S. authorities are anxious to ensure that the world's media do not broadcast images of violent confrontation between opposition demonstrators and combat police. Government strategies to institutionalize military power through an electorally strong Democratic Justice Party have little prospect of success because of their inability to respond to the emerging contradictions of industrialization.

South Korea represents the Reagan administration's greatest foreign policy difficulty in Asia. The dangers of tying U.S. prestige to a collapsing military regime in Korea are far greater than the comparable dilemma in the Philippines under Marcos. Equally, for Korean domestic social forces to come to a sustainable class compromise, and hence form the basis for a stable democracy, it will be necessary for the country to be unlocked from the straightjacket of cold-war confrontation. Diminishing that confrontation lessens the risks of war, removes the need for excessive military expenditures, and leads the military back to the barracks.

The resolution of many of these political conflicts could come through the replacement of military rule by a conservative democratic government, conceivably headed by Kim Young-sam. Kim would appear to be acceptable to the military; he would undoubtedly meet the military's insistence on a strong security stance vis-à-vis the north, and protect the military from most demands to put former regime leaders and torturers on trial. As a popular mainstream political leader committed to democracy (Kim Dae-jung may well be even more popular, but remains anathema to the military), a conservative government under Kim would meet the middle class desire for democracy, and provide some hope for economic justice to Korea's working class. American concerns for a strong security posture, a stable economic environment and an

alternative to prolonged crisis politics would be met by such a solution. While American influence in South Korea is not as great as it once was, there remain a great many avenues by which the United States could assist in the replacement of a recalcitrant and unpopular military oligarchy by a conservative democrat. A change to civilian government may well come through a coup by more liberal senior army officers, or by acclamation following a breakdown in governability. In both circumstances, an American role could be considerable. Pressure to resolve the political difficulties before the Olympics expose the violence of internal conflict to the world will be intense.

Although such a conservative democratic administration could come to power and could resolve many political conflicts in the short run, it would almost certainly collapse under the burden of suppressed expectations of economic justice. In the context of great political effervescence, pressures for freedom for labor organization and increases in wages would be inevitable and irresistible. Equally inevitable would be a repressive response to the impact of rising wages on production costs for an economy locked into an export-oriented economic strategy. Working-class disillusionment would accompany middle-class and military demands for the restoration of political order.

Any long-term stability can only come from political institutions and economic structures that meet the calls for political democracy, demilitarization and economic justice. This appears to require an alternative social structure of accumulation less oriented to the demands of the world market and more oriented to the domestic needs of the Korean people. Industrial growth has created the preconditions for development: the antinomies of success will require a radical transformation of Korean politics.