

Democratic Political Culture vis-a-vis the Challenges of Global Competitiveness and Lean Government A Case Study of South Korea

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After three decades of military rule in South Korea, civilian democratic government was inaugurated in 1992 with direct election of the president. The political culture in South Korea, therefore, is still in the process of developing; and the transformation from authoritarian to democratic politics may take a long time.

In the five years following 1993, the Korean government under the leadership of Kim Young Sam introduced more than two hundred bills and measures to transform the government from an authoritarian system to a democratic one. But these laws and reform measures were not fully implemented, due largely to the authoritarian political culture prevalent in the body politic of South Korea.¹ This paper will focus on three areas that the Korean government has attempted to change through political reform: decentralization of political power, deregulation of economic institutions, and development of democratic values.

Decentralization

Some effort to decentralize political power in South Korea had already begun when the president of the republic was elected by popular vote in 1992. The Local Autonomy Act, a landmark decision in the evolution of Korean democratic politics, was adopted in March 1994. Article 1 of the Local Autonomy Act states,

The purpose of this Act is to strive for democracy and efficiency of local autonomous administration and to achieve balanced development of local areas and democratic development of the Republic of Korea by prescribing matters concerning type, organization and

operation of local governments and the basic relations between the state and local government.

Because of the act, full-fledged local government elections were held in June 1995, establishing the first full-scale local governments in the history of Korea. However, the traditional and historical political structure had been characterized by the concentration of authority in the central government, the control of the government organization by the chief executive, subservience of local authority to central control, and allocation of resources by the central government. This practice, termed "the politics of the vortex,"² continued despite the Local Autonomy Act. The central government maintained its enormous power over the local governments.

The transfer of power began in the early period of Kim Young Sam's government, but jurisdictions of the central and local governments have not been clearly drawn. Therefore, there is not only an overlap of administrative power between the central and local governments but also the continuity of central government supervision of the implementation of central directives by the local governments. However, more than two-thirds of the administrative rules have been transferred to local government, leaving 300 out of 1,071 administrative rules in the hands of the central authorities. The question is how to increase the autonomy and efficiency of the local governments.³

Another effort to decentralize political power was made by attempting to downsize the government and reduce the size of the bureaucracy. The entrenched bureaucracy in South Korea has exercised enormous power in government institutions because bureaucrats remain though politicians come and go. The terms of cabinet appointments average a year and a half, whereas bureaucrats may be in power for a lifetime so long as they follow the rules of bureaucracy.

There are 932,000 civil servants in South Korea who provide a variety of administrative services in government agencies. Efforts to downsize the government and reduce this bureaucracy were launched by Kim Young Sam's administration in 1993. Predictably, the civil-service personnel resisted reforms, and the size of the bureaucracy actually increased during the reshuffling. Administrative reforms have not met the expectations of the public, and therefore the debate continues.

South Korea has one civil servant for every 49.2 people, while Great Britain, for example, has one civil servant for every 118.8

citizens. If Korean bureaucratic reform follows the British model, Korea should be able to reduce the number of civil servants to 540,000 at the present time. While the Kim Young Sam government failed to reform the bureaucratic structure and reduce the number of bureaucrats, the Kim Dae Jung government has already succeeded in decreasing the number of cabinet-level offices from 23 to 16 by cutting 10 percent of the civil service across the board.

The Plan for the Development of the Local Autonomy System, prepared by the South Korean Ministry of Internal Affairs, established twin goals: to achieve local government autonomy, and to enhance the administrative efficiency of the local bureaucracy. "The administrative jurisdiction of the central government should be transferred to the local authorities," according to the plan, "and . . . the people's active participation in local affairs [should be encouraged] for the sake of regional development and the improvement of the quality of life at the local level."⁴ The local autonomy plan also criticized the central government for not transferring either sufficient authority or financial resources to local institutions.

It is helpful to analyze the process by which the decentralization of political power from the central government to the local institutions has been implemented. According to public opinion survey data, people believe that President Kim Young Sam's government failed in its attempt to downsize the government and carry out administrative reform at the local level.⁵ The first local election took place in 1995 and a second in 1998. Voters selected 245 local administrators for three-year terms. An evaluation team from the *Joong-Ang Daily* conducted a survey of how well the fifteen provincial governors (the mayor of the City of Seoul was excepted), had implemented their campaign pledges. During the campaign, the candidates had pledged an average of 104 programs each, a total of 1,456 programs. Following their election, as of November 1995, only 10.4 percent of the programs were implemented, 73.1 percent were in the process of being executed, and 16.4 percent of their pledges had not even been initiated.

The governor of Chulla Buk-do, You Jong Keun, who was later appointed economic adviser to President-elect Kim Dae Jung, carried out 61.9 percent of his pledges, rating the highest score among the fifteen governors. The lowest rating was received by the governor of Chung-chong Nam-do, Shim Dae Pyong, with 74.8 percent of his pledges unfulfilled.

One of the major obstacles to the development of local autonomy is the problem of transferring the central authority to local officials. Moreover, the central authority still controls the allocation of financial resources on which the local administrators depend heavily.

Deregulation

It is clear that deregulating economic and financial institutions enhances the open market and increases the competitiveness of the nation's economy. A recent report published by the World Economic Forum (WEF) and the International Management Development (IMD) in Switzerland indicated that South Korea's international competitiveness (defined as the nation's capacity to maintain sustained growth of per capita GDP) has declined. South Korea was ranked in thirtieth place this year, down from twenty-seventh last year, while Singapore and Hong Kong ranked third. South Korea is losing international competitiveness because of the decline in its economic growth rate, which was 12.7 percent during the period 1980-1990 but fell to 7.3 percent in the period 1990-1996. This has created a mood of gloom and doom among both entrepreneurs and economists that has been exacerbated by the bankruptcies of the conglomerates in recent years. The public perceives that an economic crisis is possible unless the government successfully implements a deregulation program.

Because of the financial crisis and despite the subsequent IMF bailout in October 1997, South Korea's economic growth rate continued its decline and was registered as -7 percent in that year. One of the major causes of the economic and financial crisis was the failure of the Kim Young Sam government to implement the restructuring of the bureaucracy and deregulation of the economic institutions. The new administration of Kim Dae Jung immediately formulated deregulation programs, which were executed in two major areas: in economic institutions, to increase the initiative and efficiency of the economic sector, and in administrative rules governing the people's livelihood, to increase their participation in local government.

In the presidential elections of December 1997, all the candidates - Lee Hoi Chang, Kim Dae Jung, and Kim Jong Pil - advocated drastic deregulation, or even abolition, of the regulations impeding liberalization of the market and moves toward a free market economy. However, the population is skeptical about the presidential candidates' pledges to alleviate the South Korean economic crisis. The voters have heard enough deregulation slogans and have been

disillusioned by the failures of President Kim Young Sam's government to implement them.

The Kim Young Sam government allied itself with the *chaebol* (the conglomerates) and big industry, which were motivated to maintain the status quo and resisted any changes. When the Prime Minister and Vice Premier for Economic Affairs were appointed at the beginning of the Kim Young Sam administration in 1993, the centerpiece of their efforts was to be execution of a policy of economic deregulation to increase the international competitiveness of the South Korean economy. However, more than two hundred regulations control economic institutions and impede their structural adjustment. Because of current tax regulations, the big entrepreneurs are not able to take over bankrupt industries or merge unprofitable industries. Institutional reform towards a free-market economy requires the full understanding and support of the general public. The people need to know why the economic crisis came about and how presidential candidates propose to address it.

The South Korean economy lost its forward momentum due largely to increased intervention of the government by means of regulation. Wealth was unevenly distributed among the population due to policy failures of the government. Discouraged by government practices, the people seemed unwilling to participate in the democratic process.

Development of Democratic Values

According to a public opinion survey conducted by the YMCA of Seoul, more than 25.4 percent of the 1,029 people polled said that they most desired a "president who can execute the reform programs of the government," 24.0 percent wanted a president "who has excellent management skills to administer state affairs," and 22.7 percent said that "the president should maintain honesty and a moral standard." More than half of those polled, 56.5 percent, said the most important quality of the next president should be his credibility, whereas 16.4 percent considered it to be the capacity to make a "democratic decision." According to the same poll, the most important issues for the next president would also be resolution of education problems (16.7 percent) and the eradication of corruption in the government (14 percent).⁶

The political culture of South Korea is being transformed as a result of gradual changes in the traditional values of the people. Korea, the South as well as the North, has been greatly influenced by

Confucianism for more than six centuries; and the authoritarian political culture of Confucianism persists in Korean politics and society. Confucianism inculcated the values of loyalty to the king, filial piety to the parents, and cohesiveness of the family values that still influence contemporary politics in South Korea.

There have been extensive debates among scholars and observers of economic development in East Asia on the question of whether Asian values impacted the rapid growth and development of East Asian economies in the 1960s and 1970s. At the turn of the century a similar debate focused on the reasons that China was unable to modernize while Japan did so. Most analysts attributed the cause of economic underdevelopment in China to Confucian values. However, when East Asian states, including South Korea, Taiwan, Hong Kong and Singapore, began their rapid development, this time scholars and observers attributed their enhanced growth to their Confucian heritage. When the economic and financial crisis came to East Asia in 1997, the debate again focused on the role of Asian values, including corruption, tight regulations, and irregular business practices. Thus debate on the role of Confucian values has come full circle in the aftermath of the current East Asian economic crisis.

The Korean bureaucracy maintains the values that were inculcated by Confucian education and reinforced by the Japanese civil service system. During the Chosun dynasty an examination system, based on rote memorization of the Confucian classics, was devised to recruit officials to serve in the government. Candidates for official positions spent many years studying the Confucian classics, and once they passed the examination and entered government service, they became the elite of the society. They held themselves aloof from the common people and worked to maintain their own status and power.

The imperial tradition of the Japanese civil service system reinforced the authoritarian characteristics of Korean bureaucracy. Government officials were held superior to the common people, not equal, nor were they expected to serve the people. A civil service system like those in Britain or in Europe has never developed in Korea. Instead, the bureaucracy increased their power over the people by establishing and then maintaining rules and regulations of government, which ended up choking many economic institutions as well.

It is true that the older generation of Korean bureaucrats are gradually retiring from positions of power, but the younger civil servants that will replace them are unlikely to be different unless the values and behavior of government officials change and a democratic

political culture is generated. The most likely way for this to happen is through the communications and information revolution.

Conclusions

Korean society is evolving from a semi-industrial society into an information society as the result of rapid development in communications and information technology. The introduction of telecommunications (telephone, television, and computers) and the rapid expansion of the Internet have accelerated changes in education and beliefs, and the cultural values of the Korean people are being transformed. In April 1996, public opinion survey data evaluating Kim Young Sam's administration suggested that the majority of the people supported reform programs. For example, the "real name" banking reform, instituted in 1994, which required customers to open accounts in their true names, was intended to create transparency that would remove the possibility of tax fraud and other abuses, while enabling the government to better manage money circulation. This reform measure was approved by 82.1 percent of the people polled. Administrative reform had an approval rate of 56.1 percent, and the education reform program received 41.6 percent approval.⁷

In the same survey, 31.6 percent of those polled considered themselves conservatives, 41.3 percent liberal progressives, and 27.2 percent indicated they were neither conservatives nor liberals, an indication of change in political values and belief systems. When the public was asked to evaluate the priority of policy issues the government should resolve, 51.7 percent put the economy at the top, 13.3 percent politics, 11.9 percent social problems, and only 11.3 percent national security and reunification. The survey data also showed that 5.3 percent were most concerned about the environment, and 0.1 percent about issues of women's welfare. The data showed that the majority of people still expected the government to play an important role in solving economic and political problems.

Seven major advertising companies in Seoul jointly conducted a public opinion survey of 6,000 people from six large and fifteen medium-size cities in South Korea in April-May 1996. Ages of the respondents ranged from thirteen to sixty. Of those polled, 67.6 percent indicated that they believed their values had changed, of which 64.4 percent were men and 70.7 percent women. The survey data indicated that the younger generation expressed their value changes more readily than the older generation. Thus, the communications and information

revolution seems to have brought more rapid values changes to the younger generation than to the older generation.⁸

To increase the international competitiveness of South Korea, the Kim Young Sam government introduced the decentralization of the central government, the downsizing of the bureaucracy, and the deregulation of the economy. In January 1997, as part of downsizing the government, the Kim Young Sam administration launched a program to eliminate 10,000 civil servants. One thousand more were to be dismissed in 1997, followed by a reduction of two or three thousand more each year for the next three years, thus achieving the goal of "lean government" by the year 2000. However, this goal will meet stiff resistance. It is still too early in Kim Dae Jung's administration to be able to predict if this program will succeed in surmounting the challenging political situation as well as the persistence of the Confucian political culture in the body politic of South Korea.



Notes

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1. Ilpyong Kim, "South Korea's Transition to Democracy," in Seymour Martin Lipset, ed., *Encyclopedia of Democracy* (Washington: Congressional Quarterly, 1995).
2. Gregory Henderson, *Korea: The Politics of the Vortex* (Cambridge, MA: Harvard University Press, 1968).
3. *Joong-Ang Daily*, June 29, 1997.
4. For a summary of the plan, see the *Joong-Ang Daily*, June 28, 1997.
5. *The Joong-Ang Daily Survey Data*.
6. *Chosun Daily*, July 15, 1997.
7. *Public Opinion Survey Data* (Seoul: Sejong Institute, April 1996).
8. *The Joong-ang Daily Survey Data*.