Kim Dae-Jung and the Consolidation of Democracy in South Korea

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As Kim Dae-Jung's single term as President of the Republic of Korea (henceforth Korea) ended in February 2002, his level of public approval was far from its peak. His successor, Roh Moo-Hyun owed his victory, in part, to his ability to differentiate his leadership style from what he called the "emperor-like leadership and factional and regional strife" of Korean presidents, including Kim, the founder of his party, the Millenium Democratic Party (MDP).[1] Kim, too, had earlier identified the problem of the so-called imperial presidency as an obstacle to the consolidation of Korea's democracy. Indeed, Kim came to power in 1998 with a full program of reform for Korea's political institutions, economy and foreign relations. The purpose of this paper is twofold: to examine Kim's record as a democratic reformer, measuring his stated goals against the achievements of his presidency, and to use Kim's presidency as an example of the opportunities and pitfalls surrounding political leadership and the consolidation of democracy.

There is, of course, a logical inconsistency in the expectation that a single individual can play a central role in democratisation – by definition the dispersal of political power. Debate about the role of leadership (as well as the role of elites more generally) in the consolidation of democracy remains polarised. The strongest argument in favour of the transformative potential of leaders has been put by Huntington, who argued that "if he had wanted to, a political leader far less skilled than Lee Kuan Yew could have produced democracy in Singapore."[2] However, such a leader would have produced the only democracy in East Asia outside of Japan; quite an achievement for an individual. There are two dimensions to such an assertion. The first is that leaders make choices about the kind of regime they would prefer. The second is that leaders are in a position to "produce" such a regime. Most scholars of democratisation have rejected the degree of elite autonomy implicit in Huntington's

[1] *The Australian*. November 29, 2002, p9.
[2] Samuel Huntington, 1991. *The Third Wave*. New Haven: Yale University Press, p108.

formulation. It is important to instead see leadership as a relationship between leaders and broader societal forces, not something that individuals do to their societies. Recent decades have seen studies of democratisation that have attempted to shed light on this "structured contingency," in which political actors are constrained by such variables as economic conditions, political culture, foreign influences, and social institutions.

What better subject, then, to explore the importance of political leadership to the course of democratic consolidation, than "Korea's Nelson Mandela," Kim Dae Jung. The first part of the article discusses the concept of democratic consolidation, and the place of leadership within that process. After providing background on the progress of democratisation up to the Kim's election as President in 1997, Kim's achievements during his term will be measured both against his own goals, and against the benchmarks of consolidation discussed below. Kim's reform program is divided into three areas – the economic structure, political institutions, and relations with North Korea – to show the way in which all of Kim's policies were linked by his single vision of democratisation. Kim's record reveals the difficulties of a single leader seeking to pursue the goal of democratisation. While he made important democratic inroads into Korea's economic and political institutions, he soon came to remind many Koreans of the nation's major shortcoming as a democracy, its' hierarchical, personality-based political culture.

What is Democratic Consolidation?

The distinction between the stages of transition to and consolidation of democracy is one worth making, since consolidation usually involves different actors, motivations and methods than transition. Just as there is little agreement on the definition of democracy, so too consensus on the definition of democratic consolidation eludes scholars. Consolidation generally refers to the period between the transition and the point at which a reversion to

authoritarianism is unthinkable without some sort of exogenous shock. In a consolidated democracy, actors have a commitment to democratic processes, not simply a calculated acquiescence to democracy. However, to the extent that democracy is a set of processes (regular free and fair elections), it is difficult to demarcate a consolidated democracy from an unconsolidated one. It is the evolution of attitudes among political actors, as well as the public, that consolidates the institutions established during the transition phase. However, the difficulty in measuring such attitudes explains the popularity of simpler measures of consolidation. The two-turnover test, as the name suggests, holds that two changes of the party or coalition forming the executive is an indicator of a consolidated democracy. Such changes of power indicate the conduct of free and fair elections. However, quantitative measures are always likely to miss some serious qualitative flaws in a democratic system, as they seemed to in Korea's case.

Indeed, a shift in political culture toward the routinisation of democratic habits and values would indicate that a transition to democracy is unlikely to be reversed easily. This gradual institutionalisation of liberal and democratic values reduces the public (and elite) acceptability of military intervention or states of emergency. This reasoning about political culture dovetails with recent findings on the nexus between economic development and democracy. While transitions to democracy can occur at any level of economic development, transitions away from democracy, whilst common at lower levels of economic development, never occur in wealthy countries (those with an annual GDP per capita of US$10 000). Both the political culture and the economic development accounts of democratic consolidation suggest that consolidation is differs from transition in that transition to democracy can be distilled to a set of processes (hence the proliferation of actor-centred accounts of late). Consolidation, on the other hand, while it may be measured in quantitative terms, is ultimately a matter of political

institutionalisation; of changes in the economy, social mores, and political attitudes that give support to democratic to democratic processes.

To envisage an important role for leadership in the consolidation of democracy, though, is to resolve the contradiction between the ambitions of a strong national leader and the fragile institutions of a new democracy. While poorly theorised, the place of leadership in the process of democratisation has received much attention given the surge of agent-centred accounts of transition to democracy in recent decades. “Visionary and accommodating leadership” is said to assist democratic consolidation.[3] According to Linz, for successful consolidation of democracy, "leaders must convince people of the value of newly gained freedoms … and at the same time they must convey to them the impossibility of overcoming in the short-run the dismal legacy" of the previous regime.[4] The legitimacy of democracy in the eyes of the public is highly dependent on the behaviour of leaders in the early period of consolidation. Even the most well-intentioned of leaders though, must consolidate their own power in order to be effective. Self-effacing leadership of the kind described here is not typical of that found in democratic systems.

Democracy in Korea to 1997

As President, Kim was attempting to consolidate democracy in a state that had conducted free and fair elections since 1987. Korean presidents are elected for a single five-year term. It is generally agreed that Kim Dae Jung's election as President of South Korea was itself an important contribution to democratic consolidation. However, Korea’s "shallow and

[3] Larry Diamond and Doh Chull-Shin, 2000. “Introduction: Institutional Reform and Democratic Consolidation in Korea.” in *Institutional Reform and Democratic Consolidation in Korea*, edited by Larry Diamond and Doh Chull Shin. Stanford: Hoover Institution Press, p20.
[4] Linz cited in Doh Chull-Shin 1994, “On the Third Wave of Democratisation: A Synthesis and Evaluation of Recent Theory and Research,” *World Politics*. No 47, p. 139-40.

immature" democratic institutions had been commonly criticised since the transition in 1987.[5] The lack of accountability and transparency, and lack of policy choices between parties, a hegemonic governing party supported by big business, and marginalization of opposition through constitutional means (such as restrictions on trade unions) were the major problems. Despite some success in legitimation through economic success, the Korean state failed to develop a governing consensus, instead relying on a combination of charismatic authority and repression. Park's successors were unable to reproduce his regime, leading to the compromise with opposition forces in 1987.

Leadership is a recurring theme when the consolidation of democracy in Korea is discussed. However, leadership is usually seen as a problem - how to overcome the personalisation of power. Notwithstanding a paternalistic political culture, Koreans generally have a low opinion of their political leaders.[6] Many of the strategies used by authoritarian-era presidents to control the legislature are still practised. The party leader holds the key to party nominations, so members are forced to toe the leader's line to keep their seats.

Within Korea, two views on the nature of democracy dominate politics. The first, radical view understands democracy as justice, calling for greater attention to human rights and economic equality. The second discourse subordinates democracy to the primacy of security and national sovereignty. Adherents to this conservative view tar adherents to the radical view with sympathy for North Korea. No concession was made to social-democratic notions of democracy as social justice. Such talk was simply lumped in with communism. Security concerns explain, at least in part, why Koreans share with the Taiwanese a lower commitment

[5] Diamond, Larry, and Byung-Kook Kim. 2000. “Introduction: Consolidating Democracy in South Korea.” in *Consolidating Democracy in South Korea*, edited by Larry Diamond and Byung-Kook Kim. Boulder: Lynne Rienner Publishers, p 2.

[6] Hahn Ki-shik, 2001. “Political Leadership in Korean Politics.” in *Understanding Korean Politics: An Introduction*, edited by Soong Hoom Kil and Chung-in Moon. Albany: State University of New York Press, p.135.

to democracy than citizens in other newly democratised states.[7] Democracy is, according to this discourse, understood as free elections for national office. However, in order to protect Korea from communism, this discourse justified the suppression of civil society under successive presidents. One might argue that Korean leaders have used an ongoing crisis of national security to justify their authoritarian measures. There is, of course, within this discourse, much disagreement about the lengths a regime might go to protect the sovereignty of its citizens. The transition to democracy in 1987 was thus accepted as the opportunity to freely elect a President. This change did not, however, imply the need for other political reforms that might undermine national security. Korea's democracy would thus struggle to extend itself beyond the "procedural minima" of the 1987 transition.[8]

A common criticism of post-1987 Korean democracy has been that state-society relations had remained more or less the same despite the conduct of free elections.[9] This was in part due to the nature of the transition, where the ruling party had accommodated opposition demands and incumbent (former general) Roh Tae Woo had won the 1987 presidential election. To the extent that state-business relations could have been characterised during the 1960s and 70s as business dependence on the state, the relationship was much more evenly balanced by the 1980s. Democratisation had reduced the "integrating power" of the presidency, which Park had used to promote government in the national interest with a series of five-year economic plans.[10] Thus, in the period after democratisation, before civic groups had a chance to organise, the most politically adept actors remained the *chaebol*. An example of the malign corporate influence was Samsung's securing of government permission to make automobiles,

[7] see Chu Yun-han, Larry Diamond, and Doh Chull-Shin, 2001. "Halting Progress in Korea and Taiwan." *Journal of Democracy* 12:122-136.
[8] Doh Chull-Shin. 1999. *Mass Politics and Culture in Democratizing Korea*. Cambridge: Cambridge University Press, p.20.
[9] Doh 1999, Bruce Cumings, 2000. "Democracy and Civil Society in South Korea." in *Pathways to Democracy: The Political Economy of Democratic Transitions*, edited by James F. Hollifield and Calvin Jillson. New York: Routledge.
[10] John Kie-Chiang Oh, 1999. *Korean Politics: The Quest for Democratization and Development*. Ithaca: Cornell University Press, p. 55.

against the wishes of bureaucrats and against the logic of Korea's already high car manufacturing capacity. This type of pressure on the leader, though, doesn't just come from the elite. The public was mobilised in the "Save Kia" movement in 1997, as that corporation fought to stave off bankruptcy.

In order to ascend to the presidency after three decades in politics, Kim Young Sam, along with a group of followers in the National Assembly, joined the ruling party in a coalition. He was elected President in 1992. A series of scandals highlighted the large amounts of money the ruling party raised in order to retain power. Consistent with his record as an opposition figure, Kim sought to boost his own popularity by exposing the corruption of the past. Two former leaders, Chun and Roh, were sentenced to death in 1996 on charges of corruption and murder. Kim also reshuffled the military hierarchy, favouring officers friendly to civilian rule. The most far-reaching of his reforms was greater transparency in politics and business, through disclosure of politicians' wealth and the "real name" system for financial transactions. These early changes were both far-reaching and successful. However, he had failed to mobilise his own party behind the reform movement, relying instead on his personal authority. For example, the real name system was issued by emergency decree, the popularity of the measure giving the National Assembly little choice but to acquiesce to the President's policy.[11]

In December 1996, Kim ordered the expedition of two contentious pieces of legislation through the National Assembly. The first restored powers for the Agency for National Security Planning to spy on Korean citizens, the second reduced job security. After much protest, the laws were repealed, but Kim's credentials as a reformer were tarnished. The coalition of reformists and conservatives that had brought him to power in 1992 was inherently unstable. Efforts to change arrangements for elections and political parties were far

less successful. When Kim himself, his staff, as well as his son, were implicated in a new scandal over the collapse of Hanbo Steel in 1997, his reform drive was undermined. His political reforms, and the trials of the former presidents, were for Kim a "moral crusade".[12] Kim was also frustrated in his reforms by institutional constraints. The ruling party changed its name twice under Kim, contesting the 1997 elections as the Grand National Party. A regional governor, Rhee In Jae crippled the government's chances by splitting from the GNP and taking 19% of the presidential vote. Kim Young Sam left office having disappointed the democracy movement. There was, therefore, a centrist group of MPs and voters not yet wedded to the conservative bloc, despite the party merger of 1992. Most Koreans believed that Kim's presidency represented an improvement in the quality of democracy than under Roh but that it fell short of a high level of democracy.[13]

Kim Dae Jung's forced exile from Korea's political institutions under Park and Chun made him less a creature of those institutions than other leaders, although he was naturally constrained by the legal and cultural environment. His inner circle of support was not historically directed towards dealing with Korea's chief political institutions. Kim's major political ties as a dissident were with the union movement. Trade unions had been tamed by patronage under Rhee and suppressed under Park. Park's regime kept wages as low as possible to gain competitiveness. Unions were painted as sources of communist agitation. Even after the 1987 transition, their activities were heavily curtailed by law.

No Korean political party could be described as left-wing. Even Kim Dae-Jung's party has never vigorously promoted working-class interests in the democratic. This raises the question

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[11] Doh 1999, p. 7

[12] Kim Byung-Kook. 1998. "Korea's Crisis of Success." in *Democracy in East Asia*, edited by Larry Diamond and Mark Plattner. Baltimore: Johns Hopkins University Press, p.115.

[13] Lee Sook-Jong, 2000. "Mass Perceptions of Democracy." in *Institutional Reform and Democratic Consolidation in Korea*, edited by Larry Diamond and Doh Chull Shin. Stanford: Hoover Institution Press, p. 260.

of the effectiveness of representation in Korea's democracy. In the 1970s, Kim's economic prescription was industrial democracy. While quite different from his economically liberal stance as President, there is a common thread to these positions. Kim has been a consistent opponent of the power of the *chaebol*. Part of the reason for this is Kim's image of himself as a crusader for democracy against entrenched undemocratic forces. In a characteristically Korean way, the pro-democracy leader was an autocrat in the way he managed his movement. Kim Young Sam was of similar character, evidenced by the two leader's failure to agree on a pro-democracy candidate for the 1987 elections and by Kim Young Sam's record in dealing with the National Assembly.

Army generals had warned during the 1992 campaign that they would sooner stage a coup than accept Kim as President. By the time he was elected, though, changes in army personnel, as well as in public attitudes to the military in the wake of the trials of Chun and Roh, eliminated the danger of a coup. However, Kim still needed to deal with the perception among conservative Koreans that he would compromise the nation's security. Agreeing to the coalition with Kim Jong Pil would placate many conservative voters, but would also ensure that any legislative majority would have to include this nationalistic bloc. Kim Jong Pil broke with the ruling coalition in 1995. A former KCIA chief, Kim would deliver crucial conservative votes to Kim Dae Jung at the election and in the parliament. Kim Jong Pil convinced Kim Dae Jung to take on a policy of moving Korea from a presidential to a parliamentary system. Kim Jong Pil's argument was that parliamentarism would reduce regionalism, although he also had his eye on the office of prime minister. DJ had previously supported the presidential system. This type of deal making was characteristic of the way that institutional reform had been carried out in Korea. Even after the change of government, there was no sense of stepping back to design a constitution suitable for Korea, in the way Thais would in 1997.

Civil society was considerably stronger by the time Kim came to power than it was at the time of the transition. Many NGOs sprang up after the 1987 transition. People's Solidarity for Participatory Democracy (PSPD), for example, had for some time been fighting for the interests of small shareholders against the *chaebol.* Also linking economic and political issues was the Citizen's Coalition For Economic Justice. More specifically concerned with redistribution of income and environmental issues, this group would be less amenable to liberal economic reforms. Such groups, while each boasting only a handful of members, and maintained a strong media profile due to their non-partisan status.[14] This circle of support helped Kim in providing an atmosphere conducive to democratisation but these NGOs would not hesitate to criticise him once he became president if they felt he deserved it.

In the 1990s, Kim had taken up the interests of small and medium sized business, which found it difficult to get credit in a system biased toward the *chaebol*. He surrounded himself with economic advisers, many trained in the United States, hostile to the power of the *chaebol,* and in 1996 published a book arguing for economic restructuring. Kim had therefore carved for himself a considerable arena of support, made up of disparate groups hostile to the ruling bloc. The crisis would provide the opportunity to give common purpose to these circles of support, and extend his wider circle of support to the conservative middle class. In particular, Kim would need to build greater support at the elite level (in particular the legislature and bureaucracy) to govern effectively. For Kim, then, his leadership efforts would involve using his wider circle of support to pressure Korea's political institutions into reform, aimed at consolidating both Korean democracy and his own position as President. As noted in the introduction, though, those twin goals are potentially in conflict.

The 1997 presidential election campaign coincided with the dramatic fall in the value of the Korean currency, the won. However, the new President lacked a majority in the National Assembly. He therefore had an incentive to appeal to the people over the heads of the parliament. This chapter sets out the way in which Kim sought to further the cause of democracy in Korea. Kim's approach to the presidency is thus described as an example of crisis leadership. His major goals for the consolidation of democracy are divided into economic reform, institutional reform, and reconciliation with North Korea. Some assessment is then made of the impact of his leadership and the veracity of Kim's claims to be furthering democratisation. This is achieved by comparing the ability of the crisis leadership model and other approaches to democratisation to account for post-crisis politics in Korea.

Koreans would be wary of a president invoking the specter of crisis as a means of retaining popular support. This tactic had been a mainstay tactic of the military regime during the 1970s and 1980s, in order to circumvent opposition. Then, the crises were mostly the threat from the North, but also impending economic doom, unless stringent measures were taken. This crisis mentality was primarily designed to restrict political mobilisation of the labour movement, isolating militant unionists from the rest of society. Therefore, winning over the unions in the crisis environment would be a potential problem for Kim. By the 1980s, over-use of this appeal to patriotism had blunted its effectiveness. However, business and government continued to use nationalist sentiment well into the 1990s, citing such problems as the growing trade deficit. While no-one could argue against the view that the 1997 economic crisis required decisive policy moves on the part of the President, use of this power for partisan ends would be met with great suspicion.

Economic Reform

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[14] Oh 1999, 162

Kim's economic program was the most urgent part of his reform agenda and one that he continually infused with political meaning. Before and after he gained the presidency, Kim continually drew links between economic reform and democratisation. There were three elements to Kim's leadership strategy in tackling the economic crisis. The first was to use his mandate as newly-elected president to push as much legislation as possible through the opposition-dominated National Assembly. The second strategy was summitry – direct negotiation with *chaebol* chairmen, and the tripartite commission incorporating labor unions. Finally, Kim would use the "bully pulpit" of the presidency to publicly reprimand recalcitrant participants. The Federation of Korean Industry was the recipient of many such attacks.[15] These strategies allowed him to force economic restructuring that the previous President, Kim Young Sam, had sought but failed to achieve.[16]

The regional crisis had been foreshadowed in Korea by the collapse of the Hanbo steel group early in 1997. The company appears to have benefited from preferential bank loans (which allowed it to cover up its deteriorating financial position) in return for large donations to the governing political party. This kind of influence had blunted the reform program of President Kim Young Sam. Korea's impressive record of nine per cent annual growth for over thirty years made the financial crisis of late 1997 all the more shocking to the public. The crisis came just as Koreans had been celebrating joining the "rich countries club" (the OECD) and surpassing US $10,000 per capita GDP. Achieving this goal also gave the government further incentive to maintain an over-valued exchange rate. With an election approaching, Kim Young Sam was in no mood to talk of an impending crisis. It appears, though, that the governing party only lost the December election because of a failure to agree on a single candidate[17], rather than being held publicly accountable for the economic crisis.

[15] *Asiaweek.* February 26, 1999.

As a new president, untainted by the crisis, Kim used his inauguration speech to draw a line between past practice and future needs.

> [The financial crisis] would not have taken place unless the political, economic and financial leaders of this country were tainted by a collusive link between politics and business and by government-directed banking practices …democracy and the market are two sides of a coin.

Far from being "the IMF's man in Seoul,"[18] Kim quickly realised the leverage the IMF program gave him over the business and bureaucratic interests he knew would attempt to undermine his presidency. According to Kim's view, democracy supports the development of the market by preventing activities like corruption and collusive ties between government and business. Taking the extra step of connecting market and democratic freedoms would assist him in his long-term goal of democratisation. This realisation lies behind his change of rhetoric before and after the election. As a candidate, Kim had been skeptical of the IMF's policies. However, he quickly came to see the IMF program as an opportunity to clip the political wings of the *chaebol*. Long before the crisis, it was Kim's policy to encourage smaller enterprises previously starved of credit in order to provide greater competition for the larger conglomerates.[19]

The first IMF program was signed before Kim's inauguration. Most Koreans were annoyed that the IMF instructed the *chaebol* to change their ways. They may have resented the power of the *chaebol* but they were also fired with nationalism. There was thus considerable room for opposition to Kim's policies utilising the opposite economic (if not political) message. The opposition Grand National Party sought to blame the crisis on key economic officials, absolving the new party leadership. Blaming individuals also divorced the political and

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[18] Bruce Cumings, 1998. "The Korean Crisis and the End of 'Late' Development." *New Left Review* :43-72, p. 62.
[19] Oh 1999, p. 237

economic system the ruling party had created from responsibility. This rhetoric was combined with various theories of how the rest of the world was conspiring to undermine Korea's economic system. Much of this nationalist analysis of the crisis was shared by the labour unions. An opportunity therefore existed for common cause between the GNP, *chaebol* and the unions. Nationalism would also provide an effective rallying cry with which to win public support. It was far from inevitable, then, that Kim's view of the political economy of the crisis would prevail.

Close ties between government and business had been a mainstay of Korea's economic progress over three decades. While breaking that nexus would aid Kim politically, it raised two challenges. First, he had to consider whether he could gain public support for divergence from a long-held corporatist strategy. Second, he knew that the *chaebol* would continue to play a crucial role in any economic recovery. He could not afford to alienate them to any great degree. Kim's narrow victory, as well as the habits of lengthy periods in power, gave some conservative forces the confidence to resist his reform program. The *chaebol* still had many supporters in the National Assembly, where the opposition Grand National Party (GNP) resisted all but emergency reform measures. In fact, Kim's hold on power was extremely shaky. He defeated the GNP candidate by just 1.5%, despite a split in the ruling party. He had few friends within the bureaucracy. The President's new budget and planning bureau was thus designed to by-pass the Ministry of Finance and Economics.

While a sense of national emergency existed, the National Assembly quickly passed laws on bankruptcy and corporate transparency. Even before he was sworn in, Kim persuaded the chairmen of the four largest *chaebol* to eliminate cross-investments, reduce debt to equity ratios,[20] and to specialise in their own industry sectors. This would in part be achieved by a

[20] The debt to equity ratios of the top 30 *chaebol* averaged 519% in late 1997. The agreement was to reduce this level to 200% by the end of 1999.

series of "Big Deals" whereby non-performing subsidiaries would be disposed of. In practice, this would be a controversial process. The more contentious and far-reaching reforms were to be tackled by a tri-partite committee of business, unions and the government. The types of issues dealt with in this way included more flexible labour laws, reducing the size of the *chaebol*, and restrictions on corporate cross-holding and lending practices. Kim's strategy involved putting public pressure on business and labour representatives to compromise in what Kim presented as the national interest. The government could then present the legislature with laws based on this consensus. The *chaebol* were financially weak, giving the government much leverage over them. The President used his personal ties with the union movement to gain concessions on acquiescing to layoffs. In-principle commitment to reform at the height of the crisis, then, came relatively easily. However, these deals also lacked transparency. Kim had set a pattern of using questionable tactics to achieve an important goal.

Problems arose during the implementation stage, when job losses became real, rather than forecasts. Kim's strategy to contain public concern about economic restructuring was to utilise the unpopularity of the *chaebol.* He also emphasised his personal distance from business and the high personal regard in which the public held him. Thus, a pattern emerged of Kim using his personal authority to bring about change. At the height of the crisis, this may have been expedient. However, the opposition would later remember the President's high-handedness when they had a majority in the Assembly.

The liberal view of Korea's political economy into which Kim had bought suggested that Korea failed to live up to world's best practice in a host of areas. Improvements in accounting standards, management practice, bank lending, and the rights of shareholders would improve both the efficiency of the economy and reduce the collusion between politicians and business. It was Kim's liberal interpretation of the crisis that was supported by most economists and in

the media. The public was supportive of these broad principles, even after much of the pain of restructuring took place.[21] Success for the governing party in local elections in 1998 provided a further fillip to the President. However, Kim's early legislative victories would prove to be the high watermark of his presidency. A number of factors combined to reduce his ability to appeal directly to the public to hasten reform. A series of minor corruption scandals within the government during 1999 undermined the moral authority of the President. Kim's personal standing was always high even among those who would never vote for him due to his perceived radicalism. His ability to point the finger at the corruption of others was affected not by any personal impropriety but by the administration's tardiness in dealing with these scandals.

Probably more important than all of these factors in undermining Kim's leadership capacity was the receding sense of national urgency. A quick bounce-back to economic growth would reduce both the political urgency to reform the *chaebol* and remove the economic (if not the political) rationale for doing so. Restoration of Korea's international liquidity early in 1998 led to a rapid economic recovery throughout 1999, so much so that the central bank found itself intervening to keep the currency low enough to retain export competitiveness. Kim was left with a smaller national audience concerned with abstract issues of "reform" and "national renewal". While many elite figures such as journalists and academics took an interest in these big picture issues, the rest of society turned its attention to the issues that affected them directly. National Assembly elections in early 2000 saw the coalition lose its legislative majority, but the losses were suffered by the ULD, not by Kim's Millenium Democratic Party.

Kim Dae Jung's progress in restructuring the economy should be compared to those of his predecessor. Kim Young Sam attempted to reduce the concentration of power of the largest

[21] (*Korea Herald*. December 2, 2000: 2)

chaebol but his reforms ran into opposition within his own party, and sometimes conflicted with the need to keep the Korean economy competitive. Kim Young Sam's policies included greater transparency in ownership and control (the "real name" financial system), and more opportunities for small, medium and foreign companies to compete with the *chaebol*. These reforms failed, however, to prevent the expansion of the *chaebol* throughout the 1990s. Further, Kim Young Sam's association with the ruling party limited his incentive to pursue the wholesale restructuring of corporate power sought by his successor.

To what extent, though, have Kim's economic policies been consistent, as he claims, with democratisation? Jayasuriya suggests that the kinds of changes to economic policy-making proposed by Kim represent a kind of constitutionalism (liberalism, in other words, rather than democratisation) for the economy.[22] Central bank independence is the most common form of this constitutionalism, where important decisions are removed from the political arena. In Korea, the setting of monetary policy was until recently kept in line with overall government policy on credit creation and industrial development. Much greater independence for the Bank of Korea to pursue monetary stability was legislated in 1998. The very idea that liberal economic reform represents some kind of democratisation has, of course, been challenged. According to Jayasuriya, these policies "could not be but illiberal" and undemocratic because they seek to place policy power beyond "transitory political majorities."[23] Kim, on the other hand believed it was democratic to limit the influence of a handful of capitalists and bureaucrats over economic policy. Were the corporatist arrangements in Korea of the democratic variety found in Northern Europe, Jayasuriya's point would be well made. However, it was the malign influence of concentrated corporate power and political corruption that was Kim's primary concern. His goal was to practise democracy and a market

[22] Kanishka Jayasuriya, 2001. "Governance, Post Washington Consensus and The New Anti-Politics." Hong Kong: Southeast Asia Research Centre. Indeed, the tradition of "ordo-liberalism" identified by Jayasuriya as underpinning this approach to economic constitutionalism was cited by Kim as an important element in his own economic thinking, as outlined in his book, *DJnomics*.

economy in parallel. Restricting the influence of the few leaves policy-making open to the many, an important step in Korea's process of democratisation. More problematic is the lack of transparency in achieving these goals.

Institutional Reform

Kim's institutional reform program would certainly have been a force for great change in Korea's political culture were it implemented. Among his broad goals were: an increase in participatory democracy, greater co-operation between labour and capital, and increased social justice. This had been Kim's political platform for decades. His coalition with the ULD also forced the possibility of a shift to a parliamentary system to be added to his platform. Spoiling the mood of national consensus that Kim had worked to produce were the Assembly elections looming in early 2000. In September 1998, enough opposition members defected to Kim's new party to give the governing coalition a majority in the Assembly. The opposition never forgave Kim for poaching its members. Poaching members from other parties perpetuates the instability of the system and re-enforces public cynicism about electoral politics.

Kim identified the personalisation of Korean politics as a major problem. Political parties remained associated primarily with a single leader rather than a political platform. With the president elected by a plurality usually well below forty per cent, there is always a post-election scramble for a presidential majority in the parliament. Kim himself sought defections from the opposition to ensure his party a majority in the national assembly. Personalisation also leads to regionalism. All Korean political leaders have strong ties to their home region. Kim's home province, like its hero, was particularly affected by Park's dictatorship. The Kwangju uprising of 1980 led to a bloodbath as the military re-established its political dominance. Kim was sentenced to death for leading the uprising. The provinces around

[23] Ibid, p. 8-9

Kwangju in Korea's southwest felt they had been left under-developed by previous regimes.[24] Kim received over ninety per cent of the votes in his home province in 1997. Park, who promoted bureaucratic, military and business leaders from his home province, Youngnam, sharpened the division of Korean politics by region. In turn, this regionalism tempered political mobilisation by class or ideology. The crisis was an opportunity to divorce politics from region. Surely a debate on national economic issues would turn on material interests rather than region. Kim, however, appointed Cholla natives to eleven of the seventeen cabinet posts, and to the top two police posts, leading to opposition claims of regional favouritism.

Kim's stated agenda was to implement participatory democracy and social justice. Ironically, in order to fulfil his goal of consolidating democracy in South Korea, the new president was from very early in his term flirting with the authoritarianism of the past. Bills were rammed through parliament and strikes broken up by police. Kim was regularly referred to as a dictator by his opponents. The new president found himself torn between idealism and political expediency. It is clear, though, that the President himself managed, in his own mind, to resolve the conflict between these positions. Politicians seeking democratisation (and there haven't been many) tend to think of themselves as different from the kind of tyrannical abusers of power that they replace. Kim was no Park. Executive power, he believed, would be safe in his hands.

The incoming government planned to reduce the size of the National Assembly, introduce a more proportional voting system and possibly also switch from a presidential to a parliamentary system in a bid to encourage a more stable party system. The new electoral system was aimed at reducing regional polarisation. The GNP opposed these moves, arguing that it was a self-serving attempt to entrench the ruling party in power. Revised election laws in 1998 allowed trade unions to form political parties and make political donations. Using the

[24] Oh 1999, p. 83

majority in the assembly that Kim had manufactured for himself at the end of 1998, a range of liberal legislation was passed. Kim also appointed a chief justice with a record of independence and integrity. A system of independent counsel to investigate charges against ministers was also established. Kim encouraged media scrutiny of his government. NGOs were publicly encouraged by the new President, who also addressed a conference of international civil society organisations held in Seoul. Some of the more far-reaching changes, though, were left on the back-burner.

Having fought for so many years to capture the Presidency, Kim never warmed to the idea of a switch to a parliamentary system. Diamond and Shin suggest that a parliamentary system would assist democratic consolidation by making legislative impasses less likely.[25] Despite the common belief that the prime ministers lacked any significant authority under successive presidential systems of government, the constitution of the Republic of Korea is quite different from the US model. The strong Presidency is a matter of political culture, not just constitutional authority. The Korean system could evolve into a French-style semi-presidential system without any change to the constitution. The circumstance has not yet arisen because of manufactured majorities in the Assembly, achieved through defections of parliamentarians after presidential elections.[26] Any such shift in Korea would surely involve semi-presidentialism (increasing the power of the prime minister) rather than pure parliamentarism. A complete change of institutional design is very rare and opportunities for such sweeping change tend only to follow the complete breakdown of an existing regime. The economic crisis may have presented such an opportunity but Kim's disinclination to proceed with this reform was quickly made known. Since the resignation of Kim Jong Pil as Prime Minister, the issue has had much less salience for the government. Kim would instead have to

[25] Diamond and Doh 2000, p. 27
[26] The first period of "co-habitation" in the French Fifth Republic did not occur until 1986, 25 years after the system was instituted.

work within, or find a way of bypassing the existing institutions, such as the National Assembly, where he confronted opposition at every turn.

Almost a third of Koreans still believed that authoritarianism might sometimes be preferable to democracy, a higher proportion than almost all other new democracies.[27] Koreans overwhelmingly favour economic development over democratisation when asked to choose, although much less so among the young. An important element of Kim's crisis leadership was his prioritisation of his democratisation agenda according to his self-image as President. Kim clearly revels in his status as Confucian elder statesman. With all the hubris of the political leader, Kim believed that measures such as anti-corruption legislation could be delayed as corruption would be less of a problem with him in office.[28] This approach irritated the NGOs which had looked forward to his presidency. After the crisis receded, the opposition was able to block this area of reform. Kim's imperial style scarcely contributed to the consolidation of substantive democracy. The sense of the immaturity of Korean democracy was not helped by the crisis atmosphere and the high stakes of economic reform. In by-passing the National Assembly, Kim contributed to an atmosphere of mistrust in that body, with which he would struggle once the crisis atmosphere receded.

Kim's inability to build a stable party apparatus around him risked the dissolution of the MDP upon his departure from office in 2003. Having failed to build a constructive relationship with the opposition, the President lacked either the numbers or the authority to get his bills through the National Assembly. Kim's methods in dealing with this problem were less than edifying, with accusations from the opposition of such standover tactics as tax audits and threatening the employment of family members. Kim's popularity receded from its initial high levels, giving the opposition more courage to defy him. Kim even publicly apologised for the way he

[27] Chu, Diamond and Doh 2001
[28] Yoon Sangchul 2000. "Anti-Corruption Movement in Korea." *Korea Journal* 40:185-216, p. 193.

had been running the country and promised to change his approach.[29] The year ended in this malaise despite the twin triumphs of his Nobel Peace Prize Award and emotional re-unions between family members separated by the conflict with the North. Indeed, his trip to Norway to receive the Peace Prize sparked criticism of his frequent overseas trips in spite of persistent domestic problems. Kim was suffering the fate of many leaders who attempt to paint on a broad political canvas. He was beginning to be seen to neglect many of the mundane issues that affect quality of life – management of the health system, education and employment.

On assuming power, Kim found the majority of Korean political institutions hostile to him. His early approach to dealing with this situation was to utilise crisis leadership to build public support for his goals, and create an extra-legal tripartite body to negotiate a national consensus. Despite a seemingly ambitious program of institutional reform, Kim's achievements in this area were modest. He chose to capture political institutions such as the National Assembly and the judiciary rather than reform them. His means of doing so, primarily by building his own patronage network to replace that of the previous ruling party, went against his instinct that Korean politics needed to be less personalised. The opposition accused him of building an "imperial presidency."[30] Nevertheless, his achievements should be measured against what had been thought possible after the failures of Kim Young Sam. The crisis gave Kim and his followers an opportunity to forge a genuine multi-party democracy. By allowing workers and trade unions greater freedom to participate in politics, the nexus between the Korean government and the *chaebol* had been weakened.

Sunshine Policy and National Security

The importance of relations with the North cannot be underestimated as an obstacle to the consolidation of democracy in Korea. As President, Kim attempted to straddle two competing

[29] *Korea Herald*. December 25, 2000, p. 2.
[30] *Korea Times*. April 4, 2001

discourses on democracy in South Korea. The first is that national security necessarily restricts the amount of political freedom Koreans can enjoy. Democracy is protected by securing the sovereignty of the South Korean people against the threat from the North. The second discourse surrounds political participation. It is critical of the depth of democracy in Korea. This second discourse is in part a direct criticism of the former argument about democracy and national security. But it is also inspired by a wider social-democratic vision of participatory democracy. The political base of this second discourse had been weakened by the repressive military regime, and even after the transition to democracy in 1987, laws restricting radical political organisations allowed conservatives to dominate Korean politics.

Kim has historically been the highest profile proponent of the progressive discourse on democracy in Korea. His early runs for the presidency attacked the Park regime from the left, arguing for greater rights for workers and for a more open relationship with the North. The regime labelled him a communist and went to great lengths to expunge him from Korean politics, kidnapping him and twice scheduling him for execution. *Realpolitik* has ensured that, as President, Kim had to address the national security concerns held by many Koreans. While Kim had amended his approach to re-unification over the years in line with developments in the cold war, he was steadfast in his belief of the importance of engagement.[31] In order to reconcile these competing visions of democracy, Kim linked his program of democratisation to reconciliation with the North.

Reconciliation with North Korea, apart from holding the possibility of a transition to democracy in North Korea (or its absorption into the Republic of Korea) promises a number of political benefits for the South. Limits on freedom of speech and assembly have been justified historically by the need to retain a strong, united polity. Reforms to these laws since

[31] Jeong-Yong Kim. “The impact of president Kim Dae-jung’s beliefs on North Korea policy.” *Korea Observer.* Summer 2003. Vol. 34, Issue 2, p.279.

1987 fell short of allowing unfettered freedom of speech, particularly in matters of national security. Security concerns explain, at least in part, why Koreans share with the Taiwanese a lower commitment to democracy than citizens in other newly democratised states.[32] Amendments to the National Security Law were blocked in the National Assembly by the opposition. Reforming this law has become a major pre-occupation of many NGOs and religious groups. The opposition's veto of Kim's amendments to the National Security Law were predictable. However, Kim did not give this matter the priority his supporters in the NGO movement had expected. Kim needed to deal with the perception among conservative Koreans that he might compromise the nation's security. Kim found himself the subject of bitter criticism from civil liberties groups for his exercise of executive power. Even his release of political prisoners (alleged North Korean spies) met with mixed reviews because of the failure to observe the rule of law. This underlines the importance of resolving the stand-off with North Korea before consensus can be found on civil liberties.

Kim's longer-term goal of solving the tension between national security and democracy was the "Sunshine Policy", a program of comprehensive engagement with North Korea. This approach was heavily criticised by opposition leaders but the Korean public was more optimistic. Kim made a historic visit to Pyongyang in 2000 and the two states initiated a series of cross-border family reunions. Substantive progress, though, proved to be slow, captive as it is to the vagaries of internal North Korean political machinations. Indeed, the exchanges in late 2000 turned out to be the high watermark of the Sunshine policy. This lack of progress has undermined public support for the policy, many people believing that all of the concessions are being made by the South.

Despite the belligerent attitude of the North throughout 2002, inter-Korean relations proved to be an important distinction between the candidates in the presidential election, with the ruling

[32] see Chu, Diamond and Doh, 2001

party's determination to resist the more hawkish approach of the US an important factor in Roh's victory. Kim's attempt to reconcile with the North was his boldest attempt at consolidating democracy in Korea. His recognition of the need to take seriously the security concerns of conservative Koreans cost him some support among civil liberties groups. This problem was never going to be resolved within the term of Kim's presidency. Further, substantial progress in this area requires a willing partner in the North, something that is beyond the control of the leader of the Republic of Korea. Nevertheless, the fact that Kim was able to retain the trust of the conservative Korean polity while he negotiated with his North Korean counterpart was an important step. However, a scandal surrounding Kim's use of the Korea Development Bank to channel funds to North Korea to help facilitate the summit tarnished his policy.[33] The 2002 presidential election featured a robust debate about South Korea's approach to its neighbour, allowing the social democratic discourse greater space in national politics. The North seemed a less threatening place, undermining conservative arguments about the need to restrict civil liberties in the interests of national security. Relations with the North indicate the complexity of democratic consolidation. This was, nevertheless, an important leadership task, involving a relationship of trust with the public.

Interpreting Democratic Consolidation in Korea After the Crash

Kim Dae Jung's presidency can be favourably compared to the frustration of Kim Young Sam. Before the crisis, the weaknesses in Korea's democratic institutions gave the *chaebol* a disproportionate amount of political power. In challenging the entrenched power of the *chaebol* head-on, Kim met massive opposition to his reforms. Bypassing legislative obstruction of reforms through executive orders and quasi-official institutions, however, is not the same as, and indeed may be the opposite of, democratisation. While opposition claims that parliamentary democracy was being dismantled in the bid to tame the opposition were

[33] *Financial Times*, 19 June 2004.

perhaps overstated, neither were many of Kim's actions consistent with his democratising goals. Western commentators who have lauded Kim's political and economic reform nexus have a tendency to overlook the possible conflicts between the twin goals. Indeed, a common complaint from democratic circles within Korea was of an interventionist and executive-dominated program of reform.

The tension between Kim's goals also reminds us of the inherent contradiction of a leader taking executive action to further democratisation. Thus, Kim's release of political prisoners (alleged North Korean spies) met with mixed reviews from civic groups critical of his use of executive power and failure to reform the National Security Law.[34] The two Kims both long practiced a kind of delegative democracy, keeping the party system weak, and ensuring the subordinate status of National Assembly. While this style of leadership may have been successful in helping to secure a transition to democracy against an uncompromising regime, this style of politics is inimical to consolidation because of its combative nature.

The "reform authoritarianism"[35] of the two Kims no longer meets the expectations of younger Koreans. Kim Young Sam hoped to limit the opportunity of dissenters to mobilise opposition by limiting consultation on his policies. Similarly, Kim Dae Jung wished to rush his reforms through while his electoral mandate and the crisis atmosphere gave him the edge over the opposition-dominated assembly. Kim's readiness to blame the crisis on the previous government provoked enmity among the opposition, making it more difficult to deal with the National Assembly as the crisis atmosphere receded.

Conclusion

[34] *Korea Herald*. 23 February 1999

[35] Lee Young-Jo, 2000. "The Rise and Fall of Kim Young Sam's Embedded Reformism." in *Institutional Reform and Democratic Consolidation in Korea*, edited by Larry Diamond and Doh-Chull Shin. Stanford: Hoover Institution Press, p. 97.

Kim Dae Jung's stated agenda for the consolidation of democracy in Korea was multifaceted. It involved extensive policy reform in economic, institutional and diplomatic realms. To the extent that his democratisation agenda was flawed, it was in Kim's unwillingness to break with Korea's historic political culture to a more democratic style of leadership. Even in the hands of a life-long proponent of democracy the dilemma outlined in the introduction, the contradiction between effective leadership and democracy, puts limits on the extent of the influence that leaders can have on regime change. Kim recognised that personalised politics was an obstacle for the consolidation of democracy. However, in struggling to achieve his goals and meet the aspirations of his followers, Kim needed to secure his own power base and weaken his opposition. His ability to push through far-reaching economic reforms and make North Korea seem less threatening to South Koreans (and their civil liberties) were, indeed, significant accomplishments. The extra-parliamentary means used to achieve this goal, was, however, more problematic. The weaknesses of Kim's presidency stemmed from this same leadership style.

Political leadership can play a vital role in the consolidation of democracy. Not leadership alone (the previous president had attempted and failed to implement many similar policies), but leadership in concert with other variables, most notably in this case the economic crisis. Kim used the crisis to crystallise many Korean's latent dislike of the structure of their national economy. His long-term relationship with trade unions put him in a unique position of trust to steer the restructuring of the economy, which in turn has permanently altered the balance of power in national politics away from the *chaebol* and their political clients. At the same time, Kim used his position of trust and the national thirst for reform to further the cause of reconciliation with North Korea, which in turn will allow further reform of the National Security laws so inimical to democratic freedoms.

Kim's leadership style was so similar to previous presidents that he increasingly came to be seen by pro-democracy activists as part of the problem. This is a healthy sign for Korean democracy, and perhaps an indicator of evolving public attitudes towards leadership. Kim's presidency may mark, then, not so much a period of great leadership in Korea's history, but an important period in which a leader's agenda was publicly debated and criticised; in which the president's fallibility did not necessarily detract from public trust in the regime as a whole; and in which political parties came to stand for more than the public persona of their leaders. These developments may prove to be just as important to the consolidation of democracy in Korea than the many positive and negative things Kim did as President. Consolidation of democracy involves, in part, an evolution in the attitudes of both political leaders and the public about what attributes are desirable in a leader, and how much authority a single leader can accrue.