Bringing Peace in from Without
How to End the Cold War in Korea

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The Race Is Over but Confrontation Goes On

From June 13 to 15, 2000, the first-ever summitry was held between the two Koreas since the peninsula's division at the end of World War II. The two heads of state produced a five-point agreement designed to launch an era of dialogue between the erstwhile enemies. As part of the agreement, a limited number of people with separated families have since traveled to each other's capital for a tearful reunion. The ground has been broken to re-link the countries by rail that would pass through the Demilitarized Zone. Bureaucrats of the two countries have engaged in a flurry of activity including high level talks and the historic visit by North Korea's defense minister to the South. Seoul's chaebols also got themselves busy to jump aboard the bandwagon heading north. And the new mood of détente peaked at the opening ceremony of the 27th Olympiad in Sydney when athletes from the two Koreas—albeit competing as separate national teams—marched together following a hastily concocted flag with an image of the Korean peninsula.

Developments on the Korean peninsula since June have indeed been unfolding at a dizzying pace and led some optimists to observe that the last legacy of the Cold War is about to disappear. Is the Cold War ending in Korea? Notwithstanding the initial success of the summit talks, the question begs a careful scrutiny of where the two Koreas are now and will be in the future, not only in relation to each other but also in the international environment surrounding the peninsula. A historical sketch of how the global Cold War ended may serve as a framework with which to examine the fate of the local Cold War on the Korean peninsula and the regional one in East Asia.

More than a decade ago the Berlin Wall fell, closing an era that had been defined by the Cold War bipolarity. On the European front, the collapse of the Leninist systems led to Germany's unification and a fuller regional integration. In Northeast Asia, however, the other theater of East-West confrontation, the aftermath of Russia's demise was far
less devastating. While the Russian threat has all but dissipated, America’s military presence remains strong and is being buttressed by a virtual alliance of Washington, Tokyo, and Seoul. Although this coalition—especially Japan’s ever-growing military muscle—is a source of concern for the Chinese, the United States has nevertheless been trying to build a structure of cooperation among the ‘new big three’—the United States, China, and Japan. On the Korean peninsula, the Pyongyang regime has survived one crisis after another with its roller-coaster diplomacy. Even the death of its founding father Kim Il Sung in 1994 left few visible dents in the system’s viability, disproving the pundits who had predicted that the elder Kim’s exit would mean North Korea’s certain collapse.

It should appear puzzling that there still exist two Koreas on the peninsula, considering that Germany became one in 1990 and long before that, Vietnam, another artificial division created by the Cold War, saw unification in 1975. The former was a result of Soviet disintegration whereas the latter a byproduct of America’s weakening strategic presence in Southeast Asia. The Germans and Vietnamese were able to restore their previous state of merger once the external forces of separation departed. Why didn’t a similar development occur on the Korean peninsula? What is so unique about Korea compared to Vietnam and Germany? What obstacles have blocked a Korean reunion in the post-Cold War era, and are those obstacles still in effect? Answers to these questions may be sought in the very structure that had sustained the Cold War system in Korea from 1945 to 1990 and a quasi Cold War situation since 1990.

From the end of World War II to the end of the global Cold War, the Korean peninsula had been a microcosm of the bipolar world system. For geo-strategic reasons, neither the United States nor the former Soviet Union could allow it to fall into the other side’s sphere of influence when Japan surrendered it to the Allied Forces in 1945. In 1953, after a protracted war on the peninsula, Washington and Moscow once again could not but agree on a stalemate and drew a demarcation line not much different from the original partition. Though Nixon “opened” China in the early 1970s and Gorbachev began a new détente in the mid-1980s, the two Koreas remained in the glacial age as to a possible rapprochement. With the German unification in 1990, the Korean peninsula finally became a focus of global attention as the common wisdom had it that Pyongyang’s days would be numbered. Worried about following the East German path, Pyongyang undertook a series of bold maneuvers—including the 1993-94 crisis surrounding a nuclear weapons development—to prolong the Cold War-like confrontation on the Korean peninsula. Pyongyang’s leaders must have
reasoned that only through confrontation could they maintain the regime’s viability. Such reasoning becomes highly persuasive because North Korea had for long been a hopeless underdog vis-à-vis South Korea in its capabilities: without a confrontational attitude it would be a matter of time before the weaker side would be absorbed into the stronger.

The Cold War system in Korea was sustained by the two related elements of competition and confrontation. Of the two, competition is no longer the issue. By all accounts, Seoul has won the race. Economically, its domestic output is at least twenty times that of Pyongyang’s. Militarily, the South outspends the North by a ratio of 2.3 to 1. Even though North Korea still has an edge in the number of military personnel (1.5 to 1 in its favor), major equipment (1.9 to 1), and firepower (2.3 to 1)⁴, conventional forces of the two are roughly equivalent if the quality of equipment and Pyongyang’s severe shortages in fuel and food are factored in. When the United States forces in Korea are added, the balance is no longer there. Politically, liberal democracy has won the game all over the world with North Korea one of the few remaining exceptions. With the race over, one might expect that confrontation, the other component of the Cold War system, would also end. Nevertheless, confrontation goes on between the two Koreas. Especially since they lost in competition, Pyongyang’s leaders have to come to depend more on confrontation for survival. Arguably, the grand gesture of dialogue signified by last June’s summitry might be construed as a move to assure Pyongyang’s longevity. In a sense, it was a different form of confrontation in which Pyongyang pronounced to the world that it could stand its own ground at the negotiating table. Contributing to North Korea’s continued viability is the fact that the South Koreans appear neither ready nor willing to pay for the cost of an absorptive unification. Moreover, the four surrounding powers would hardly welcome any radical change in the regional balance of power. At least for now, confrontation appears to serve the interests of all regional players.

Then how would we end the Cold War in Korea? More specifically, how can we turn the atmosphere of confrontation to one of genuine reconciliation and cooperation? The question boils down to that of what to do with North Korea, the last vestige of the Cold War structure. Common sense dictates that there may exist two possible ways. One is to engineer a domestic transformation in North Korea, whereas the other is to change Northeast Asia’s international environment, leaving the North Korean system more or less intact⁵. The former includes options ranging from North Korea’s disintegration to its rebirth as a state compatible with other regional players. These options,
though not inconceivable, have very low probabilities of success. Not only has the Pyongyang regime demonstrated a high degree of resilience during the last decade, but also the surrounding powers have not been sparing efforts to uphold the status quo on the Korean peninsula.

If an internal solution to end the Cold War on the Korean peninsula seems beyond reach, the second alternative of changing the international environment deserves a careful examination. After all, what could be more pressing to regional players than the maintenance of peace and stability? If so, why not accommodate North Korea without demanding a domestic transformation, as long as Pyongyang is made to understand that its military adventurism would not be tolerated? Surely, this approach may not bring an abrupt end to the Korean Cold War compared with the first one in which North Korea undergoes a systemic transformation. But then one should look at how messy the German unification has turned out both politically and economically. And the Germans had numerous advantages over the Koreans, including the decades of contact and exchanges in addition to the absence of a history of armed conflict.

Hence it becomes necessary to explore the possibility of ending the Cold War on the Korean peninsula using the second method. Instead of forcing a systemic change on Pyongyang, the surrounding powers may create a regional environment in which the North Koreans could shed their insecurity complex and behave somewhat like the citizens of a normal state. What the North Koreans would require are assurances from outside in four areas before they could begin to feel secure from the threat of East German style disintegration. The four prerequisites are political recognition, security guarantee, economic survival, and sociopsychological support. In a sense, Pyongyang’s rogue behavior may be attributed to its desire to win these assurances through a diplomacy of extortion. Of course, nobody can tell for sure whether they would turn North Korea into a normal state. History is replete with the cases of appeasement breeding an aggressor that would later wreak havoc in the international system. Though fraught with uncertainty and danger of backfire, the assurances are worth a try, as North Korea’s relatively small size should prevent it from becoming Hitler’s Germany or Stalin’s Soviet Union. That some members of the region may not hesitate to wield a powerful stick to check Pyongyang’s misconduct should add credence to this line of thinking.

**Political Recognition: Consolidation of ‘One Nation Two States’**

Above everything else, the North Koreans—more precisely, their leaders—want their state and regime to survive. Since the 1945 division
of the peninsula by the two superpowers, the northern half has been under the iron grip of the Kim family. The elder Kim built a cultist state and his son runs it in the aura of his late father. This is the longest-running dictatorship in the contemporary history. As such, the institutional inertia alone would keep the regime’s forward momentum going. Another critical factor operating in favor of Pyongyang’s staying power is the peculiar balance of power in Northeast Asia in which the Western bloc could not declare a total victory at the end of the global Cold War as was the case in Europe. The presence of China prevented such one-sidedness, while North Korea serves as proof that old regimes die hard.

Assuming that the European way of ending the Cold War—the collapse of the former Soviet Union and its satellites—is hardly applicable to Northeast Asia, the second model suggests a political accommodation of North Korea. The first step toward it should be the completion of what is commonly known as the cross recognition of the two Koreas by four major powers. South Korea established diplomatic relations with the former Soviet Union in 1990 and China in 1992. As of late-2000, however, the other half of the equation is still missing. The 1994 Agreed Framework was supposed to bring a step-level change in Pyongyang’s relationship with Washington. But the relations have been improving at a snail’s pace.

Why? Are North Korea’s leaders afraid of the Stars and Stripes fluttering in their capital? Or are the Americans balking due to domestic and international pressures? Turning to the international factors, what is Beijing’s attitude toward the Washington-Pyongyang rapprochement? Do the Chinese feel that they are not prepared to see North Korea, its vital buffer, become a client of America’s? Similarly, where does Japan stand in cross recognition? What were the reasons underlying the sluggishness in the bilateral talks to establish diplomatic relations since Shin Kanemaru’s historic visit to Pyongyang about a decade ago? Did the United States by any chance suggest that Japan not race ahead? While these questions are not within the scope of this article, one thing is certain. That is, the cross recognition should help stabilize the Korean situation. Along with the membership in the United Nations, which Pyongyang won jointly with Seoul in 1991, diplomatic recognition by the United States and Japan would assure the North Koreans that their country is a sovereign state with its rightful place in the community of nations. Though it may sound naïve, such assurance could hopefully lead to Pyongyang’s acceptance of international norms and regulations, which should in turn lower the level of tension on the Korean peninsula. This is in part why South Korea has long favored the diplomatic recognition of North Korea by the United States and Japan.
Seen in this light, it becomes imperative for Washington and Tokyo to speed up the process of rapprochement with Pyongyang.

Critics may argue that cross recognition means the perpetuation of two separate states on the Korean peninsula and may result in a permanent division of the Korean people. They should be reminded, however, that national integration may be achieved without a formal merger and that what is at stake now is not necessarily unification but that of ending a hostile confrontation between the two Koreas. If the formalization of ‘one nation two states’ is believed to increase the probability of a lasting peace on the Korean peninsula, it is the price that the Koreans shall have to pay.

Security Guarantee: Protection from the New Godfather

Security assurance is of equal import to North Korea’s viability as political recognition, if not more. So long as the North Koreans perceive themselves as militarily vulnerable, they would be reluctant to accommodate any measures of arms control and disarmament, hence prolonging the Cold War-like situation on the peninsula. Having once launched an unsuccessful invasion into the South, they could fear that the reverse might not be impossible. Even without looking at the naval clashes on the West Sea in 1999, the conventional military balance is unquestionably in favor of the South. Combined with the awesome firepower held by United States forces stationed in Korea, the imbalance becomes more magnified. Indeed, there are ample grounds for Pyongyang to be seriously concerned with the further erosion in conventional-force balance on the Korean peninsula.

Being an underdog in conventional armed forces, what did Pyongyang do to overcome the shortfall? Lacking the economic resources with which to build up their conventional forces — an extremely costly proposition — the North Koreans executed two schemes to redress the balance. One was to invest in unconventional forces that are less costly than the conventional arsenal. The other was to seek protection from a new Godfather—the United States that had emerged as the unitary hegemon in the region, if not the world. The strength of this move was that the first measure would lead to the second, thus allowing the parsimony and consistency in Pyongyang’s policy.

What Pyongyang has earned with its nuclear card since the early 1990s demonstrates that the North Koreans have made some shrewd foreign-policy maneuvers. More importantly, Washington’s response appeared as if it had been waiting for such overtures from Pyongyang. In 1993 the United States gave North Korea a virtual negative security assurance (NSA) in which it promised not to use nuclear weap-
ons—later codified in the 1994 Agreed Framework. This was extremely significant in that the nuclear powers had never before issued anything beyond the positive security assurance (PSA) to a non-nuclear power. With the PSA, a nuclear power pledges to protect a non-nuclear state under nuclear attack from a third party. The de facto granting of NSA to North Korea had the potential of contradicting the mutual defense pact between the United States and South Korea. Nevertheless, the United States, in essence, gave up the option of retaliating with tactical nuclear weapons should the North make another invasion into the South.

The other evidence supporting Washington’s obliging attitude is that, despite the talk of a surgical strike of Yongbyon’s nuclear facilities in the summer of 1994, its treatment of North Korea could not have been more different from that of Iraq. What makes such posture truly amazing is a widely held belief that Pyongyang would not easily relinquish its program of developing the nuclear weapons or long-range missiles. Nuclear weapons would be the final deterrent for Pyongyang in a conventional war, as they would prevent Washington and Seoul from making a massive retaliation. On the other hand, long-range missiles would become an instrument with which to bring and hold Tokyo in Pyongyang’s game of survival. Now that Japan is within the range of North Korea’s missiles, it seems that Tokyo is following Washington’s footsteps in accommodating Pyongyang’s demands.

Moreover, apparently working to Pyongyang’s advantage is the presence of United States troops in Korea. Originally planted to serve as a tripwire against North Korea’s invasion, they have been playing the role of dual deterrence. Lacking a territorial foothold in Asia, the United States also regards these troops—along with United States forces in Japan—as the concrete symbol of America’s position as an Asian Pacific power. United States forces in Korea will hence continue to be deployed for a long time to come. Then the bottom line is that North Korea is quite secure—in fact, more secure now than during the Cold War period.

Is the policy of accommodation tantamount to rewarding the bad behavior, as argued by some critics? It is true that Pyongyang has won a great deal while offering up very little. By promising to withhold a threatening act, North Korea has been granted many kinds of assurance and assistance. But the reason why Pyongyang has been supported should not be attributed to America’s stupidity or immorality. Instead, it was due to the meeting of the minds between North Korea and the United States. North Korea needed a protector without a territorial ambition in Northeast Asia while the U.S. wanted to tame a potential proliferator of the weapons of mass destruction. That South Korea and
other regional actors favored the maintenance of the status quo on the peninsula also contributed to the successful deal between the United States and North Korea. Nevertheless, the bilateral game is not over yet. As shown in the Perry report released in September 1999, the United States has a list of demands against North Korea. However, by stating that if Pyongyang refrained from missile testing and nuclear weapons development Washington would go ahead with the normalization of relations, the report is long on carrots and short on sticks—another manifestation that the United States is not out to destroy the Pyongyang regime.

America’s engagement policy should turn out to be beneficial to North Korea. For Pyongyang, one of the worst possible scenarios is isolation from the international community, which may hasten its demise. Despite the fervent cry of juche (self-reliance) ideology, the North Koreans cannot rely on themselves for survival. That is why they had originally stirred up the nuclear controversy to win America’s attention. Now, using last June’s inter-Korean summitry as a stepping stone, Kim Jong-il has sent his deputy in the powerful National Defense Commission to Washington where President Clinton greeted Vice Marshall Jo Myong Rok in full military uniform. Inasmuch as North Korea pursues a policy of ‘self-reliance through external dependence’—in particular, one orchestrated by the United States—engagement by the surrounding powers shall go on. Making too much fuss over the specific contents of engagement may possibly be counterproductive to inter-Korean rapprochement.

**Economic Support: Aid Without Extortion**

Political recognition and security assurance would be an empty shell without the economic means to back them up. North Korea has been in a difficult position to sustain itself without outside support. It thus holds no mystery that North Korea has become the largest recipient of United States economic aid in East Asia at 270 million dollars a year with the cumulated-aid commitment from the United States of about one billion dollars. From the mid-1990s when the North Korean government admitted that the famine had spread widely, food aid of about one billion dollars has been delivered, mostly from China and the United States.

Not to be outdone, South Korea has provided the North with various payments and assistance—food, cows, automobiles, and cash for the Mt. Kumgang project. Ever since the first voyage into the North in November 1998, the Mt. Kumgang tour has ferried tourists numbering in six figures. The Hyundai group will pay Pyongyang one billion dollars over six years for this project alone. In addition, South Korea
will shoulder most of the financial burden—over 70 percent—of building two light-water reactors (LWRs) in North Korea. Finally, Pyongyang can expect a massive infusion of hard currency from Japan after normalization—mostly in the form of reparation for the damage suffered by the North Koreans during Japan’s colonial rule.

In sum, North Korea is not in such a bad shape as portrayed in the Western media. The food shortage, though real, can be made up without a huge amount of money: the remittances from Hyundai may be sufficient. Alternatively, Beijing can solve the problem for Pyongyang, should it so desire. This may be why Pyongyang has been buying armaments with hard currency injected from outside, while depending on humanitarian aid for food—indeed a savvy move knowing that the surrounding powers will not let North Korea go under.

While it is good news that North Korea’s economic conditions have begun to improve, critics of the engagement policy argue that North Korea has been exploiting the surrounding powers. Whether it is called extortion or exploitation, the reality is that there is hardly any middle ground between support and neglect vis-à-vis North Korea. Conditional support or reciprocity is easy to say but hard to implement at this stage. It is because there are not many usable sticks other than the withdrawal of carrots—namely, the re-imposition of sanctions. The only stick with some compelling power may be the use of military force, but its utility is highly questionable. Even a limited response from the North to a surgical strike would cause irreparable damages to the Seoul metropolitan area; the United States-Korea combined forces will be constrained from staging a massive retaliation for fear of Pyongyang’s nuclear devices; and China would not tolerate a military defeat suffered by its buffer state.

Consequently, the best course of action for the surrounding nations is to continue the policy of support. Simultaneously, however, they need to drive home the message that the brinkmanship and extortion would no longer be tolerated since North Korea appears to have weathered the worst of the storms. As Pyongyang is not a cornered animal any more, its rogue behavior may prompt a policy shift from support to neglect by its neighbors. It would also help to remind Pyongyang that it would be free to choose the mode of economic cooperation that is least threatening to the viability of the North Korean regime.

Self-Esteem: Making the Northerns Believe in Themselves

Objective circumstances would mean little, if the North Koreans cannot feel confident about their fate. Diplomatic recognition by the United States and Japan, a wall of security guarded from within and
guaranteed from without, and even a sufficient level of economic well-being are but necessary conditions for North Korea’s survival as a state. If the leaders and ordinary residents in the North believe that they are in a transitional stage to, say, a merger with the richer and stronger South, they can hardly be expected to behave normally in international interactions. Hence the last and probably most critical element in ending the Cold War in Korea is the promotion of self-confidence among the North Koreans. Security in the political, military, and economic arenas would help the northerners develop a sense of control about their future—especially, the prospect of coexistence with the South Koreans on an equal footing. But it would take time, and if there is a way to shorten it, the possibility should be explored.

To accelerate the process, a catalytic change may be required. Just as the 1988 Summer Olympic Games brought about a quantum leap in the civic consciousness among the South Koreans, a similar feat may be necessary for North Korea. The only problem is that Pyongyang’s leadership is extremely averse to the events that might open up its society, as demonstrated in their reluctance to co-host with Seoul some of the 2002 World Cup soccer games. Is there any way to boost the level of self-confidence among the North Koreans without exposing them to the “corruptive” influence from the outside world?

There is one idea worthy of consideration. Assuming that the inter-Korean dialogue matures on the heels of the summitry, it may be possible to create a setting in which the Nobel Peace Prize might be awarded to the representatives of the two Koreas or at least the subject can be broached in the international community. Before brushing aside the idea as outlandish or impractical, let us give it a closer look. For starters, serious objections will be raised about giving the coveted prize to someone from a state that has committed many acts of terrorism and still is on Washington’s list of terrorism-sponsoring states. It is a legitimate question and should be dealt with squarely. If a person is directly linked to a specific terrorist act, he should be eliminated from candidacy. Other than that, personal backgrounds may be less important than the specific achievement. As to the criteria for the award, lessons can be drawn from the past record. In 1973, Le Duc Tho and Henry Kissinger, not the heads of states of North Vietnam and the United States, were jointly awarded the prize for their roles in negotiating the Vietnam peace accord. The 1978 award was divided equally between Egypt’s Anwar Sadat and Israel’s Menachem Begin for negotiating the peace between the two countries. In 1993, the prize was given jointly to Nelson Mandela and Frederik DeKlerk for their endeavor to end the apartheid in South Africa. Then in 1994, Yasser Arafat, Chairman of the Palestine Liberation Organization (PLO) and President of the
Palestine National Authority shared the award with Israel’s Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres for their efforts to create peace in the Middle East. These cases confirm that those who produced concrete results in peacemaking from both sides would get the prizes and their personal attributes may not count heavily.

Applied to the Korean case, therefore, it is definitely possible that the peacemakers from both sides of the Demilitarized Zone could jointly receive a Nobel Peace Prize. For such a possibility to materialize, however, the two Koreas need to negotiate a peace comparable to those for which the prizes have been given. Would that be feasible within the foreseeable future? The answer is not a definite NO, provided that the two Koreas and the surrounding powers continue to pursue the second model of ending the Cold War in Korea. This is why the inter-Korean summitry needs to be followed up with careful management. President Kim Dae-jung’s visit to Pyongyang had the effect similar to that of Nixon’s trip to Beijing almost three decades ago. As Mao Ze-dong received Nixon, Chairman Kim Jong-il accepted “South Korean President’s request to meet him.” That Kim Dae-jung made the trip north—not the other way around—must have been a tremendous morale booster to the North Koreans. And Kim Jong-il made the most of it by exploiting the media exposure to the world. In one fell swoop he tried, with some success, to change his image from that of an alcoholic recluse to one of an effusive leader well versed in global affairs. And the result was the five-point declaration that would require a lot of work for implementation—more from the South in economic support. In a sense, the summitry was a no-loss proposition for Kim Jong-il. Should the follow-up negotiations proceed in a way not threatening to the domestic order in North Korea, he would take all the credit for having opened a new chapter of peace on the peninsula. Should they turn out to be not to his liking, Kim Jong-il would simply enjoy a propaganda victory by telling his people and the world that he did his best by accepting Kim Dae-jung’s request. All the blame will then be placed squarely on Kim Dae-jung, while Kim Jong-il would escape unscathed by saying that he had fulfilled his late father’s wish.

In case the Nobel Peace Prize is awarded jointly to the representatives of the two Koreas, its impact would be enormous. In the South, the acrimonious debate would be dampened about the utility of Kim Dae-jung’s ‘sunshine policy’ designed to support the North. With the new structure of peace worthy of a Nobel prize, the South Koreans would at long last feel free from the danger of another war. In the North, the search for security would see a happy end as the leaders and residents would finally be able to shed the fear of disintegration. They would be justified in enjoying the international recognition that would
accompany the prize.15

Conclusion

With a shift of perspective from the domestic transformation in North Korea to a change in the international environment, one may find a more feasible way to end the Cold War on the Korean peninsula. In reality, the four major powers have already embarked on a course of action in that direction. Seoul’s ‘sunshine policy’ of course goes along with the international trend of embracing Pyongyang. And this is why one can be cautiously optimistic that the momentum of the June summitry will last long enough for the two sides to begin to learn a new way of dealing with each other.

In order to give time for the learning process to take root, neither side should commit acts that might derail it. As Pyongyang may be tempted to play with the process for maximal gains or to withdraw for domestic reasons, it may be prudent to keep sending a message to the Pyongyang regime. The message will consist of two parts. The first part should make it explicit that the international community will try to create an environment in which North Korea can act like a normal state without having to undertake radical domestic reforms. Political recognition, security guarantee, economic assistance, and sociopsychological support will thus be forthcoming. But the second part should clarify in no uncertain terms that North Korea is expected to halt the diplomacy of extortion and other irresponsible behavior that could cause concern in its neighbors. If not, the other five countries in the region will seriously consider switching to the policy of neglect in which some or most carrots may be withdrawn. Such a message would certainly aid Pyongyang’s leaders in defusing the possible domestic opposition to a system of peace engineered by the external forces. Hopefully, the North Koreans would decipher the message correctly and help end the Cold War on the Korean peninsula.

Notes

1. Revised version of a paper delivered at the annual conference on Korea (Theme: Projecting Korea and Its Culture to the Outside World) sponsored by The Richard L. Walker Institute of International Studies, University of South Carolina, Columbia, SC, May 19-21, 2000. Some of the arguments contained in this article were first presented in Seoul at the annual conference of the Korea Council of Area Studies on November 26, 1999. I am indebted to Dae-Sook Suh, In-Young Chun, Kun-Young Park, Kyungssoo Kim for their critical comments.
2. Though there is one Han-gul (Korean alphabet) version of the June 15 declaration, the English versions of the North and the South differ somewhat. As these nuanced differences might affect the tone of future inter-Korean dialogue, it should help an analyst to examine both. The South Korean translation reads “1. The South and the North have agreed to resolve the question of unification independently and through the
joint efforts of the Korean people, who are the master of the country; 2. For the achievement of unification, we have agreed that there is a common element in the South’s concept of a confederation and the North’s formula for a loose form of federation. The South and the North agreed to promote unification in that direction; 3. The South and the North have agreed to promptly resolve humanitarian issues such as exchange visits by separated family members and relatives on the occasion of the August 15 National Liberation Day and the question of unswerving Communists who have been given long prison sentences in the South; 4. The South and the North have agreed to consolidate mutual trust by promoting balanced development of the national economy through economic cooperation and by stimulating cooperation and exchange in civic, cultural, sports, health, and environmental and all other fields; 5. The South and the North have agreed to hold dialogues between relevant authorities in the near future to implement the above agreements expeditiously” (Source: The ROK Ministry of Unification). In contrast, Pyongyang’s English text reads “1. The North and the South agreed to solve the question of the country’s unification independently by the concerted efforts of the Korean nation responsible for it; 2. The North and the South, recognizing that a proposal for federation of lower stage advanced by the North side and a proposal for confederation put forth by the South side for the unification of the country have elements in common, agreed to work for the unification in this direction in the future; 3. The North and the South agreed to settle humanitarian issues, including exchange of visiting groups of separated families and relatives and the issue of unconverted long-term prisoners, as early as possible on the occasion of August 15 this year; 4. The North and the South agreed to promote the balanced development of the national economy through economic cooperation and build mutual confidence by activating cooperation and exchanges in all fields, social, cultural, sports, public health, environmental and so on; 5. The North and the South agreed to hold dialogues between the authorities as soon as possible to implement the above-mentioned agreed points in the near future” (Source: Korea Central News Agency).

3. For a thoughtful exposition of the triangular relationship among the U.S., China, and Japan, see Ming Zhang and Ronald N. Montaperto. *A Triad of Another Kind: The United States, China, and Japan*. New York: St. Martin’s, 1999.


6. This does not mean that unification should be dropped from the agenda of national debate. In the long history of the unified Korean nation, its division since 1945 is nothing but a small blip which will one day disappear. Of course, there are many obstacles to overcome before the unification will happen and the wait could be longer than expected. The question is how to protect the Korean people in the interim period—from North Korea’s possible self-destruction or another war on the peninsula.

7. The exact wording in the Agreed Framework was “The U.S. will provide formal assurances to the DPRK, against the threat or use of nuclear weapons by the U.S.”

8. One may see the relationship as the Korean version of MAD (Mutual Assured Destruction) in which the American troops stationed in the South and the weapons of mass destruction in the North are pitted against each other. Paradoxically, these two would help prevent a major war on the peninsula as the original MAD between the two superpowers had prevented a nuclear exchange during the Cold War era.
9. Even from the late 1960s, Pyongyang tended to acknowledge the role of dual
deterrence played by the American troops in Korea. Especially at times of crises
instigated by North Korea—the 1968 attack on Seoul’s presidential palace, the 1974
assassination of South Korea’s first lady, and the 1983 Rangoon massacre of the
presidential staff—Pyongyang appeared to look upon the U.S. to prevent a South
Korean retaliation. This tendency became more pronounced in the early 1990s
following the German unification and the officials began to make public statements
cautiously implying the utility of the U.S. troops in serving Pyongyang’s security
interests. It was Kim Yong-sun who in 1992 showed the first official sign of
Pyongyang’s softening attitude toward the American troops in his talk with the State
Department officials. Then Kang Suk-ju made a direct reference to the term ‘dual
deterrence’ in his negotiations over the nuclear freeze. In 1994 Kim Il Sung himself
showed a willingness to tolerate the presence of American forces until both Koreas
reduce their respective forces to the level of 100,000. In the same vein, Rhee Chong-
hyuck made a statement in 1996 that the U.S. forces might serve as temporary
peacekeeping forces on the Korean peninsula. And finally, Kim Jong-il himself was
attributed to telling Kim Dae-jung at the summitry that “U.S. forces in Korea are
necessary and help maintain the stability of Northeast Asia” (The Hankook Ilbo,
10. Special envoy Jo’s visit with Clinton at the White House on October 10, 2000, was
truly a landmark event, breaking one of the few remaining Cold War barriers. Though
not initially substantive in terms of concrete results, the meeting’s historic significance
should be found in the fact that it has taken place. North Korea’s military has been
most hostile to the U.S. and is seen to have the potential veto power over Kim Jong-il’s
courtship with the West. The image of Jo in uniform shaking hands with Clinton is a
loud announcement to the world, and the entire spectrum of North Korean society, that
Pyongyang has won America’s friendship.
11. One such critic is Rep. Benjamin Gilman, Chair of the House International
Relations Committee, who argues that the unconditional support given to North Korea
would simply increase its threat to the neighbors (The Chosun Ilbo, November 13,
1999).
12. Le Duc Tho declined the prize.
13. An exception could be the 1971 award to Willy Brandt for West Germany’s
Ostpolitik. As it was a unilateral change in the attitude towards East Germany and
Eastern Europe, there was no counterpart who reciprocated Brandt’s initiative.
14. Kim Il-sung had agreed to a summit talk with Kim Young-sam in the summer of
1994. His death put a hold on the summitry ever since.
15. Conceivably, some in the North may worry about the Vietnamese experience in
which the award-winning peace negotiation was quickly followed by the fall of Saigon.
But they need to be reminded that it was Kissinger, not a South Vietnamese, who
represented South Vietnam in the negotiation. Again, a more applicable model should
be the PLO-Israeli peace negotiation.
Economic Recovery in the DPRK
Status and Prospect

Nicholas Eberstadt

Introduction
Early in September 2000, a front-page story in the Washington Post nicely captured the newly prevailing view among international "North Korea watchers" concerning the DPRK economy's current condition and immediate outlook. The article, titled "North Korea Back From The Brink", reported that "[visitors and other analysts] say the North Korean economy is growing for the first time in nine years, the mass starvation is over....". It remarked upon "nascent signs of recovery—more traffic on the roads, more livestock in the fields, peasants who look healthy." The story further noted that the Republic of Korea Bank of Korea (BOK) recently "concluded—with some surprise—that the North's economy grew last year by a sustainable 6.2 percent, the first growth since 1990", and quoted the South Korean central bank as stating that "it's reasonable to predict that the worst is over for the North Korean economy".

Has the North Korean economy already turned the corner? Is it today rebounding from the tribulations of the 1990s? Is it poised for recovery and development in the years just ahead?

Stabilization and improvement of the North Korean economic situation, of course, is an outcome that diverse contingents within the international community are currently longing for, and hoping to see. In humanitarian circles, economic revitalization is correctly regarded as the only means by which the DPRK can manage to feed its own populace, and bring the country's food crisis—which has already claimed a still-unknown toll of life, and occasioned an international food-relief effort now entering its sixth consecutive year—to a decisive close. To many stewards of security policy, North Korea's economic recovery and rehabilitation is taken to be a necessary step along the path that would lead to the ultimate success of the present US-ROK-Japan policy of "engagement" with Pyongyang: by such reasoning, North Korean leadership cannot be expected to accept the far-reaching
changes in international behavior the “Perry Process” would envision for it so long as its system verges on economic collapse. And for proponents of Korean reunification, revitalization of the DPRK economy offers the possibility that the socio-economic chasm between the North and the South—a gap that has been widening for at least a generation—may at last begin to narrow, so that an eventual reintegration of the two Koreas might prove a less wrenching and expensive proposition than it would look to be today.

For a multiplicity of responsible and respectable reasons, then, many specialists and policymakers who concern themselves with North Korean affairs today are wishing for an upturn in the North Korean economy—and tend therefore to be especially alert to those indications and emanations that would seem to corroborate and validate their hopes. Such an approach to problems is entirely human and completely understandable. Yet whatever else may be said about such an approach, it cannot provide a sound basis for objective economic analysis.

In the following pages, I will attempt to make the case that it is still premature to speak of the stabilization of the North Korean economy, much less its recovery. Analysis of the DPRK economic situation, I will argue, must draw the crucial distinction between artificial improvements in living standards due to foreign subventions on the one hand and augmentation of value added due to increased domestic productivity or resource mobilization on the other. Empirical evidence of the latter, I will argue, is still extremely limited. Evidence of an economic stabilization or recovery, moreover, is counterbalanced by other evidence—some of it quantitative and relatively reliable—that bears directly on the development of the DPRK national economy but appears to be inconsistent with the vision of an economic turnaround. Finally, I will argue that the scope for an economic revival in the DPRK in the years immediately ahead will be constrained by a problem “North Korea watchers” do not seem to have fully considered: degradation of the country’s human resources. By some quantitative indications, North Korea would appear to have suffered a severe depletion of human capital during its prolonged economic crisis—a depletion perhaps most acute among its young and rising cohorts. Even if the DPRK were to embrace a more pragmatic economic regimen, the productivity improvements elicited by such a shift might be limited for a number of years by the reduced capacities of the North Korean population.

Perceptions and Evidence of a North Korean Economic Revival

As participants in this symposium will readily appreciate, it is a more problematic challenge to assess the economic performance of the
DPRK than that of any other country on the face of the earth today. The difficulty does not derive primarily from the distinctive and idiosyncratic structural characteristics of North Korea’s “own style of socialism” [urisik sahoejui], although these assuredly complicate the analysis. The central problem is that the DPRK has waged a four-decade long campaign against the release to the outside world of any information that might permit observers to draw independent conclusions about the performance of the North Korean system. It is a campaign the government has prosecuted with remarkable success. As a consequence of this campaign, vastly less quantitative economic information is available about North Korea than for any contemporary country in Asia—very possibly, indeed, less than for any other modern-day, low-income country. Certainly no other urbanized and literate society has ever experienced an enforced statistical blackout of such intensity and duration. Moreover, in the wake of this prolonged suppression of official data and Pyongyang’s extreme politicization of economic life, the DPRK’s own capability to compile reliable numbers for its own internal use is open to question. It is not self-evident that North Korea’s statistical organs can present an accurate picture of socio-economic conditions and trends to the country’s own leadership.  

Thanks to Pyongyang’s relentless war against official statistics, in sum, analysis of the DPRK economy must rely to an extraordinary degree upon intuition, perception, anecdote and inductive reasoning (that is to say, exercises in logic supported by a presumed array of “stylized facts”). Under such circumstances, what the DPRK leadership says and indicates about the condition of its national economy weighs heavily as evidence. And the North Korean government has been talking as if its economy were stabilizing, and recovering, for the past two years.

Pyongyang’s tone of economic confidence can be dated to the September 1998 Supreme People’s Assembly (SPA), when Kim Jong Il formally acceded to the DPRK’s “top position of state”.  

At that gathering, the era of the “Arduous March”—as the time of troubles following Kim Il Sung’s death had been designated—was officially declared to be over. With Kim Jong Il’s public elevation to supreme leadership, the country had embarked on the path to becoming a “rich and powerful state” [Kangsong Taeguk]—the slogan adopted to describe the epoch ahead.

Over the following two years, North Korean officialdom and their media outlets have repeatedly asserted that the worst of the economic crisis is over, and that the national economy is on the upswing. A few illustrations will suffice. In April 1999, at the annual SPA gathering, the DPRK Finance Minister announced that state budget totals for 1998
exceeded those for 1997; she proclaimed that “the finance of the country took a new road of advance last year.... The forced march of socialism [has been brought] to a successful end.” Some months later, in its authoritative annual Joint New Year’s Day editorial, the North Korean government acknowledged that “Our economy is still in a difficult condition”, but announced that 1999 was a historic year in which a great turn was made in the building of a powerful nation.... Over the last couple of months, we have ridden out the unprecedented hill of trials... Under the torch of Songgang, we waged vigorous struggles to bring about a product-upsurge in various fields of the people’s economy.... Last year [i.e., 1999] the solid foundation for a powerful nation was made and we grew strong enough to make a quicker advance in the future. 

At the April 2000 SPA meeting, the DPRK Finance Minister reported the budget results for 1999, and declared they were “evidence that the economy has begun to recover.” And by summer 2000, the DPRK’s Kim Jong Il had personally informed Hyundai group founder Chung Ju-yung that the North Korean economy grew by 6 percent in 1999—and could grow 20 percent a year “if inter-Korean cooperation is further activated.”

In the outside world, the interpretation that current events signaled a North Korean economic turnaround began to gather in the middle of 1999. Again, a few illustrative examples must suffice. In May 1999, Ambassador Charles Kartman, U.S. Special Envoy for the Korean Peace Talks, presumably drawing upon the intelligence sources at his disposal, told an audience at the Korea Society that “the DPRK economy hit its trough months ago.” In August 1999, the ROK Korea Trade and Investment Promotion Agency (KOTRA) noted that the DPRK had, for several months, ceased denuding its forest land to sell logs to China in exchange for foodstuffs—a development taken to suggest that North Korea’s “serious food shortage has been mitigated.” In December 1999, Yonhap news agency reported that Kim Jong Il appeared to be pleased with his country’s economic performance in 1999 because he conducted more “on the spot guidance” visits in economic sectors than in the previous year—and was filmed smiling on several of those occasions. That same month, the Korea Development Institute (KDI) noted that a commentator for pro-DPRK publications in Japan had written that the North Korean economy had “bottomed out between October and November 1998, [and] has now entered a rapid recovery phase.” In January 2000, the ROK Ministry of National Unification released a paper concluding that the North Korean economy turned around and grew “a little bit” in
In March 2000, the *New York Times* stated that “[l]ast year, the [North Korean] economy is believed to have grown slightly, for the first time in a decade”\(^\text{14}\). That same month, a survey of research institutes in Seoul by the *Korean Economic Daily* suggested that “North Korea’s gross domestic product (GDP) grew by up to three percent last year”.\(^\text{15}\) And in June 2000, as already mentioned, the ROK Bank of Korea put North Korea’s 1999 GDP growth at 6.2 percent.

**The Bank of Korea’s 1999 GDP Estimates for the DPRK**

Since the BOK’s annual report on the North Korean GDP constitutes the most detailed and painstaking quantitative estimate of the economic performance of the DPRK currently published, we should review its results and the method by which they were derived.

The BOK has never laid out all the particular points of its methodology, but it has described the approach in general terms. Using classified information from the ROK intelligence service, the BOK assembles several dozen separate physical production (and demographic) indicators that are meant to represent performance in various sectors of the DPRK national economy.\(^\text{16}\) The BOK then applies the ROK relative prices to these vectors to obtain implicit cost structures and thereby to calculate value added (in ROK won). These computations thus offer not only an estimate for value added in the economy as a whole, but also for the level and trend of value added in the economy’s major subsidiary components.

Table 1 presents the results of the BOK’s June 2000 study. By the BOK’s reckoning, output in North Korea’s service and government sectors slumped in 1999, but value added in agriculture, manufacturing and mining, and construction were up sharply over 1998, with especially pronounced gains in construction (over 24 percent) and agriculture (over 9 percent). Elaborating upon its results, the study explains that North Korea’s sharp rise in GDP over 1998 “was mainly thanks to an increase in grain production and the expanded support by South Korea and international community”.

Since neither the finer points of the BOK’s methodology nor the detailed physical indicators utilized are in the public domain, it is impossible to attempt to reproduce these results. One may, nevertheless, highlight three important issues in the BOK’s approach, each of which could strongly affect calculated GDP totals.

The first is the particular choice of physical production data series. In a society as closed as the DPRK, the exact levels of annual output for various commodities are far from obvious; even for primary and homogeneous North Korean commodities, output estimates differ appreciably among ostensibly informed outside sources. In attributing
TABLE 1: BOK Estimates of North Korea's GDP Growth Rates
(Unit: % per year)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>2.7</td>
<td>-10.4</td>
<td>0.5</td>
<td>-3.8</td>
<td>4.1</td>
<td>9.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-3.7</td>
<td>-5.2</td>
<td>-8.9</td>
<td>-16.8</td>
<td>3.1</td>
<td>8.5</td>
</tr>
<tr>
<td>Construction</td>
<td>-26.9</td>
<td>-3.2</td>
<td>11.8</td>
<td>-9.9</td>
<td>-11.4</td>
<td>24</td>
</tr>
<tr>
<td>Services</td>
<td>2.4</td>
<td>1.7</td>
<td>1.1</td>
<td>1.3</td>
<td>-0.5</td>
<td>-2</td>
</tr>
<tr>
<td>(Government)</td>
<td>-3.3</td>
<td>2.8</td>
<td>1.8</td>
<td>2.2</td>
<td>-0.3</td>
<td>-4.5</td>
</tr>
<tr>
<td>Overall GDP Growth Rate</td>
<td>-2.1</td>
<td>-4.1</td>
<td>-3.6</td>
<td>-6.3</td>
<td>-1.1</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Source: Bank of Korea, June 2000

A major increase in cereal production to the DPRK in 1999, the BOK used a grain harvest number of 4.22 million tons. That figure happens to be very close to the 4.28 million ton claim for 1999 by the DPRK's Assistant Minister of Agriculture (tendered to the FAO in Rome in November 1999).\(^{17}\) It would be distinctly higher, however, than the estimate of South Korea's own Rural Development Administration, which was expecting the DPRK to produce 3.9 million tons of grain in 1999\(^ {18}\) — and it would be far above the 3.4 million tons that the UN Office for Coordination of Humanitarian Affairs believes the DPRK harvested that year.\(^ {19}\) The UN Food and Agriculture Organization (FAO), incidentally, reports that North Korean cereal production fell by over 9 percent in 1999 (to 4.0 million tons from 4.4 million tons in 1998).\(^ {20}\) Although precise figures cannot be calculated without access to the BOK model, it would appear that entering those FAO estimates in the place of the ROK intelligence service numbers for grain output could virtually eliminate the BOK's entire calculated increase in North Korean GDP for 1999.
A second issue regards the use of the ROK price and cost structure in computing value added within the North Korean national economy. By embracing the South Korean relative price structure, the BOK approach also implicitly posits for the DPRK the same relationship between gross output, intermediate output, and net value added as obtained within the various sectors of the ROK economy. Unfortunately, there is little reason to expect this presumption to hold up in practice. Among other problems, socialist centrally-planned economies are famously less adept at economizing the use of inputs than their market-oriented sisters: for any given branch of the economy, *ceteris paribus*, the ratio of value added to gross output would be expected to be characteristically lower in the Communist system. Even if the BOK’s physical production estimates accurately tracked changes in commodity output, the risk of biasing upwards consequent estimates of sectoral value added would loom large. (Examination of these potential biases might seem especially *a propos* for the DPRK construction sector—a branch of the economy evidently deemed severely inefficient even by North Korea’s own leadership, but accorded a 20-plus percentage point leap in annual output in 1999 under the BOK methodology.)

The third, and possibly most vexatious, issue regards the treatment of the external economy (including transfers from abroad) in the calculation of DPRK gross domestic product.

In the national accounts framework, “gross domestic product” has a very specific, conceptual meaning. In their classic text on national accounts and national income analysis, Ruggles and Ruggles spell this meaning out:

> [GDP] takes for its frame of reference the production occurring within a geographic area, irrespective of whether the productive resources in question are owned by the nationals of that area or not.…. *The focus of gross domestic product is the productive activity taking place within designated boundaries*. …From a statistical point of view the shift in coverage from gross national product to gross domestic product will…affect exports and property income received…and imports and property income paid…. *In measuring gross domestic product, property income received from and paid to abroad must be excluded from consideration*, so that only imports and exports will appear on the sources side of what will now be the Gross Domestic Income and Product Account. [emphasis added]

To arrive at gross domestic product, in other words, one must adjust local product not only to reflect the net balance of trade, but also to accord for the net international flow of “property income” (or as we would say today, factor income). Yet for North Korea, this is no easy
task. To accomplish those very calculations, we would require: a) reliable estimates of the DPRK’s net balance of trade; b) reliable figures on North Korea’s net factor income from abroad; and c) a reliable exchange rate at which to convert these foreign balances into domestic resource values.

With regard to the net balance of trade, a formal calculation of GDP for the DPRK presupposes that local product be reduced by the amount of North Korea’s perennial balance of trade deficit (however accurately that annual sum can be reckoned). The BOK indicates that it attempts a national accounts tally for North Korea within the framework of the United Nations’ System of National Accounts (SNA)—an approach which posits that the various accounting identities be linked (with accounting linkages that include transactions with the rest of the world). Whether the BOK actually computes those full identities, and attempts to incorporate North Korea’s net trade balances into these national accounts calculations, however, is not at all clear from the published materials the BOK has circulated to date.

Then there is the question of “net factor income from abroad”. Exactly how, say, the United States’ 1999 commitment of 600,000 tons of food aid to the DPRK should be treated in the national accounting framework is not entirely clear. The United States maintains that transfer was a humanitarian gift, whereas the DPRK has always insisted that it was a “fee” for the privilege of visiting the underground Kumchon-ri facility.22 If the North Korean line is accepted, those payments (and others generated by extortionate diplomacy) might arguably be akin to “net factor income from abroad”—and thus would be subtracted from output in determining GDP. On the other hand, if the inflows of aid that North Korea has absorbed over the past years are categorized as gifts, the logic of GDP calculations would suggest that they still be subtracted from total product precisely to the degree that they finance imports.23 Either way, the foreign exchange value of transfers from abroad must be deducted from local production totals if the level of gross domestic product is to be established.

Exactly how should they be deducted, though? By calculating North Korean GDP in ROK won, the Bank of Korea attempts to circumvent the medium of exchange question for the North Korean economy. While the approach may solve the immediate computation problem, it only finesses the underlying conceptual problem. With the United States dollar reportedly trading against the DPRK won for 50 to 100 times the officially fixed rate in Najin-Sonbong and other areas of the country in recent years24, it is apparent that the domestic resource value of foreign exchange in North Korea is vastly higher than is implied by officially-established exchange rates that link the dollar, the
ROK won, and the DPRK won. Thus, a full adjustment to factor out
foreign aid, "property income from abroad", and other components of
the country’s balance of trade deficit could have an even greater impact
in reducing calculated gross value added in the DPRK than the BOK’s
ostensible approach would indicate.

Net infusion of foreign resources into the DPRK system on a
significant scale, indeed, may constitute the main conceptual rub
against the current attempt to calculate accurate trends for the North
Korean GDP. Unless those infusions are accounted for, calculated GDP
will be exaggerated—possibly quite significantly. If
external transfers are on the increase—as they apparently have been for
the DPRK during the past few years—trends could be biased upward
correspondingly. The BOK analysts indicate that they recognize this
problem when they identify “expanded support by South Korea and the
international community” as one of the two principal factors accounting
for their computed increase in 1999 GDP for the DPRK. But it is by no
means clear that their effort distinguishes between increased domestic
generation of economic output and the elevation of local (individual
and governmental) consumption levels due to foreign aid—or can even
manage to do so.

Additional Indicators of Performance in the DPRK Macroeconomy

As we have just seen, the proposition that North Korea’s GDP is in
the process of stabilization and recovery is built upon fragile evidence
and a somewhat tenuous methodology. But additional empirical
evidence on the performance of the DPRK is also available. This
evidence includes the two most reliable quantitative sources of data
about the North Korean economy. There is an inescapable measure of
ambiguity in any interpretation of these data and reports. On their face,
however, the trends reflected by these additional indicators would not
appear to square with economic stabilization and recovery. To the
contrary: they could be read more easily as signs of continuing
macroeconomic weakness and decline.

Trade Performance. Although North Korea does not release trade
data, North Korean export and import performance can be recon-
structed, after a fashion, by compiling reports by its trading partners on
their sales to and purchases from the DPRK. Such “mirror statistics”
are used by KOTRA and the Government of Japan’s Japan External
Trade Organization (JETRO) to estimate global export and import
trends for the DPRK. (For a variety of technical reasons, these trade
trends are calculated in current United States dollars—a constant long-
term trade series for the DPRK is not available.) Their estimates for
North Korean trade trends over the years 1989–99 are presented in
**Table 2: North Korean Exports and Imports: 1990 – 1999**

*all numbers are in US$ million*

<table>
<thead>
<tr>
<th>Year</th>
<th>KOTRA Export Estimates</th>
<th>JETRO Export Estimates</th>
<th>KOTRA Import Estimates</th>
<th>JETRO Import Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>1559</td>
<td>1960</td>
<td>2519</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>1116</td>
<td>995</td>
<td>1716</td>
<td>2760</td>
</tr>
<tr>
<td>1992</td>
<td>1290</td>
<td>1651</td>
<td>1510</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>980</td>
<td>1628</td>
<td>1770</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>979</td>
<td>1287</td>
<td>1250</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>850</td>
<td>1380</td>
<td>1440</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>791</td>
<td>1320</td>
<td>1340</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>1030</td>
<td>1387</td>
<td>1470</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>644</td>
<td>1013</td>
<td>1170</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>597</td>
<td>1177</td>
<td>1210</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. As can be seen, JETRO and KOTRA estimates of North Korea’s trade trends track very closely. Both series indicate a severe deterioration of North Korean trade performance during the decade under consideration. Between 1990 and 1999, according to both series, total DPRK trade turnover plummeted by an estimated 62 percent or more.

According to both series, however, a consequential portion of this trade collapse occurred in the last couple of years. Between 1997 and 1999, according to both KOTRA and JETRO estimates, DPRK trade turnover fell by well over 25 percent. By virtually any definition, a sudden contraction of trade volume on such a scale would qualify as a "trade shock"—and a severe one.

A severe trade shock does not automatically preclude the possibility of stabilization and growth of a national economy—as the economic histories of the major combatant powers in World War II clearly attest. In those cases, however, output growth depended upon a shift to a wartime economic footing and a militant mobilization of theretofore unutilized or underutilized factors of production—an option not
obviously open to the already hyper-militarized North Korean command economy in 1997.

Between 1997 and 1999, according to KOTRA’s estimates, the nominal dollar volume of North Korea’s imports fell by over fifteen percent; by JETRO’s reckoning, imports declined by over 17 percent. That drop in estimated import levels, we should note, took place despite an evident rise in Western aid (i.e., import finance) during those same years. All other things being equal, a sharp drop in measured imports would be expected to create supply constraints in a national economy—and thus to constrain output, rather than stabilize or stimulate output.

Export performance should also provide some insight into the state of the macroeconomy. For the DPRK, indeed, export trends may be especially informative: their level and direction depend rather less upon external subsidies and supports than those of imports. According to both JETRO and KOTRA estimates, the nominal dollar value of North Korean global exports dropped by about three eighths between 1997 and 1998—and then dropped still further in 1999. KOTRA and JETRO both estimate the nominal drop in DPRK exports over the 1997-99 period at about 42 percent.

*State Budget.* The returns from the DPRK state budget are the only official economic data that the North Korean government releases on a regular basis.⁷⁷ On the basis of those reports, it is possible to calculate the annual growth in total state expenditures in nominal DPRK won—a number that reflects, in some fashion, changes in the national economy.

Reported and projected annual changes in state expenditures for the 1980 – 2000 period are presented in Table 3. Between 1980 and 1985, North Korea’s nominal state expenditures rose at a pace of 8.6 percent per year. The tempo was 5.4 percent a year for 1985 – 90, and 3.8 percent a year for the years 1990 – 94.

For 1998, Pyongyang announced a total increase in expenditures of just 0.4 percent over 1997. In April 1999, the DPRK Minister of Finance projected a 1.8 percent increase over 1998 in state budget expenditures;²⁸ however, the final report on the 1999 budget indicated that expenditures in this twenty billion won account had increased by just three million won—that is to say, by 0.015 percent. The DPRK Finance Minister is currently projecting 1.9 percent growth in the state budget for the year 2000.²⁹ If this target is achieved, the DPRK’s nominal state expenditures will increase by an average of under 1 percent per annum for the 1998-2000 period.

We must wonder: if state budgetary expenditures grew by over five percent a year in the late 1980s (a period, it is now widely believed, of
Table 3: DPRK State Budget's Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Expenditures (billion NK won)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>18.139</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>20.684</td>
<td>14.03%</td>
</tr>
<tr>
<td>1982</td>
<td>22.68</td>
<td>9.65%</td>
</tr>
<tr>
<td>1983</td>
<td>24.384</td>
<td>7.51%</td>
</tr>
<tr>
<td>1984</td>
<td>26.551</td>
<td>8.89%</td>
</tr>
<tr>
<td>1985</td>
<td>27.439</td>
<td>3.34%</td>
</tr>
<tr>
<td>1986</td>
<td>28.539</td>
<td>4.01%</td>
</tr>
<tr>
<td>1987</td>
<td>30.337</td>
<td>6.30%</td>
</tr>
<tr>
<td>1988</td>
<td>31.906</td>
<td>5.17%</td>
</tr>
<tr>
<td>1989</td>
<td>33.608</td>
<td>5.33%</td>
</tr>
<tr>
<td>1990</td>
<td>35.656</td>
<td>6.09%</td>
</tr>
<tr>
<td>1991</td>
<td>37.194</td>
<td>4.31%</td>
</tr>
<tr>
<td>1992</td>
<td></td>
<td>6.24%</td>
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<tr>
<td>1993</td>
<td>40.243</td>
<td>2.40%</td>
</tr>
<tr>
<td>1994</td>
<td>41.442</td>
<td>2.98%</td>
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<tr>
<td>1995</td>
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<td>1996</td>
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<td></td>
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<tr>
<td>1997</td>
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<td></td>
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<tr>
<td>1998</td>
<td>20.015</td>
<td>0.40%</td>
</tr>
<tr>
<td>1999</td>
<td>20.018</td>
<td>0.015%</td>
</tr>
<tr>
<td>2000</td>
<td>20.405</td>
<td>1.93%</td>
</tr>
</tbody>
</table>


near-stagnation in the DPRK economy) and by almost four percent a year in the early 1990s (a time when the economy was in sharp decline, even by Pyongyang’s admission), what does it mean for the macroeconomy when the DPRK state budget is recording an expenditure rise of less than one percent per year?

Again: we should stress that slow growth in the DPRK's nominal state expenditures would not necessarily be antithetical to stabilization and growth for the North Korean macroeconomy. One can hypothesize conditions under which those two trends could be consistent: for example, with a decline in overall domestic price levels, or with sharp
differential growth between the country’s market economy and its state economy.

In the DPRK’s shortage-and-requisition system, however, price levels (if this term can be used meaningfully under such conditions) are most unlikely to be in decline, owing to the perpetual imbalance between supplies and demand. We cannot dismiss out of hand the possibility that non-state sectors of the North Korean economy are growing rapidly even though the “people’s economy” is not. (A recent BOK study, for example, reportedly concluded that underground and other market-style economic activities had come to account for 27 percent of North Korea’s Gross National Income.30) But when DPRK leadership (and Bank of Korea national accounts analysts) talk of the stabilization and recovery of the North Korean economy, it is the formal “people’s economy” to which they refer—and Pyongyang has not yet countenanced any development of a non-state market sector. Quite the contrary: with its April 1999 “Law of People’s Economic Plans”, Pyongyang strictly reaffirmed that “The DPRK economy is a planned one based on socialist ownership of the means of production”, and that “It is the consistent policy of the DPRK to manage and operate the people’s economy under centralized and unified guidance”.31

How the extremely slow growth in reported state expenditures—a fact officially acknowledged by Pyongyang—is to be reconciled with the vision of a stabilizing or recovering national economy is not immediately obvious.32

Energy Shortages. The third indicator of economic performance to be considered is not quantitative in nature, but it has been officially mentioned by the North Korean government. These are the recurrent reports during the past year of severe power shortages in the national economy.

Once again, a few illustrative citations must exemplify the many. In January of this year, Nodong Sinmun wrote of the need to solve the country’s “acute power shortages”—a problem the editorial ranked alongside the country’s food shortages.33 In February, Pyongyang’s Korea Central News Agency (KCNA) declaimed that “Never before in the history of Korea has there been such power shortage as today. This is adversely affecting the overall economic life in the DPRK”.34 In March, the vice Minister of the DPRK Power and Coal Industries “revealed” (in the words of a KBS broadcast summarizing a Nodong Sinmun article) that electricity is not being sent sufficiently to mines, metal, chemical, and railways sectors and electricity for residents are not being supplied appropriately. Vice-Minister O Kwang-hum said that hydroelectric power stations are not being operated due to small amount of rain and thermoelectric power stations are not being operated
appropriately due to lack of coal.\textsuperscript{35}

And in April, ROK Prime Minister Park Tae-joon reported that North Korean officials had urged the United States to pressure South Korea to provide the DPRK with electricity.\textsuperscript{36}

As with so many other things North Korean, there is no single straightforward explanation for these external soundings. Official lamentations about "power shortages" could simply be part of a paper trail that would bolster the North Korean government's brief for pressing the United States and KEDO for additional "compensation" for purportedly foregone energy supplies from its currently shelved graphite-modulated nuclear reactors at Yongbyon. And it is clearly the case that North Korean authorities are fixing to demand additional aid from the United States and the KEDO consortium should Washington and KEDO fail to provide the operating light water nuclear reactors that the "Agreed Framework" had initially envisioned as functioning on DPRK soil in the year 2003.\textsuperscript{37} On the other hand, much of the North Korean commentary about energy shortages has focused upon failures due to hydro-electric and coal-industry shortages (\textit{pace} the BOK's imagined surge in North Korea's mining industries!)—problems for which neither the United States nor the KEDO consortium could plausibly be held liable.

Perhaps more pertinently, "energy shortages" could also signify a resurgence of (unfulfilled) demand by revitalized North Korean industrial sectors, and thus augur a recovery of the DPRK national economy. But insofar as anecdotal accounts by foreigners have pointed to an increasing frequency of "blackouts" in the privileged sectors of the country in which they are permitted to reside or travel\textsuperscript{38} — and given the inevitable loss of transmission efficiency that might be expected in any national energy grid poorly maintained over long periods of time—it is by no means self-evident that the current alleged "energy shortage" in North Korea is a demand-side problem alone.

By themselves, the data on trade performance or state outlay growth—or the reports of increasing energy shortages in the national economy—might be dismissed as all-too-familiar inconsistencies in an always-confusing North Korean tableau which nevertheless pointed on balance toward stabilization and upturn in the DPRK's gross domestic product. Taken together, they are not so easily discounted. The seeming contradiction between these poor macroeconomic soundings and the many more optimistic reports by "North Korea watchers" on current economic conditions in the DPRK can be resolved, however, if one considers the role of external assistance in raising living standards and government consumption. A little-noticed KOTRA report in January 2000 may have grasped the essence of this contradiction: it
warned that "despite signs of recovery after bottoming out last year, [N]orth [K]orea's economy will fare badly or worsen this year without assistance from [S]outh [K]orea and other countries...and that the likelihood still exists of a relapse if international assistance decreases". 39

Prospects for Economic Growth in DPRK

The analysis presented thus far has attempted to raise questions about the soundness of the emerging consensus among informed students of North Korean affairs that the DPRK economy has "bottomed out" and is today in the beginnings of a recovery. It is of course possible that genuine stabilization and recovery for the DPRK economy could be achieved—if North Korean leadership could acquiesce in the policies that could bring about such a revitalization. 40 What may not have been adequately considered by outside observers in contemplating such a prospect, however, is the enduring toll that North Korea’s years of extreme economic crisis may exact on its future workforce, even under a more auspicious policy environment than can be imagined in the country today. For disturbing indications are now emerging to suggest that North Korea’s long-standing food crisis, its dire famine of the late 1990s, and its governmental disregard of the social welfare of the non-privileged majority of its populace may have had a severe impact on the country’s human resource base—and in particular, upon the surviving children who will be the workers of tomorrow.

Just how disastrous in human terms the DPRK’s recent crises may have been is impossible to say—for all the cruelly familiar reasons noted earlier. One indication of the impact of these crises, however, is available from the UN World Food Programme/UNICEF/European Union nutrition survey of late 1998—a project framed and implemented with assistance from the US Centers for Disease Control and Prevention (CDC). 41 The survey attempted to conduct a truly random anthropometric survey of the nutritional status of children in North Korea—a venture which begs the unanswerable question of its actual success in so doing. The results from the survey, however, are arresting. [See Tables 4 and 5.]

According to those results, for example, 7-year-old boys in North Korea would currently be fully 20 centimeters shorter, and almost 10 kilograms lighter, than their counterparts in South Korea. If those figures are even roughly representative, North Korean boys today are far smaller than South Korean boys were in the mid-1960s, three and a half decades ago. Indeed: to go by those survey results, and earlier anthropometric surveys from the Koreas, North Korean boys today
TABLE 4: Average Height of 7-Year-Old Boys, ROK and DPRK
(centimeters)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROK</th>
<th>DPRK</th>
<th>Year</th>
<th>ROK</th>
<th>DPRK</th>
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<td></td>
<td>1984</td>
<td>121.4</td>
<td></td>
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<tr>
<td>1967</td>
<td></td>
<td></td>
<td>1985</td>
<td>122.1</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td></td>
<td></td>
<td>1986</td>
<td>122.3</td>
<td></td>
</tr>
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<td>1969</td>
<td></td>
<td></td>
<td>1987</td>
<td>122.7</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>117.9</td>
<td></td>
<td>1988</td>
<td>123.1</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td></td>
<td></td>
<td>1989</td>
<td>123.5</td>
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<td>1972</td>
<td></td>
<td></td>
<td>1990</td>
<td>123.8</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td></td>
<td></td>
<td>1991</td>
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<td></td>
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<td>1982</td>
<td>120.9</td>
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</table>

would not only be littler than boys from then-impoverished South Korea at the time of the Korean war (1953), but would also be smaller and slighter than their forebears in the Korean war in 1913-22 — almost eight decades ago, in the era of Japanese colonialism.

By such indications, it would appear not only that the youngest generation in North Korea has failed to thrive, but that it has actually suffered a terrible physiological retrogression. We must wonder whether this reported maiming of North Korea’s youth may not also be a proxy for the reduction in its human capital, and its economic capabilities.

To be sure: we have long known that it is possible to be “small but healthy”, to borrow a phrase from David Seckler.42 But in large populations, what concerns us is not individual cases, but rather the odds. For North Korea’s younger generation, the odds against human
Table 5: Average Weight of 7-Year-Old Boys, ROK and DPRK
(Kilogramss)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROK</th>
<th>DPRK</th>
<th>Year</th>
<th>ROK</th>
<th>DPRK</th>
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<td>1985</td>
<td>22.8</td>
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<td>1968</td>
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<td>1986</td>
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<td>21.4</td>
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<td>1988</td>
<td>23.7</td>
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<td>1971</td>
<td></td>
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<td></td>
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<td>1990</td>
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<td>1973</td>
<td></td>
<td></td>
<td>1991</td>
<td>24.6</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>21.7</td>
<td></td>
<td>1992</td>
<td>24.8</td>
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<td>1975</td>
<td>21.1</td>
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<td>1982</td>
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</tr>
</tbody>
</table>

capital formation appear to have been worsened not just by under-nutrition, but by educational neglect. Data on the DPRK educational system are of course all but unavailable to outsiders. In August 2000, however, Matsuura Koichiro, the head of UNSECO, visited the DPRK and reported at the conclusion of his visit that up to 40 percent of the country's elementary-school-age children currently were not receiving an education. 43

Today's elementary school children will be tomorrow's working age population. Table 6 illustrates this inexorable progression. In the year 2000, by US Bureau of the Census projections, the cohort aged 15-24 would constitute 22.8 percent of the total population of "working age" (conventionally, arbitrarily, and not unreasonably defined as ages 15-64). Ten years from now, the 15-24 group is anticipated to account for a slightly larger portion of North Korea's "working age" population. The fifteen to twenty-four-year olds of 2010, however, were born
between 1986 and 1995: that is to say, the eldest of that grouping were nine years old when Pyongyang first officially acknowledged its hunger emergency in 1995—and the youngest in that cohort were born into the food emergency, and knew nothing but that emergency as infants, toddlers and young children.

We can only wonder about the economic potential of this vulnerable group in the North Korean population. Policies can change and sometimes do—even radically. Human capabilities, unfortunately, are typically less prone to sudden melioration. As we look for a brighter economic future for North Korea, we should not forget that the DPRK's grim past may continue to punish future populations for years after the regime's most destructive economic policies are abandoned.

### Table 6: North Korean Population 2000 – 2010

<table>
<thead>
<tr>
<th></th>
<th>Male-2000</th>
<th>Female-2000</th>
<th>Male-2010</th>
<th>Female-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 4</td>
<td>886,938</td>
<td>846,469</td>
<td>863,242</td>
<td>823,407</td>
</tr>
<tr>
<td>5 to 9</td>
<td>985,575</td>
<td>930,118</td>
<td>981,635</td>
<td>937,466</td>
</tr>
<tr>
<td>10 to 14</td>
<td>970,737</td>
<td>928,619</td>
<td>881,164</td>
<td>842,593</td>
</tr>
<tr>
<td>15 to 19</td>
<td>894,757</td>
<td>862,449</td>
<td>980,914</td>
<td>927,940</td>
</tr>
<tr>
<td>20 to 24</td>
<td>810,703</td>
<td>791,678</td>
<td>963,357</td>
<td>925,444</td>
</tr>
<tr>
<td>25 to 29</td>
<td>978,090</td>
<td>977,339</td>
<td>885,822</td>
<td>858,153</td>
</tr>
<tr>
<td>30 to 34</td>
<td>1,083,794</td>
<td>1,080,367</td>
<td>800,760</td>
<td>786,364</td>
</tr>
<tr>
<td>35 to 39</td>
<td>879,136</td>
<td>882,282</td>
<td>962,764</td>
<td>968,122</td>
</tr>
<tr>
<td>40 to 44</td>
<td>707,720</td>
<td>724,060</td>
<td>1,059,543</td>
<td>1,065,370</td>
</tr>
<tr>
<td>45 to 49</td>
<td>499,435</td>
<td>529,450</td>
<td>848,316</td>
<td>863,099</td>
</tr>
<tr>
<td>50 to 54</td>
<td>475,876</td>
<td>538,343</td>
<td>666,866</td>
<td>698,854</td>
</tr>
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<td>55 to 59</td>
<td>496,751</td>
<td>590,913</td>
<td>453,212</td>
<td>500,831</td>
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<tr>
<td>60 to 64</td>
<td>397,102</td>
<td>525,213</td>
<td>403,340</td>
<td>491,723</td>
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<td>65 to 69</td>
<td>242,318</td>
<td>402,047</td>
<td>382,254</td>
<td>513,119</td>
</tr>
<tr>
<td>70 to 74</td>
<td>117,854</td>
<td>267,280</td>
<td>264,896</td>
<td>419,820</td>
</tr>
<tr>
<td>75 to 79</td>
<td>57,918</td>
<td>173,696</td>
<td>133,534</td>
<td>284,811</td>
</tr>
<tr>
<td>80+</td>
<td>30,152</td>
<td>122,371</td>
<td>69,069</td>
<td>244,789</td>
</tr>
</tbody>
</table>

Notes


4. According to the revised 1998 DPRK Constitution, Kim Il Sung, though dead, remains the country’s “eternal President”. Kim Jong Il’s highest state post is Chairman of the DPRK National Defense Commission (NDC)—an institution whose authority within the overall state structure is constitutionally ambiguous. In nominating Kim Jong Il for Chairmanship of the NDC, though, SPA Presidium President Kim Yong Nam declared that Chairmanship to be the “highest post of the state”. Thus, Kim Jong Il may be said to rank as North Korea’s highest living functionary.


16. Demographic indicators are used to estimate output of the government and service sectors, since the approach presumes output per worker in these two branches of the economy to be fixed and invariant.
17. Yonhap news service, November 17, 1999; reprinted as “South agency says grain harvests up 40 percent on last year”, BBC Summary of World Broadcasts, November 19, 1999, FE/D696/D.
23. In its original guidelines for National Accounts organization, the OECD specifically stipulated that the export ledger should include “the value of gifts in kind”. [Organization for Economic Cooperation and Development, A Standardized System of National Accounts, (Paris: OECD, 1958), p.75] Conversely, this would mean the receipt of in-kind gifts should be tallied in the import ledger. KEDO transfers (including heavy fuel oil and other materials) and humanitarian relief supplies (food, medicines) are among the items that would presumably qualify for inclusion under “imports” under this line of reasoning.
25. The trend for DPRK trade turnover for 1998/99 is unclear: KOTRA data show an increase, while JETRO data suggest a slight but continuing decrease.
27. Although even the release of these numbers, traditionally announced at the country’s spring SPA gathering, was interrupted with the over-four-year suspension of the SPA in the wake of Kim Il Sung’s death.
32. The economic implications of these trends, in fact, could be even more inauspicious than a cursory inspection of budget totals might initially suggest. Traditionally, the DPRK’s consolidated state budget treated aid from abroad as an item on the revenue side of the ledger; such aid thus directly supported state budgetary...
expenditures. [See, for example, Fujio Goto, Estimates Of The North Korean Gross Domestic Product, 1956-1959, (Kyoto: Kyoto Sangyo University Press, 1990), pp. 182-189.] We cannot yet know whether the DPRK has implemented any major unannounced changes in its budget accounting procedures in recent years. If it has not, however, the slow growth of reported expenditures, in tandem with the relatively rapid growth of aid from abroad, would seem to have ominous implications for the performance of the state economy.

33. KCNA (Pyongyang), January 19, 2000; reprinted as “Economic policy to solve ‘acute’ power shortage and ‘food problem’”, BBC Summary of World Broadcasts, January 26, 2000, FE/W0624/WD2.


40. For a penetrating overview of the issues involved, see Marcus Noland, Avoiding the Apocalypse: the Future of the Two Koreas, (Washington, DC: International Institute for Economics, 2000).


Monitoring the Dynamics of Democratization in Korea
The Korea Democracy Barometer Surveys

Doh Chull Shin
University of Missouri at Columbia

The past decade has witnessed a growth in major efforts to study mass reactions to democratic regime change on a global scale. Since 1991 Professor Richard Rose, of the Center for the Study of Public Policy at the University of Strathclyde in Glasgow, Scotland, has been conducting the New Democracies Barometer surveys and the New Russia and Baltic Barometer surveys to compare the mass experience of democratization in post-Communist countries. Since 1995 Dr. Mata Lagos, of Market Opinion Research International in Santiago, Chile, has been conducting the Latinobarometro surveys on an annual basis to trace and compare the levels and sources of popular support for democracy and democratic reforms in 15 Latin American countries along with Spain. Most recently, in 1999, Professor Michael Bratton of Michigan State University in the United States and Robert Mattes of the Institute for Democracy in South Africa launched the Afrobarometer to map mass attitudes toward democracy, markets, and civil society in a dozen African countries.

What do Koreans think of their new democracy? How broadly and deeply do they support the newly installed institutions and procedures of representative democracy? How actively are they involved in those institutions and procedures? How does their support for and involvement in a democracy compare with what is known in new democracies of other regions? How has their democratic support and involvement changed over the years of democratic rule? The Korea Democracy Barometer (hereinafter KDB) program was launched in 1988 to investigate these and other significant questions concerning the Korean experience of democratization. This was also the year when nearly three
decades of military dictatorships formally ended and the new era of
democratic political life dawned in Korea with the installation of the
democratic Sixth Republic.

Since 1996, the KDB program has joined forces with other
democracy barometer programs to develop questionnaires and
databases that permit inter-regional and inter-continental comparisons
of mass responses to democratization. Through a multi-layered
strategic alliance with research teams in Africa, Asia, Europe, and Latin
America, this ongoing survey research program seeks to provide
meaningful and unique opportunities to bring about the widespread
study of contemporary Korea on a global scale. The purpose of this
article is to introduce the KDB program to the scholarly community and
policy circles by highlighting the key components of its recent surveys.

Conceptual Foundations

The KDB program is designed to systematically monitor and make
known both the institutional and cultural dynamics and substantive
outcomes of democratization in Korea. For a comprehensive and
meaningful understanding of one of the most enduring political
concerns of mankind, the KDB program rejects the static, procedural
notion of democratic politics. In the tradition of Schumpeter (1976),
Dahl (1971) and Huntington (1989), considerable efforts have been
made recently by leading scholars to standardize usage of the term
democracy by confining its defining attributes primarily to the electoral
domain of political life. As a result, there is a growing tendency among
political scientists and development planners to equate democracy with
the occurrence of the mass public’s free, fair, and competitive elections
of political leadership on a regular basis.

In the minds of ordinary citizens in new democracies, however,
democracy is not equated merely with the political procedures featuring
the periodic participation of the mass public in fully contested
elections. Conceptually, for those masses who have suffered a great
deal of political oppression, injustice, and poverty for all or most of
their lives, democracy symbolizes much more than the abolition of
repressive political institutions and the replacement of authoritarian political leaders. Democracy represents opportunities and resources
for a better quality of human life, for “it never systematically adopts a
line of conduct hostile to the majority”. It also represents “a more
equitable and humane society”. As Hahn and Rhyu aptly sum up,
democracy is “an interacting, all encompassing system that is bigger
than any one regime.” In other words, democratization is a movement
that enhances the human lot and constitutes a process of transformation
taking place at the levels of individual citizens, political institutions,
and the political regime itself.

Further, in the KDB program, democracy is not considered merely as a dichotomous phenomenon; instead, it is viewed as a continuous process of change involving a complex system of factors and trajectories. Constantly evolving in phases and at paces over time, democratic change cannot be adequately captured in a few black-and-white snapshots, which are based on a dichotomous view of procedural democracy. A more accurate and meaningful account of Korean democratization requires a broader and dynamic notion of democratic change that continuously occurs in several analytically distinct, but empirically overlapping, stages.

In the logic of causal sequence, these stages may run from the decay and disintegration of authoritarian rule or totalitarianism through the emergence of a new democracy to consolidation of the democratic regime. In reality, however, democratization has often failed to proceed sequentially, and as Diamond correctly sums up, some democracies abort as soon as they emerge while others erode as much as they consolidate. In short, democratization does not proceed in a smooth, linear fashion; it is often subject to a series of crises and reversals. The end product is not always a full or stable democracy. The KDB program is also grounded on the notion that democratization is a political movement to establish popular rule by empowering the demos or people, and it can progress only when the mass public is increasingly in favor of it. A new democracy like the one in Korea, therefore, becomes fully consolidated when a large majority of ordinary citizens embrace it as “the only game in town.” Democracy is government by demos (the people) and, thus, cannot be foisted upon the unwilling for any extended period of time. Among ordinary citizens, those who stop viewing democracy as the best form of government are likely to embrace antidemocratic movements and overthrow a newly installed democratic regime, especially during a serious crisis. When citizens begin to question the legitimacy of their regime, they should be unwilling to oppose any regression to authoritarian rule so that their incipient democratic regime weathers economic crises and other policy failures. When they confer legitimacy on the regime, it can govern effectively by making decisions and commit resources without resort to coercion. When ordinary citizens participate actively in the democratic political process, moreover, political leaders can be restrained and held accountable for their actions. Most importantly, citizen democrats can force, if they so choose, an unwilling leadership to expand democratic rights and opportunities to those excluded from the democratic process by the original contracts, which were negotiated with authoritarian elites during the transition phase. This, in turn, thaws
frozen democracy and helps move it toward its fullest ideals.\textsuperscript{20}

Unlike the earlier stages in which the masses were neither greatly involved nor their attitudes directly relevant, democratic consolidation involves a multitude of new and inexperienced political actors trying to secure their share of benefits from the new regime.\textsuperscript{21} Therefore, consolidation cannot be achieved only by those elites who are "superficially" or "expeditiously" committed to democracy. For a transitional democracy to become a consolidated democracy, citizens must be convinced of the virtues of democracy and play active roles in the process.\textsuperscript{22} "Without public involvement in the process, democracy lacks both its legitimacy and its guiding force".\textsuperscript{23} In other words, there can be no consolidated democracy without democrats both at the top and the bottom of the ladder.

Finally, the KDB program is grounded in the supposition that the progress of democratization can be appreciated and evaluated accurately only by those who experience it on a daily basis. First, ordinary people, experiencing changes in the formal and informal rules of the political game on a daily basis, are the best judges of those changes.\textsuperscript{24} Second, these same people are intellectually capable of perceiving and considering all those changes together for a global assessment of the political regime and culture in which they live.\textsuperscript{25} Repeated surveys of a cross-section of the adult population over time, therefore, make it possible to reveal and compare the dynamics of trajectories of democratic change.

**Parallel Surveys of the Korean Mass Public**

Beginning in October 1988, the KDB conducted eight parallel surveys of the Korean mass public in order to determine the breadth, depth, direction, durability, and stability of mass support for and involvement in democratic politics.\textsuperscript{26} The Institute of Social Sciences (ISS) at Seoul National University conducted the first three surveys during the Roh Tae Woo (1988-1993) and Kim Young Sam (1993-1998) presidencies. The first two occurred in October 1988 (N=2,007) and November 1991 (N=1,185) when former General Roh Tae Woo was the first president of the democratic Sixth Republic, and the third in November 1993 (N=1,198), the first year of the second democratic government of President Kim Young Sam. The Korea-Gallup polling organization (hereinafter the Gallup Poll) conducted the next three surveys during the Kim Young Sam government. The first occurred in November 1994 (N=1,500), the second in January 1996 (N=1,000), and the third in May 1997 (N=1,117). The Gallup Poll also conducted the latest two surveys during the current Kim Dae Jung government: one in October 1998 (N=1,010) and one in November 1999 (N=1,007).
Technically, the ISS and Gallup Polls selected their samples to reflect the population of the Republic of Korea age 20 and over. The advance report of the Population and Housing Census of the National Statistical Office was used first to stratify the population by region (Do) and the eight large cities on the basis of their proportionate share of the national population. The island of Cheju-Do, with 1.2 percent of the total population, was excluded. Secondly, each region or large city was stratified by administrative subdivisions (Dong, Eup, Myun) on the basis of its proportion of the population. At the third stage, the primary sampling units (ban or village) were randomly selected, with 6 to 8 households in a ban and 12 to 15 in a village. At the household level, the interviewer was instructed to select for interview the person whose birthday came next. Respondents to the six surveys were all interviewed, face-to-face, at their residences. The average interview lasted from 30 to 60 minutes. In the surveys conducted by the Gallup Poll, 10 percent of those interviews were verified on a random basis.

Of the eight KDB surveys conducted to date, the five surveys conducted during the period from 1994 to 1999 were selected for this paper to examine the distinctive features of and recent trends in Korean democratization. Analyzing these five surveys on both individual and collective bases, this paper highlights the cultural and institutional dynamics of Korean democratization in terms of what the Korean people themselves have actually experienced during the second half of the past decade.

Democratization of Authoritarian Rule

This section focuses on the dynamics of transforming a developmental military dictatorship into a functioning democracy. How democratic is the current political system that replaced the military dictatorship of a decade ago? How well does the newly installed political system perform as the government by and for the people? How much progress has been achieved in democratizing the institutions and procedures of military rule that lasted nearly three decades? These questions are explored with three sets of items from the KDB survey conducted in November 1999 in order to tap public perceptions and assessments of democratization in progress and at repose.

Institutional Democratization

The 1999 KDB survey asked respondents to rate their current and the past political systems on a 10-point ladder scale. This scale allows participants to respond according to their own understanding of democracy and dictatorship. A score of 1 on this scale indicates “complete dictatorship” while a score of 10 indicates “complete
democracy.” Responses to this question, as reported in Table 1, provide two important pieces of information concerning the perceived character of the old authoritarian and new democratic systems. For the two systems, Table 1 provides the percentage of respondents who chose each of the ten positions or steps on the ladder scale. As the data in this table reveals, a vast majority (87%) rated the past regime as undemocratic by placing it at 5 or below. In sharp contrast, a substantial majority (67%) rated the current regime as democratic by placing it at 6 or above. These figures, when compared, make it clear that the military authoritarian rule of three decades has been transformed into a democracy.

Table 1: Perceptions of the Current and Past Political Systems

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (complete dictatorship)</td>
<td>10.5</td>
<td>0.9</td>
</tr>
<tr>
<td>2</td>
<td>17.3</td>
<td>0.8</td>
</tr>
<tr>
<td>3</td>
<td>19.8</td>
<td>5.1</td>
</tr>
<tr>
<td>4</td>
<td>18.8</td>
<td>5.5</td>
</tr>
<tr>
<td>5</td>
<td>20.3</td>
<td>19.3</td>
</tr>
<tr>
<td>6</td>
<td>8.8</td>
<td>32.3</td>
</tr>
<tr>
<td>7</td>
<td>2.9</td>
<td>22.5</td>
</tr>
<tr>
<td>8</td>
<td>1.2</td>
<td>10.5</td>
</tr>
<tr>
<td>9</td>
<td>0.3</td>
<td>2.3</td>
</tr>
<tr>
<td>10 (complete democracy)</td>
<td>0.1</td>
<td>0.5</td>
</tr>
</tbody>
</table>

(mean score) 3.9 5.9

Source: 1999 Korea Democracy Barometer Survey

Table 1 also gives the average ratings on this scale for the current democratic and past authoritarian systems. Like the percentage ratings, the average ratings for the current system are indicative of the extent to which the mass public embraces it as democratic. The average rating of the past regime was 3.9; for the present regime, however, the average increased to 5.9. This shift in the mean ratings confirms considerable progress in institutional democratization in the wake of the democratic regime change in 1998. The mean rating of 5.9 for the present system on a 10-point scale, however, suggests that Korean democracy is, by
and large, a political system of a mixed nature even after more than a decade of democratic rule.

**Substantive Democratization**

A second pair of key questions asked in the 1999 KDB survey deals with how well the current political system performs as a democracy. Democratization has to bring about significant improvements in the extent to which a political system responds to the public. In addition, it should bring about similar changes to enable the masses to get involved in the making of public policies. The empowerment of ordinary citizens and the responsiveness of a political system to their preferences are at the core of substantive democratization.

---

**Table 2: Citizen Empowerment and System Responsiveness**

<table>
<thead>
<tr>
<th>Degrees</th>
<th>Citizen Empowerment</th>
<th>System Responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>32.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Some</td>
<td>44.3</td>
<td>23.7</td>
</tr>
<tr>
<td>A little</td>
<td>20.5</td>
<td>51.1</td>
</tr>
<tr>
<td>None</td>
<td>1.6</td>
<td>19.7</td>
</tr>
<tr>
<td>(No answer)</td>
<td>1.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Survey.

---

Respondents to the 1999 survey were asked: How much influence do you think the votes of people like yourself have on the way our country is governed: a lot, some, a little, or none? To what extent do you think government leaders take the interests and opinion of people like yourself into account when making important decisions: a lot, some, a little, or none? The data in Table 2 show the distribution of respondents across four different levels of empowerment and system responsiveness. Based on the nature of these distributions, we can determine how positively respondents feel about themselves as citizens.
of a democratic state and their own state as a democracy. A large majority (76%) reported feeling at least some amount of empowerment under the present system of government. This suggests that Koreans tend to feel that they have a way to express their opinions and promote their interests under the present system. Unfortunately, a large majority (71%), nonetheless, reported that the system is only a little, or not at all, responsive. This suggests that although the people have the ability to express their opinions, they do not perceive the government as being responsive to them.

### TABLE 3: Experiences of Substantive Democracy

<table>
<thead>
<tr>
<th>Types of Experience</th>
<th>Responsiveness</th>
<th>Distribution (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>17.1</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>4.8</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>52.8</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>21.7</td>
</tr>
<tr>
<td>(No answer)</td>
<td></td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey

Table 3 collapses four different levels of democratic experiences into two broad categories, one affirming and the other denying the experience of those two substantive qualities of democratic governance. By considering jointly these two categories of empowerment and responsiveness, four patterns were discerned to examine the deepening presence of democracy in the substance of policymaking. The first pattern refers to the absence of either quality. The second and third patterns refer to the presence of only one of those two qualities, which indicates a partial achievement of substantive democratization. The fourth pattern, on the other hand, refers to the presence of both qualities, attesting to the achievement of substantive democratization to the fullest degree. The particular pattern in which a majority or a plurality of Korean voters place them indicates how well or poorly the current political system works as the government by the people as well as for the people. Table 3 reveals that a majority (53%) felt that they were empowered in the new system, but that this system was not
responsive to their interests.

To assess the overall quality of its substantive performance as a democracy, the 1999 KDB survey also asked respondents how satisfied or dissatisfied they were with the way democracy works in their country today. On a 10-point scale, where 1 means complete dissatisfaction and 10 means complete satisfaction, respondents were asked to express the degree of their satisfaction or dissatisfaction with the current practice of democratic politics. Table 4 provides the mean rating on this scale and the percentages of those placed at each of its 10 scale points. As this table shows, a minority of 42% expressed satisfaction with the present regime with the placement of the regime at 6 or above on the scale. The mean score of 5.2 reinforces this qualified response. Being lower than the midpoint (5.5) on the 10-point scale, the mean score indicates clearly that the Korean people as a whole are more dissatisfied than satisfied with the way the present democratic system performs.

**Table 4: Evaluations of the Performance of the Present Political System**

<table>
<thead>
<tr>
<th>Scale Points</th>
<th>Current regime (1998-present)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (complete dissatisfaction)</td>
<td>1.5</td>
</tr>
<tr>
<td>2</td>
<td>5.0</td>
</tr>
<tr>
<td>3</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>0.5</td>
</tr>
<tr>
<td>5</td>
<td>34.1</td>
</tr>
<tr>
<td>6</td>
<td>25.8</td>
</tr>
<tr>
<td>7</td>
<td>10.4</td>
</tr>
<tr>
<td>8</td>
<td>3.7</td>
</tr>
<tr>
<td>9</td>
<td>1.7</td>
</tr>
<tr>
<td>10 (complete satisfaction)</td>
<td>0.7</td>
</tr>
</tbody>
</table>

(mean score) (5.2)

Source: 1999 Korea Democracy Barometer Survey

**Overall Patterns of Democratizing Authoritarian Rule**

We can make a comprehensive and balanced account of Korean democratization only when we jointly consider positive and negative assessments of its substantive performance with democratic and authoritarian perceptions of its institutional character. In Table 5, these
perceptions and assessments are classified into four distinct patterns of democratization. The first pattern features the lack of progress in either the institutional or the substantive domain of democracy. The second and third patterns represent partial progress with the advancement of one of these two domains. The fourth pattern represents democratic progress on a full scale as evidenced in both domains. These patterns make it possible to unravel the dynamics of democratization and its distinctive characteristics.

As the data in Table 5 shows, one quarter (25%) judged their political system as neither democratic nor functioning to their satisfaction. A much smaller minority (7%) judged it as undemocratic but functioning to their satisfaction. One-third (33%) judged it as democratic but failing to function to their satisfaction. Slightly over one-third (35%) were fully positive about the character as well as performance of their current political system. To a large majority, the Korean political system today does not represent a well-functioning democracy.

**Table 5: Overall Patterns of Popular Assessments of Democratization in Korea**

<table>
<thead>
<tr>
<th>Democratic Character</th>
<th>Satisfying Performance</th>
<th>Distribution (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>25.3</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>6.8</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>32.5</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>35.5</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey

**Democratization of Authoritarian Culture**

Another important component of the KDB surveys focuses on the cultural dynamics of Korean democratization. To what degree do the Korean people desire to live in a democracy? How strongly are they committed to the expansion of limited democratic practices? To what extent are they dissociated from the age-old practices of authoritarian rule? To explore these questions, the KDB surveys differentiated democratic support into two broad categories: normative and empirical.
Normative support consists of favorable orientations to democracy as a political ideal while empirical support involves the acceptance of democracy as a viable political system. This notion of democratic support is based on two major theoretical premises. First, there is a wide gulf between people’s aspiration for democracy-in-principle and their commitment to democracy-in-practice. Second, there is also a wide gulf between a people’s desire for the expansion of limited democracy and their willingness to endorse specific measures of reform.

General Support for Democracy-in-Principle

Specifically, the 1999 KDB survey asked a pair of questions to tap the breadth and magnitude of popular attachment to the general ideas of democracy and democratic change. Specifically, respondents were first asked to “consider the idea of democracy, not its practice.” Then they were asked how much they were, in principle, for or against the idea of democracy. The same respondents were then asked how much they agreed or disagreed with the statement that “our political system should be made a lot more democratic than what it is now.” In addition, they were asked to express the level of democracy they desired on a 10-point ladder scale where a score of 1 means “complete dictatorship” and a score of 10 means “complete democracy.”

Tables 6 and 7 report, separately, the various responses to each of these three questions. As we can see in Table 6, nine in ten (91%) Koreans embraced the idea of democracy as either somewhat favorable or highly favorable. We can also see in Table 7 that nine in ten (90%) also expressed the desire to live in a democracy by choosing scores of 6 or higher on the 10-point political preference scale. In addition, a nearly identical proportion (88%) reported being somewhat or highly favorable to the idea of “expanding limited democracy.” These findings suggest strongly that the Korean people as a whole are, in principle, favorably oriented toward democracy and its expansion.

To estimate the overall level of support for democracy-in-principle, an index of normative democratic support was constructed by counting the number of times that respondents answered affirmatively to these three questions involving the idea of democracy, the desirability of democracy, and, expanding limited democracy. A score of 0 means a complete lack of support for democracy as a normative phenomenon and a score of 3 indicates support to the fullest extent. According to this index, three-quarters (75%) responded affirmatively to all three questions, indicating strong and widespread support for democracy as an abstract ideal. Only one-fifth (20%) replied to one or two questions
Table 6: Orientations toward Democracy-in-Principle

<table>
<thead>
<tr>
<th>Orientation Categories</th>
<th>Idea of democracy</th>
<th>Idea of expanding limited democracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly favorable</td>
<td>40.1</td>
<td>37.3</td>
</tr>
<tr>
<td>Somewhat favorable</td>
<td>50.9</td>
<td>50.3</td>
</tr>
<tr>
<td>Somewhat unfavorable</td>
<td>5.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Highly unfavorable</td>
<td>0.4</td>
<td>0.6</td>
</tr>
<tr>
<td>(No answer)</td>
<td>2.9</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey

affirmatively. Most surprising was that virtually no one (0.2%) refused to answer any of the three questions affirmatively. The high percentage that responded affirmatively to all three questions, when considered in light of the low percentages that refused to do so, suggests that a vast majority of the Korean people are attached to democracy as a political ideal.

General Support for Democracy-in-Practice

In addition to asking questions about the idea of democracy, the 1999 KDB survey asked a set of three questions to gauge the level of support for democracy as a viable political system. The first of these questions concerned the suitability of democracy for the country that has already been in democratic transformation for more than a decade. The second question bears on the relative preference of democracy as a method of governance. The third one addresses the salience of democracy as a national development policy. Tables 8 and 9 provide, separately, various responses to each of these three questions. For the first question, Table 8 shows that a substantial majority (63%) of those surveyed judged democracy to be suitable for their country with scores of 6 or higher on the 10-point scale. The mean score of 5.9 on the 10-point scale, however, suggests that their endorsement of democracy for the country is far from being enthusiastic.
TABLE 7: Desired Levels of Democracy

<table>
<thead>
<tr>
<th>Desired Level</th>
<th>Distribution (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale points</td>
<td></td>
</tr>
<tr>
<td>1 (complete dictatorship)</td>
<td>0.1</td>
</tr>
<tr>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>3</td>
<td>0.8</td>
</tr>
<tr>
<td>4</td>
<td>1.1</td>
</tr>
<tr>
<td>5</td>
<td>6.2</td>
</tr>
<tr>
<td>6</td>
<td>7.5</td>
</tr>
<tr>
<td>7</td>
<td>15.7</td>
</tr>
<tr>
<td>8</td>
<td>26.1</td>
</tr>
<tr>
<td>9</td>
<td>18.3</td>
</tr>
<tr>
<td>10</td>
<td>22.8</td>
</tr>
</tbody>
</table>

(Mean score) (7.9)

Source: 1999 Korea Democracy Barometer Survey

As Table 9 shows, responses to the question about the relative preference of democracy to a dictatorship confirms the lack of enthusiastic support for democracy-in-action among the Korean mass public. Although a bare majority (53%) embraced democracy as always preferable to dictatorship, nearly one-third (31%) subscribed to the view that a dictatorship would be preferable to a democratic regime under certain conditions. This suggests that the Korean people are not strongly committed to democracy as a viable form of government. The lack of strong commitment to democracy-in-practice becomes more evident when they were asked to rate the importance of democratization as a policy goal relative to economic development. Table 9 shows that only one in seven (14%) Koreans rated democratization more important than economic development while one in two (50%) rated economic development more important than democratization.

To estimate the overall level of support for democracy as a viable political system, we constructed an index of empirical democratic support, similar to one measuring the overall level of normative support for democracy. Again, this index was constructed by counting the number of times that respondents answered affirmatively to all three questions concerning democratic practices. On this index, a score of 0
TABLE 8: Suitability of Democracy for the Country

<table>
<thead>
<tr>
<th>Scale Points</th>
<th>Distribution (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (completely unsuitable)</td>
<td>0.6</td>
</tr>
<tr>
<td>2</td>
<td>0.5</td>
</tr>
<tr>
<td>3</td>
<td>5.0</td>
</tr>
<tr>
<td>4</td>
<td>8.8</td>
</tr>
<tr>
<td>5</td>
<td>22.2</td>
</tr>
<tr>
<td>6</td>
<td>29.4</td>
</tr>
<tr>
<td>7</td>
<td>17.8</td>
</tr>
<tr>
<td>8</td>
<td>10.4</td>
</tr>
<tr>
<td>9</td>
<td>4.4</td>
</tr>
<tr>
<td>10 (completely suitable)</td>
<td>1.0</td>
</tr>
<tr>
<td>(Mean score)</td>
<td>(5.9)</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Survey

means the lack of any support for democracy as a collective political enterprise while a score of 3 means the fullest extent of support for it.

This index, unlike the one measuring normative democratic support, revealed a mixed picture of support for democracy as a viable political system. Only one-fifth (21%) expressed unqualified support for it by answering all three questions affirmatively. Two-thirds (68%) expressed partial support for democratic governance by answering two or one of the questions affirmatively. Refusing to answer any of them affirmatively, as many as one in ten (10%) Koreans expressed no empirical support at all. These figures contrast sharply with what was found in support for democracy as a normative phenomenon. While over seven in ten Koreans are fully attached to the ideas of democracy and democratic change, only one in ten is equally committed to the practices of democratic governance. Nearly two-thirds of the Korean voters refuse to embrace democracy "as the only game in town," although they are fully committed to its ideals and values. This finding testifies to the ambivalence in Koreans' support for democracy.

Trust in Democratic Institutions

Popular trust in democratic institutions has long been considered absolutely essential to the practices of democratic politics. When ordinary citizens trust the National Assembly and political parties, for example, these same citizens take part in the process of policymaking
TABLE 9: Orientations Toward Democracy-in-Practice

A. Relative Preference of Democracy to Authoritarianism

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Distribution (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democracy is always preferable</td>
<td>52.9</td>
</tr>
<tr>
<td>Sometimes a dictatorship is preferable</td>
<td>30.8</td>
</tr>
<tr>
<td>It doesn’t matter to people like me</td>
<td>16.4</td>
</tr>
</tbody>
</table>

B. Salience of Democratization over Economic Development

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Distribution (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic development is more important</td>
<td>50.3</td>
</tr>
<tr>
<td>Democratization is more important</td>
<td>13.7</td>
</tr>
<tr>
<td>Equally important</td>
<td>35.5</td>
</tr>
<tr>
<td>(No answer)</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey

where these representative institutions play a key role. When they trust the courts, the police, and civil servants, ordinary citizens also abide by the decisions and rules these institutions seek to enforce. What proportion of these citizens trust political institutions and to what extent? To explore this question, the 1997 survey asked respondents to rate six political institutions on a 4-point verbal scale ranging from "trust much" to "do not trust at all."

Table 10 shows that the levels of institutional trust in Korea vary a great deal. While almost three-quarters (72%) of Koreans, for example, trust the military, only one in five (20%) trusts political parties. Of the six institutions surveyed in the 1997 KDB survey, a majority of the Korean masses trust only two institutions, the military and courts. Slightly more than two-fifths trust the police and civil servants. And less than one-quarter trust the National Assembly and
the political parties. Evident from this finding is that the two fundamen-
tal institutions of representative democracy are trusted least by the
Korean people. This may be the reason why many Koreans are, by and
large, reluctant to support democracy-in-practice. (Table 10 here)

The general levels of political trust are estimated by counting the
number of political institutions that are rated as trustworthy at least to
some extent. According to this index, a majority (53%) judged as
trustworthy one-third (2 institutions) or less of the six key institutions.
By contrast, only a small minority (17%) judged as trustworthy more
than two-thirds (4 institutions) of those institutions. Nearly one-fifth
(18%) refused to trust any of these institutions. Obviously, the Koreans
as a whole do not approve of the way the key political institutions have
been functioning since the inauguration of the democratic political
system more than 10 years ago.

**Commitment to Democratic Reform**

Nascent democratic rule constitutes nothing more than a limited
and unconsolidated democracy-in-action, often with low levels of trust
in the newly formed institutions that we have looked at in this study of
Korea. To expand and consolidate the limited practices of democratic
politics, people should be willing to support various measures of
democratic reform. The 1999 KDB survey asked about the extent to
which the people approved or disapproved of four specific measures to
reform the current system of limited democracy. Table 11 provides the
degrees of approval and disapproval for each of these measures.

As discussed earlier, Koreans generally favor the idea of expanding
their democracy. Indeed, more than half of the Korean people support
three of the four reform measures asked in the 1999 KDB survey.
These include: (1) limiting the President’s powers (53%); (2) making
the National Assembly autonomous and independent (63%); and (3)
opening the process of selecting candidates to the public (70%).
Surprisingly there is little desire at this point for new political parties
that would pursue definite policies. This may be due to the fact that
Koreans still tend to weigh more heavily the personal qualities of their
political leaders rather than the characteristics of political institutions.

Overall, people seemed highly supportive of the reforms that would
expand the current practices of limited democracy. To estimate
precisely the general level of commitment to democratic reform, an
index was constructed by counting the number of reform measures of
<table>
<thead>
<tr>
<th>Political Parties</th>
<th>National Assembly</th>
<th>Civil Services</th>
<th>The Military</th>
<th>The Police</th>
<th>Courts</th>
<th>Institutional Political Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9</td>
<td>3.1</td>
<td>4.7</td>
<td>1.9</td>
<td>0.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>0.8</td>
<td>6.9</td>
<td>4.5</td>
<td>2.1</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>0.8</td>
<td>6.9</td>
<td>4.4</td>
<td>2.1</td>
<td>0.8</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>1.4</td>
<td>6.9</td>
<td>2.8</td>
<td>1.4</td>
<td>1.0</td>
<td>2.9</td>
<td>1.9</td>
</tr>
<tr>
<td>1.0</td>
<td>6.9</td>
<td>3.1</td>
<td>3.1</td>
<td>1.0</td>
<td>3.0</td>
<td>0.8</td>
</tr>
<tr>
<td>1.3</td>
<td>3.5</td>
<td>3.8</td>
<td>2.9</td>
<td>4.9</td>
<td>9.6</td>
<td>7.8</td>
</tr>
</tbody>
</table>

Table 10: Levels of Trust in Political Institutions

Source: 1997 Korea Democracy Survey

Note: The table shows the percentage of responses for each institution's trust level. The levels are: No Trust at all, Trust not much, Somewhat Trust, and Trust.
Table 11: Orientations toward Democratic Reform Measures

*Types of Orientations (%)*

<table>
<thead>
<tr>
<th>Reform Measures</th>
<th>Approve Strongly</th>
<th>Approve Somewhat</th>
<th>Disapprove Somewhat</th>
<th>Disapprove Strongly</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit President's powers</td>
<td>6.9</td>
<td>45.8</td>
<td>32.1</td>
<td>6.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Make National Assembly autonomous and independent</td>
<td>16.4</td>
<td>46.6</td>
<td>25.6</td>
<td>5.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Form new political parties pursuing definite policies</td>
<td>8.4</td>
<td>24.8</td>
<td>34.7</td>
<td>20.9</td>
<td>11.3</td>
</tr>
<tr>
<td>Open the process of selecting party candidates to the public</td>
<td>24.7</td>
<td>45.5</td>
<td>17.4</td>
<td>4.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey

which Koreans approved. According to this index, the average Korean is supportive of more than half (2.4) of the four reform measures considered. More than three-fifths were (62%) supportive of two or more of those four reforms. This suggests that although Koreans tend to be critical of the current practices of democratic government, they are not opponents of democratic politics considered in itself; instead, they are supporters of greater democracy.

**Dissociation from Authoritarianism**

Citizens of new democracies like Korea lived all or most of their lives under a civilian or military dictatorship. Due to decades of socialization to authoritarian life, these citizens cannot be expected to dissociate themselves from authoritarian cultural values and political practices quickly and fully. It is, therefore, highly unlikely that their acceptance of democracy as the preferred political system would bring about the end of their association with authoritarianism as a normative
and empirical phenomenon. Favorable orientations toward democracy as well as unfavorable orientations toward authoritarianism should be taken into consideration to understand accurately the cultural contours and dynamics of democratization.

**TABLE 12: Orientations Toward Beliefs in Authoritarianism**
(in percent)

<table>
<thead>
<tr>
<th>Authoritarian Values</th>
<th>Agree Strongly</th>
<th>Agree Somewhat</th>
<th>Disagree Somewhat</th>
<th>Disagree Strongly</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>No legislative restraint on a government</td>
<td>11.8</td>
<td>47.9</td>
<td>30.9</td>
<td>7.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Leaving important things to morally upright leaders</td>
<td>20.0</td>
<td>40.1</td>
<td>29.7</td>
<td>9.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Not too many competing groups for social harmony</td>
<td>14.4</td>
<td>50.6</td>
<td>27.2</td>
<td>5.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Not too many diverse opinions for social order</td>
<td>14.6</td>
<td>49.2</td>
<td>26.0</td>
<td>8.8</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: *1997 Korean Democracy Barometer survey*

The 1997 KDB survey asked a set of four questions, each of which concerns the deep-seated structure of Confucian values toward political authority and leadership, competition, and conflict. Respondents to the survey were asked how strongly they agreed or disagreed with each of the following authoritarian value statements: (1) if a government is often restrained by an assembly, it will be unable to achieve great things; (2) people can leave things to morally upright leaders; (3) too many competing groups would undermine social harmony; and (4) too many diverse opinions would undermine social order. As is apparent from Table 12, many people in Korea still hold beliefs and values that defer to authority and harbor suspicion of excessive conflict and
pluralism. With each statement, a large majority of the Korean people expressed agreement (authoritarian orientation) while a minority expressed disagreement (democratic orientation). This confirms that it is still the authoritarian, not democratic, value orientations that are prevalent among the Korean electorate.

Overall, we find a mixed picture with respect to basic value orientations. When responses to the four statements are considered together, a large majority (63%) are found to adhere to both authoritarian and democratic values. Only one-third of Koreans uphold either authoritarian values (27%) or democratic ones (7%) to the fullest extent. Even after more than a decade of democratic rule, Korea remains a nation of mixed orientations with authoritarian values outweighing democratic ones.

### Table 13: Orientations toward Authoritarian Rule

(in percent)

<table>
<thead>
<tr>
<th>Categories of authoritarianism</th>
<th>Agree strongly</th>
<th>Agree somewhat</th>
<th>Disagree somewhat</th>
<th>Disagree strongly</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military dictatorship</td>
<td>1.4</td>
<td>6.6</td>
<td>25.0</td>
<td>61.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Civilian dictatorship</td>
<td>2.3</td>
<td>13.0</td>
<td>31.8</td>
<td>49.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Dictatorship in economic crisis</td>
<td>7.3</td>
<td>36.0</td>
<td>38.9</td>
<td>17.7</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Survey

The 1999 KDB survey also asked a set of three questions to tap the extent of dissociation from the past practices of authoritarian politics. Two of these questions asked respondents how much they agreed or disagreed with the statements that a military or a civilian dictatorship should govern the country. The third question, on the other hand, asked respondents how much they agreed or disagreed with the statement that "the economic crisis has demonstrated that Korea still works better under a dictatorship." Table 13 provides the percentages of those who agreed and disagreed with each of these statements in varying degrees.
From Table 13, it is clear that more than four in five Koreans do not want to return to any of the dictatorships they experienced in the past. By a margin of 87 to 8 percent, Koreans reject a return to military dictatorship. By a margin of 81 to 15 percent, they also refuse to replace the current regime with a civilian dictatorship. Korean rejection of authoritarianism, however, appears to be limited because it is contingent upon the circumstances in which the country finds itself. When faced with an economic crisis, for example, a substantial portion (43%) would choose a dictatorship of some kind over democracy that they value greatly in principle. Overall, a majority (52%) of the Korean people are yet to be fully dissociated from the political practices of the authoritarian past.

**Trends in Institutional and Cultural Democratization**

In order for new democracies to consolidate and become full democracies, political institutions have to represent ordinary citizens and respond to their preferences on an increasing basis. Those citizens, in turn, orient themselves toward the ideals and practices of democratic politics on an increasing basis. How much progress has recently been made in transforming authoritarian political institutions into those of representative democracy? How much progress has recently been made in transforming ordinary citizens into supporters of democracy? What has been the direction and trajectory of institutional and cultural democratization? These questions require a series of surveys using the same questions during a substantial period of democratic change.

Beginning in 1994, five national sample surveys repeatedly asked two pairs of questions, one for the democratization of political institutions and the other for the democratization of political orientations. Tables 14 and 15 trace, respectively, the direction and trajectories of institutional and cultural democratization in terms of mean scores on 10-point scales and percentages of those placed on two different levels of democratization. The trends evident in these two tables can be compared to determine whether democratization in Korea
**TABLE 14: Trends in Popular Perceptions of the Current Political System as a Thriving and Functioning Democracy**

<table>
<thead>
<tr>
<th>Years</th>
<th>character</th>
<th>satisfaction</th>
<th>character</th>
<th>satisfaction</th>
<th>both</th>
<th>character</th>
<th>satisfaction</th>
<th>both</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>6.8</td>
<td>6.2</td>
<td>9.3</td>
<td>8.7</td>
<td>4.2</td>
<td>77.4</td>
<td>64.2</td>
<td>58.1</td>
</tr>
<tr>
<td>1996</td>
<td>6.8</td>
<td>5.8</td>
<td>9.2</td>
<td>2.7</td>
<td>1.2</td>
<td>78.2</td>
<td>57.4</td>
<td>50.8</td>
</tr>
<tr>
<td>1997</td>
<td>6.2</td>
<td>4.9</td>
<td>3.3</td>
<td>1.3</td>
<td>0.6</td>
<td>69.1</td>
<td>35.1</td>
<td>31.5</td>
</tr>
<tr>
<td>1998</td>
<td>6.1</td>
<td>5.3</td>
<td>3.5</td>
<td>1.5</td>
<td>0.9</td>
<td>64.6</td>
<td>43.2</td>
<td>37.0</td>
</tr>
<tr>
<td>1999</td>
<td>6.0</td>
<td>5.3</td>
<td>2.8</td>
<td>2.4</td>
<td>0.6</td>
<td>67.9</td>
<td>41.5</td>
<td>35.5</td>
</tr>
</tbody>
</table>

Notes: Thriving democracy includes scores of 9 and 10 on a 10-point scale; and functioning democracy includes those greater than 5 on this scale.

Source: *Korea Democracy Barometer Surveys*
is a multi-directional phenomenon that has been shifting at different paces over time.

The data reported in Table 14 reveal downward trends in the perceptions of the current political system as a democracy and the positive assessments of its performance. In 1994, on average, respondents rated the character of the current political system as 6.8, but by 1996, this rating dropped to 6.0. A similar pattern is also evident in the satisfactory rating of regime performance, though it is less consistent (declining from 6.2 through 4.9 to 5.3). This decline becomes more significant when we look at the proportions who believe that they are living in a well functioning democracy. In 1994, nearly three-fifths (58%), for example, reported that they were living in a satisfactorily functioning democracy. In 1999, a little over one-third (36%) concurred with this view. In just five years, more than one-fifth (22%) became disenchanted with democratic rule. For a large majority of the Korean people, the current regime fails to meet their standards for democratic political order. The sad truth about the democratization of political institutions in Korea during the last half of the past decade is that it has not been progressing; instead, it has been retrogressing on a steady basis.

Table 15 reports downward trends in cultural democratization, i.e., popular support for democracy. On a 10-point scale measuring the desirability of democracy, the mean rating has declined from 8.6 in 1994 to 8.0 in 1999. Over the same period, the mean rating of democratic suitability has registered a greater decline from 6.8 to 6.0. Downward trends become more evident when we compare the percentages expressing strong support for democracy by choosing 9 or 10 on the 10-point scales of democratic desirability and suitability. As compared to 12 percent in 1994, 4 percent are now strongly supportive of democracy. As compared to 71 percent five years ago, 62 percent now believe that democracy is personally desirable and collectively suitable. As in the democratization of political institutions, there has been a steady and significant regression in the democratization of political beliefs and values. This is the most notable characteristic of Korean democratization in recent years.

Concluding Remarks

What distinguishes the KDB surveys from the surveys undertaken by the news media and academic institutions to date? With very few exceptions, other surveys are one-time surveys offering nothing more than snapshots of the continuously changing process of Korean politics; they cannot tell us about how Koreans have shifted in their opinions and behavior during the course of democratization. In
**TABLE 15: Trends in Popular Support for Democracy**

<table>
<thead>
<tr>
<th>Survey Years</th>
<th>Mean on 10-point scale desirability</th>
<th>Strong Support (%) desirability suitability both</th>
<th>General Support (%) desirability suitability both</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>8.6</td>
<td>54.6</td>
<td>91.9</td>
</tr>
<tr>
<td>1996</td>
<td>8.6</td>
<td>57.4</td>
<td>92.1</td>
</tr>
<tr>
<td>1997</td>
<td>8.4</td>
<td>49.7</td>
<td>93.3</td>
</tr>
<tr>
<td>1998</td>
<td>7.9</td>
<td>40.3</td>
<td>88.7</td>
</tr>
<tr>
<td>1999</td>
<td>8.0</td>
<td>41.1</td>
<td>90.3</td>
</tr>
</tbody>
</table>

Notes: Strong support includes scores of 9 and 10 on a 10-point scale; and general support includes those scoring greater than 5 on the same scale.

Source: Korea Democracy Barometer Surveys
addition, the same surveys are often based on a teleological assumption that Koreans are becoming citizens of established democracies in the West. The KDB surveys, on the other hand, constitute the one indisputable reality that Koreans neither interpret nor value democracy in the same way as Westerners do.

Equally notable is that the KDB surveys generate trend data about how individual Koreans change their opinion and behavior over time and whether the performance of their representative institutions improves or deteriorates during the course of democratization. These surveys, which have been assembled over a period of more than a decade, offer the only databases that are currently available to analyze the direction and trajectories of both cultural and institutional democratization in Korea. In short, the KDB surveys can be considered a much more discriminating tool for uncovering and unraveling how Koreans are adapting to democratic change than a variety of other sample surveys that individual scholars and various institutions have recently undertaken.

What more can be said about the role the KDB surveys play in the study of Korean democratization? In light of the parallel survey data presented above, it can be concluded that those surveys are contributing toward significant advances in the study of democratizing Korea. The surveys are grounded in the conception that democratization is a multi-dimensional, multi-directional, and multi-level phenomenon. Theoretically, it is predicated on the premise that acceptance of democratic political order does not necessarily bring about rejection of authoritarian political practices. The KDB surveys, therefore, offer rich databases capable of providing a comprehensive and balanced account of Korean democratization.

Methodologically, the KDB surveys are built on the convention that trends in cultural and institutional democratization in a single country cannot be understood properly in isolation. Only when we compare those trends across other new and old democracies can we meaningfully assess the problems and prospects of democratization in that country. These KDB surveys, when analyzed in comparison with similar surveys conducted in other new democracies, can also offer empirical answers to fundamental questions about whether the attributes of individual citizens matter more than the historical and institutional characteristics of the country in which they live.
Notes


7. Shin, Mass Politics, op. cit., ch. 2.


13. Larry Diamond, Developing Democracy Toward Consolidation (Baltimore: Johns


APPENDIX A

A Sample of Survey Questions

1. Perceptions of the Current and Past Political Systems

   Q49. Here is a scale ranging from a low of 1 to a high of 10. On this scale, 1 means complete dictatorship and 10 means complete democracy. The closer to 1 the score is, the more dictatorial our country is; the closer to 10 the score is, the more democratic our country is.

   On this scale, where would you place our country under the Chun Doo Whan government? Please choose a number on this card.

   1. Where would you place our country under the Kim Young San government?
   2. Where would you place our country under the Kim Dae Jung government?

2. Citizen Empowerment and System Responsiveness

   Q32. How much influence do you think the votes of people like yourself have on the way our country is governed—a lot, some, a little, or none?

   Q36. To what extent do you think government leaders take the interests and opinion of people like yourself into account when making important decisions—a lot, some, a little, or not at all?

   Q37. To what extent do you think government leaders take into account the interests and opinions of the interest groups and organizations before making decisions?

3. Overall Performance of the Current Political System as a Democracy

   Q40. How satisfied or dissatisfied are you with the way democracy works in our country? Please choose a number on this scale ranging from a low of 1 (complete dissatisfaction) to a high of 10 (complete satisfaction).

4. Support for Democracy-in-Principle

   Q49e. To what extent would you yourself want our country to be democratic right now? Please choose a number on this card where 1 means complete dictatorship and 10 means complete democracy.

   Q42. Let us consider the idea of democracy, not its practice. In principle, how much are you for or against the idea of democracy—very much for, somewhat for, against somewhat, or against very much?

   Q47. How much do you agree or disagree with the statement that our political system should be made a lot more democratic than what it is now—strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

5. Support for Democracy-in-Practice

   Q43. With which of the following do you agree most?
1. Democracy is always preferable to any other kind of government.
2. Under certain situations, a dictatorship is preferable.
3. For people like me it doesn’t matter if we have a democratic or non-democratic government.

Q48. Between the two National goals of democratization and economic development, which goal do you think is more important?

Q50c. Here is a scale measuring the extent to which people think democracy is suitable for our country. On this scale, 1 means complete unsuitability while 10 means complete suitability. During the present Kim Dae Jung government, to what extent is democracy suitable for our country?

6. Trust in Political Institutions

Q51. How much do you trust or distrust each of the following listed institutions? About each of these institutions, would you say you trust much, trust somewhat, do not trust much, or do not trust at all?
1. courts
2. the policy
3. the military
4. churches, temples
5. civil servants
6. national assembly
7. political parties

7. Orientations toward Democratic Reforms

Q46. What extent do you approve or disapprove of the following measures to reform our political system? Would you say you approve strongly, approve somewhat, disapprove somewhat, or disapprove strongly of each of these reform measures?

1. Adopt a parliamentary system
2. Limit the president’s power
3. Make the national Assembly autonomous and independent
4. Form new political parties pursuing definite policies
Open the process of selecting party candidates to the public

8. Orientations toward Authoritarian Rule

Q34. Our present system of government is not the only one that this country has had, and some people say we would be better off if the country was governed differently. How much do you agree or disagree with their views in favor of each of the following:

1. The army should govern the country—agree strongly, agree somewhat, disagree somewhat, or disagree strongly?
2. Better to get rid of Parliament and elections and have a strong leader decide everything—agree strongly, somewhat agree, somewhat disagree, or strongly disagree?

Q28. Some people say that a rule by a dictator like Park Chung Hee is the best
way to sort out the economic problems facing the country; others say that a democratically elected president is better. What do you think?

1. A rule by a dictator
2. A democratically elected president
3. Don’t know

Q38C. Between democratic government and dictatorship, which one is better to get rid of political corruption?

1. Democratic government
2. Dictatorship
3. Don’t know

Q56. If someone says to you, the economic crisis has demonstrated that Korea still works better under a dictatorship, how much do you agree or disagree—strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

10. Political Participation

Since the December 1997 presidential election, have you participated in any of the political activities listed on this card? Name all those activities you have done.

1. election or voting
2. participating in a political meeting or assembly
3. campaigning for a particular candidate
4. contributing money to a politician or political party
5. working with others on a community problem
6. contacting a civil servant or politician
7. Signing or submitting a demonstration
8. Taking part in a strike.
Korea-United States
Industrial Alliance

Youn-Suk Kim
Kean University

Introduction
Historically, Korea has been under the influence of its ambitious
neighbors, China, Japan and Russia, which causes Korea's intense
concern for its long-term independence. Through the budding signs of
North-South Korea unification, Korea perceives that long-term peace
and security derive from having a close diplomatic and economic
relationship with the United States as the most crucial ingredient. Thus
President Kim Dae Jung of South Korea and his counterpart of the
North, Kim Jong Il, at the June meeting emphasized the continued
presence of United States troops in the Korean peninsula for stability
and peace in East Asia even after the unification. In association with the
United States economy, the unified Korea could play a major role as a
regional balancer, giving stability to a new order in Northeast Asia and
the Asia-Pacific region as a whole.

The United States and South Korea (from here on designated
Korea) have entered into an era of renewed economic activity and a
commitment toward closer bilateral ties. One of the striking develop-
ments in the international economy of the past few years has been the
greatly expanded role of the United States direct investment and the
emergence of the United States as the major investor in Korea. Most
economic reasoning tells us that a free flow of commodities is a good
thing for both economies, and the benefits of a free flow also apply to
capital. If capital resources move to where they can be employed most
productively, everyone should stand to gain.

By having United States foreign direct investment Korea gains the
use of capital resources as well as the technical know-how and
management ability that come with it. As a result, labor and other
resources in Korea can be employed more productively and should raise
capital inflow strengthening Korea's balance of payments. IMF policy
has forced Korea to implement significant reforms. It is imperative for
Korea to construct dynamic and advantageous policies and to promote a Korea-United States industrial alliance in order to enhance Korea's competitiveness in the global market. The industrial alliances involve primarily joint ventures associated with capital and technology transfer so as to create new synergies from working together with partners.

Granted the changes necessary to catalyze a revitalization of the Korean economy, this paper contends that Korea is going to emerge from the crisis more competitive, having better allocated its resources. It examines how United States-Korea economic cooperation can bring out their competitiveness in global markets as related to capital flow and technology transfer. This study also contends that a United States-Korea industrial alliance (IA) can significantly increase the partners' ability to manage formidable risks of international business. The industrial alliance does strengthen the competitive advantages of the partners, having the mutually beneficial transfer of capital and technology from one partner in return for the nontechnological assets of the other.

**Korean Industries and the United States**

Korea offers the unique advantages of holding a central position in the dynamic East Asian market, being located in a region with a huge customer base and between two of the world's biggest markets, Japan and China, with its own expanding domestic market and one of the world's most productive and diligent work forces. Korea has achieved remarkably high growth rates – about 8% per annum – since 1962, by mobilizing its factors of production for rapid industrialization. Industrial competitiveness has been influenced by structural problems, which include those of infrastructure and economic institutions. Korea's industrialization has indicated that the United States investment has been efficient and beneficial.

Facing the changing position of technology policy in Japan and the United States, Korea has to comply with the new situation in the global economy, reformulate its technology policy, and promote its technological collaboration with the United States. In the era of global competition, Korea can no longer rely on imported technology. It has to promote its own technological innovation with R & D efforts that are essential in meeting constraints imposed on it in changing world economy.

Trade between the United States and Korea has involved the exchange of products within the same industry, i.e., intra-industry rather than inter-industry trade. Korea revitalized and encouraged intra-industrial entrepreneurs such as the Korean American society of Entrepreneurs, Korea Software Incubation Center, and Digital Cast of
Korea. Under the World Trade Organization (WTO) system there was
greater investment in Korea by foreign countries, especially the United
States, including a significant liberalization of restraints on investment.

Korea has been seeking strategic industrial alliances with countries
such as the United States, involving investment flow, technology
transfer and joint venture. Korea has demonstrated that industrial
technology was not simply brought from the United States, but that
careful local technology support networks of indigenous sources were
developed at the same time.

In the 1960s and 1970s, the primary motive for the United States
investment in Korea was the increased price competition for technol-
ogy, which reached the maturity phase of its product life cycle. Labor
costs and economies of scale were the two most important factors,
granted that the specific motivation for each United States firm to
transfer technology to Korea varies from case to case.

Korea built up considerable technological capability through
expansion of investment in indigenous R&D and imported technology
since the 1980s, along with the communication facilities, adaptation,
and use of technology imported from the United States. Korea picked
up existing machinery and technology at bargain prices. It has estab-
lished its own R&D institutes, bringing together scientists and
engineers to work on common problems with efficient utilization of
research equipment and facilities.

Korea intellectual property rights (IPR) protection was consolidated
and adapted to the changing international environment. The patent Act
was designed to promote the development of technology and contribute
to industrial development by protecting and encouraging invention and
its application. It became clear that patents to protect intellectual
property rights were ineffective in some leading sectors, such as
semiconductors, computers, telecommunications, and aircraft. Korea
liberalized its technology transfer policy along with foreign direct
investment.

These leading sectors grew mainly by achieving a head start on
their rivals, which they then exploited by seizing the market and
moving rapidly down the learning curve. Korea’s industrial policy
accordingly shifted from the promotion of targeted industries to that of
innovation-related activities.

Industrial alliances give firms a golden opportunity to expand sales
channels globally. It is important for a firm to enter the market early
and to quickly establish a lead. A shorter time to market can greatly
enhance the probability of becoming a dominant player and creating a
de facto standard. IA could shorten the development time by supple-
menting necessary technologies and funds. Behind the moves toward
IAs lies the structural change in the environment of corporate management – we have entered an era in which an individual company cannot by itself ensure its competitive edge in the world market. Regarding IAs, Korean automobiles alliance with foreign firms is a case in point. The automotive vehicle industry, the single most important industrial sector in most advanced economies, exercises a powerful multiplier effect on other sectors. The growth in Korea’s automobile industry relied heavily on industrial alliances with multinationals, drawing on partners’ model designs and on help with setting up modern manufacturing facilities and component suppliers. Although much corroboration was established to share development costs, automobile companies also cooperated to gain access to difficult export markets.

The Big Three automotive companies in the United States filled a part of the subcompact end of their product line with Korean models. As for market and production specialization, automobile marketing is noted for its large-scale economy, especially when the dealer organization is an exclusive one as in the United States market. The Ford-Kia alliance was an example of production and marketing specialization. To get technology and parts, the IA was mostly technological in nature where late-starting Korean companies were collaborating with technologically advanced United States companies. The motivation of United States partners was either simply to get extra revenue by selling technology or to get an extra source product, usually on the low end of its product line.

Firms have an even greater incentive to enter the market early because they have only a very short time during which to recoup the enormous cost of R&D. It is therefore understandable that we observe a great number of industrial alliances among the firms in the electronic industry, where the market is global and the product life cycle is becoming ever shorter. The emergence of new communications media such as the Internet, interactive television and CD-ROMs, in addition to telemarketing and mail order sales, is contributing to the explosive growth of new direct sales markets. Technology fusion has become increasingly important nowadays, exemplified by the fiber-optics communication system emerging from fusion of optics and electronics.

Korea has engaged in the progressive opening of its communications industry and the development of a fairer regulatory network, and its vibrant information-technology sector is producing world-class personal computers, mobile phones, palm clones, and other devices at an accelerating rate. Information technology in the year 2000 makes up nearly 11% of Korea’s GDP; it is expected to hit 20% by 2010. Export earnings from the information technology sector with consumer spending on tech gadgets and the Internet amounted to 40% of 1999’s
10.7% GDP growth. United States investors look for local Korean partners to export a booming domestic market and use Korea as an export platform for the rest of Asia, particularly China. Ericsson is associating with Lucky Goldstar, as part of an alliance to sell telecom products across the region, and Sun Microsystems Inc.'s local sales, including Korea, jumped 150% year-to-year through June 2000, to $315 million — about 6% of Sun's worldwide revenue. Korea actively seeks the United States investment as a partner to facilitate joint ventures of R&D and production, and to engage in fields like HDTVs, next generation automobiles and semi-conductors, and new materials for the purposes of formulating technological and industrial alliances, enhancing the trade balance of the two countries while strengthening their competitiveness.


As Korea embraced code-division multiple-access (CDMA) technology for its new mobile telephone system in 1993, it has been poised in the development of an industry of advanced digital communication. These innovations provide Korea with bargaining options for cross licensing. Its strategy was to become a partner country in the cross fertilization of the international technology market. Joint ventures, licensed production, and subcontract agreements with Asian partners have been increased as American aerospace manufacturers seek lower fabrication costs and an expanded presence in developing Asian markets. For example, Sikorsky has co-manufactured UH-60P Black Hawk helicopters in Korea since September 1990. Hi-tech advances in science and semiconductor technology have become the United States' dynamic comparative advantage industry, resulting in more research in this field in order to maintain the level of competitiveness.

United States hi-tech, such as semiconductors, led in world markets and surpassed the Japanese in high-definition TV, electronic books, wireless phones and other devices. Apple Computer Inc. and Compaq Corporation have been flooding the Japanese market, slicing the personal computer share of Nippon Electric Corporation (NEC). This turnaround illustrates the role the United States government can play in hi-tech industry. Thus, Sematech-like partnerships indeed signify industrial policy that government assists United States corporations in
capturing economic profits from foreign competitors.\textsuperscript{7}

Changing Korea’s export product structure, equipment (mobile phones, satellite receivers, and high-end liquid-crystal displays) cover 27% of all exports in the year 2000, up nine percentage points from 1998. Korea’s $11.9 billion in technology exports in the first half of year 2000 includes $6.1 billion of nonchip products.\textsuperscript{8} As rising labor costs in electronics, automobiles and machinery threatened competitiveness in world markets, Korean industries were launching an overall restructuring of industry toward more technology-intensive, higher value-added products. Korean industry was placed at the threshold of transition from labor-intensive to technology-intensive manufacturing up until the early 1990s.

Following the guidelines of OECD, Korea eliminated subsidies, liberalized foreign investments and its capital market, and privatized commercial banks and financial institutions. With more internationalizing trade, business, and technology, Korea pushes its economy toward globalized markets, more consolidation and greater efficiency in production, and its boundaries signify much less than they used to in terms of the flow of capital and technology after this opening of the economy.

**United States Industries and Korea**

The United States has the largest share of high-tech production and exports in global markets, and the United States industries are overwhelmingly successful in big system software, computers, aerospace, basic science, inventions, and new product design, areas where the United States can meet Japan’s industrial challenge head-on and thus can improve the bilateral trade balance.\textsuperscript{9} America has a broad business, university and government technological base and an overall environment conducive to basic research and development. It leads the world in high-tech areas. Hi-tech industries have shown distinctive features. Their costs fall rapidly as production builds up, mainly due to economies of scale and the influence of the learning curve. And these leading-edge industries get replaced fairly frequently, mainly because of short product cycles.

The United States has established the Defense Advanced Research Projects Agency (DARPA), which has a $2 billion budget with $500 million in defense conversion programs in areas of regional technology alliances, agile manufacturing and dual-use critical technology partnerships. It is the model for a proposed new commercial technology facility. This agency influenced many commercially successful innovations ranging from packet-switched telecommunications to artificial intelligence. The agency is a catalyst in strengthening
American companies such as Sun Microsystems, Inc., the leading computer workstation maker since the 1970s. DARPA involves commercial ventures just like those of MITI’s Agency of Industrial Science and Technology (AIST), and it even has an office in Tokyo for facilitating its access to Japan’s new technology. DARPA supported microchip fabrication such as the Very High Speed Integrated Circuits program (VHSIC), and the spin-off of the program has resulted in development of the high-resolution X-ray lithography systems needed to produce the next generation of computer memory chips. In 1992, DARPA initiated a high-definition display-manufacturing consortium to cope with Japan’s lead in the manufacture of thin electronic screens, commercial display systems, and high definition T.V.

Korea actively seeks United States investment as a partner to facilitate joint ventures of R&D and production, and engage in fields like HDTVs, next generation automobiles and semiconductors, and new materials for the purposes of formulating a technological and industrial alliance. If the two countries were to make most of their opportunities in Asia, it would be desirable that they develop economic policy, which stresses mutual comparative advantage of technologies.

Korea has increased investment in new technology and equipment, and initiated a drive for higher quality to meet the current competitive challenges in the post-GATT era. Under the WTO system there will be greater investment in Korea by foreign countries, especially the United States, in the near future as Korea gears up to globalize its economy, including a significant liberalization of restraints on investment.

Granted that Korea’s industrial technology has been developed from imported technology, the major feature of technological policy was, however, the fostering of indigenous technology through research centers established in both public and private sectors, and Korea has emerged as a growing market for its trading partners. With more internationalizing trade, business, and technology, the WTO will promote the world economy toward globalized markets, more consolidation and greater efficiency in production. Higher costs of technological innovation may be expected due to short life cycles, and increased privatization is probable.

Japanese inputs accounted for between 20% and 30% of the value of a Korean car and 85% of the value of a Korean-produced color TV set; 70 to 90% of the components of a Korean laptop computer came from Japan and account for more than 60% of its price. Since Korea tries to break out of dependence on its imports of intermediate products from Japan, the U.S.-Korea industrial alliance could ameliorate the
situation so as to maximize the synergistic benefits.

Korea and United States Technology

Until the end of the Cold War United States policy had focused on the threat to security posed by the Soviet power, thus concentrating on defense R&D. Due to the geopolitics of the Cold War, Korea became one of the biggest recipients of United States foreign aid and technical assistance. Korea had relatively easy access to America as the most important source of capital and technology. For Korean industries, the American military local procurement program also offered opportunities to local manufacturing to "learn-by-doing" so as to meet product specifications. In the 1960s and 1970s Korea's industrialization began with technologies at the mature and declining stages in the product life cycle in the United States. Since United States firms cannot strengthen their competitiveness by stretching technologies at this stage, it became easy for Korea to purchase the technologies at a fraction of the cost of developing.

Korea's R&D system has been geared to "latecomer catch-up" to close the gap. America has been the major source of Korea's imported technology, with the average size of both direct foreign investments (DFI) and technical licenses (TL) increasing significantly over time. The average size of America's DFI has been more than twice that of the Japanese, and the American TLs are more technologically sophisticated than those of the Japanese.\(^{12}\)

As technology was recognized as the driver of productivity and economic performance, the Korean government changed the direction of the science and technology policy at the beginning of the 1990s. Korea, pursuing its drive toward the high-tech sector, has been selectively achieving dynamic comparative advantage from technology acquisition, learning-by-doing and productivity growth. Korea's becoming an advanced information society was to give impetus to the progressive opening of its communications industries and the development of a fairer regulatory network.\(^{13}\)

Korea concentrated on wide-scale application of improvement engineering to borrowed technology, with emphasis on consumer goods for expanding exports. The government adopted policies that encouraged and actively guided technology imports. Korean appliance makers also have recently launched a series of new products, which they claim are capable of improving environmental conditions. The world's first bio television, which Samsung Electronics Company introduced in December 1993, emitted infrared rays off a ceramic coating on the inner and outer walls of the set's brawn tube. Exposure to the invisible rays stimulates the metabolism rate, according to the developers.
Korea assimilated imported technologies and beefed up technological capabilities by redirecting its technology policy since it became less competitive in labor-intensive industries. As America moved to higher technological levels, Korea did not simply buy technology from the United States, but emerged from careful domestic support networks of indigenous technology that were developed at the same time. Korea's technological progress was mostly implemented by the private sector's drive into high-technology industries along with their increasing R&D investment. Complemented by technology from the United States, Korean industries have promoted their own technological innovation with R&D efforts that were essential in meeting the constraints imposed on them in a changing global economy.

Anam Electronics Company stated that the 'n' in its name stands for the negative oxygen ions, which were emitted from its speakers and acted as an air freshener. In a move to keep pace with Samsung's latest television, Goldstar Company came out in January 1994 with its Art Vision Green. As a leader of the domestic consumer electronics and appliance markets, it was well known for its high-quality products and innovativeness in responding to customer needs; the Goldstar version emitted infrared rays as well as negatively charged oxygen particles.

The government has shifted toward protecting the technological development of small and medium enterprises rather than promoting the Chaebol. Almost 8,000 new companies were started in 2000, up 50% over 1999. To nurture venture or small enterprises the government has provided tax breaks and other incentives. The interests of these small and medium enterprises are better served through greater market liberalization.14

Public policy has led a drive to improve the country's technological infrastructure and to strengthen the competitiveness of the information industries and overall national technological capacity. Given the country's need for technology transfer and know-how, this drive is simultaneously expected to generate market openings and opportunities for United States high-tech firms. What makes these alliances strategically important was that many of them, whether equity-based or not, involved some form of technology transfer or collaborative R&D activities. While alliances involved joint marketing arrangements or distribution agreements, some form of cross-national transfer of technology has been usually involved. The IAs involving technology transfer can take many forms, such as technical exchange and cross-licensing, co-production, and marketing agreements, joint product development programs, or stand-alone joint venture firms with equity distributed among the partners.

Although the specific alliances vary in motivation, scope, and
duration, they all are aimed at enhancing the current competitive advantage of the collaborating firms. Korea cannot in the future rely on the United States without evolving its own research and development centers; to do so only deepens dependency, waste and helplessness. It presents a powerful argument on catch-up strategy of industrialization.

Korean companies also emerged as innovators in plasma-display panels, mobile phones, and digital televisions instead of reverse-engineering copies of products. Business Week reports that Korea ranks seventh in the world in spending per capita on research and development. It is also in the top 10 in patent registrations.

**Technology-Transfer Series**

The United States has a huge financial and hi-tech capacity, whereas Korea has poor endowments of these factors, but it has a disciplined, high-quality work force and a proven record as a shrewd trader in the world market, producing quality products at low cost. The industrial alliances are likely to become bigger players in Asia, swapping Korea's manufacturing process technologies for United States product technologies. Korea may also play an increasingly important partner role for the United States in gaining access to the markets and talents of developing countries in the region.

Most developing countries have not built the necessary technology support networks that would allow them to absorb their high technologies imported from industrial countries. This vast technological strategic unpreparedness stems from the simplistic view of technology as simple hardware/software problems. Technology is a complex social relationship tying people, institutions and their skills together. Countries that have abundant unskilled labor and little physical or human capital need appropriate technologies that are labor intensive on a small scale.

Korea appears to be one of the few economically refreshing examples of realizing what industrialization should mean in the context of knowledge-oriented enterprises. The example of Korea that industrialized through such small-scale technologies could therefore play a role as a catalyst in international technology transfer.

As globalization has engulfed every regional market of the world, product life cycle has pushed industries to focus on market share competition. Increasing returns to scale plays an even more important role in market competition in technology-oriented industries. Because of globalization, the introduction of new products from the home country to the world market is virtually instantaneous, which can greatly shorten the product life cycle.

Since Korean industrialization was undertaken from scratch, serious
constraints existed everywhere in the form of insufficient capital, inferior technology, inadequate demand for industrial products and poorly developed infrastructure. Korea developed its own way of using technology and capital goods, including reverse engineering.

Furthermore, the government has reformed to do away with economic restrictions to secure flexibility in corporate management so as to enhance global competitiveness. It has speeded up its efforts to help industries’ technology innovation and carry out educational reforms.15

Because of Korea’s rising costs of factors of production such as labor and land, Southeast Asian countries and China offer opportunities and challenges. The shift to leading-edge goods or middle-level technology production will enable Korea to compete more effectively in the markets of higher value added products in the global market. Since problems of imported technology in developing countries have been centered on the problem of absorption, the suitable technologies to them are labor intensive and small-scale technology easily adaptable to any given situation. Korea, which industrialized through labor intensive and small scale technology, can play a role as a catalyst in international technological transfer series between developing countries and advanced-industrial countries such as the United States.

The crucial feature of Korean imported technology was its modification and adaptation, and it has developed its own way of using technology and capital goods, so-called indigenous production engineering. Machinery and technological application have been handled in simpler ways than originally designed, since workers were poorly equipped with skills. As long as the simpler way of doing a thing resulted in the desired production with higher value added, not only have output goals been reached, but also Korean management and workers have gained confidence and have themselves undertaken further improvement and adaptation of imported technology. Korea has encouraged the development of indigenous technology and has acquired those technological elements that have not been developed at home. As Korea has moved to high value-added industries, labor-intensive industries have been shifted to developing countries in Southeast Asia and Latin America. This is an interesting example of technological transfer series with Korea being the catalyst.15

Insofar as developing countries can borrow either specific elements of technology or the policies and practices of adaptation, they will move far ahead in their development stage. Korea can be a moving force in technology transfer to developing countries.

Korea’s trade with Southeast Asian countries and China could be significant to United States interests. Utilizing its inexpensive labor
and land, China is being transformed into the world’s emerging manufacturing center. China has achieved much in the last 25 years since it adopted the policy of reform and openness by bringing a portion of the population, the 260 million people in coastal areas along the Yellow River and the Southeast China Sea, into the market-oriented economy. The United States can capitalize on its close ties with Korea in the arrangement of the industrial alliance.

To counter the loss of competitiveness due to rising labor costs, both the Korean government and industries are promoting a new strategy for continued growth, namely, moving Korean industry decisively into technology, high-value added production. To Korean technocrats as well as leading corporate executives, this means upgrading technology in traditional industries such as textiles and garments, and pushing Korea into the frontiers of microelectronics, mechatronics, automobiles, aerospace, biotechnology, and superconductor.

Human Capital Formation

Industrial competitiveness simply derives from the enhanced productivity of Korean workers producing goods and services to meet the test of domestic and international markets so that Koreans enjoy a standard of living both rising and sustainable. The ability to do so depends on the productivity of Korea’s labor associated with skills and knowledge.

There was also a major reform in labor markets. In an attempt to enhance flexibility in labor markets, the Korean legislature passed a law allowing more flexible layoffs by employers. Labor market reform centers on the actual implementation of the institutional measures already introduced for increased labor market flexibility, such as a system for manpower leasing. Overall, the crisis has brought major reforms to the Korean economy which otherwise would be difficult to achieve.

The World Bank report describes Korea’s educational achievement, saying that its success in improving the educational level of its population would appear to be unmatched by any other country. Industry is benefited as every year, universities and technical schools turn out 5,000 engineers. The broad sweep of modern economic history of industrial competitiveness has been one of innovation and creative destruction. Korea is in the stages of a powerful new thrust of industrial restructuring in association with high technology. Semiconductors along with computers and electronics technology already spawn a beginning wave of coming growth. The venture upstarts and innovation pipeline is full of promising new activities. Technology has been
recognized as the driver of productivity and economic performance.

If a primary economic goal of a nation is to generate an increasing standard of living for its people, accomplishing this objective depends not on the blurred concept of maintaining national competitiveness, but rather on achieving high productivity of its employed resources. If Korea desires to revitalize its competitiveness, it must invest in people, not in nationally defined corporations as such. Korea should welcome equally both foreign and domestic investing companies. And the government should increase investment in education, training, research, and infrastructure, so that Korea becomes a good location to set up shop for any international firm seeking talented employees.\(^\text{17}\)

The vital aspect of these processes lies in the assimilation of the technology into the local industries’ fabric. Korea with a modern educational system, and a strong internal scientific and engineering community can promote its own technological innovation complemented by technology transfer. As a mid-tech country,\(^\text{18}\) it might actively involve United States investment as a partner so as to facilitate joint ventures of R&D and production. A country cannot rely on imported technology without evolving its own research and development institutions. The formulation of the science and technology policy has been undertaken for the national R & D program as the Korean government has changed the direction of science and technology policy during the 1990s.

Because knowledge has become the currency of modern economic competition, the strength of industry lies in its openness to ideas from the outside world. The new realities of global competition are forcing Korea to adapt its economic policy to attract foreign firms, Korean-American professionals, and investment. Korean-American professionals, in their role in human capital formation and manpower training, would serve the critical role of a catalyst implementing increasing mutual benefits of the two countries. Their efforts could generate further market openings and opportunities for United States high-tech firms. A large number of Korean students were sent abroad for education, mostly to the United States, and these educated Koreans became elite administrators, engineers, scientists and managers who can increasingly move to responsible positions, promoting Korea-United States business transactions and linkages as well as industrial alliances.

Korea solicits highly qualified scientists and technologists to return through institutions such as the Korean Institute of Science and Technology, the Korean Advanced Institute of Science and Technology, and Kwangju Institute of Science & Technology. In addition, the Korean government established Free Trade Zones throughout the country to lure them back as entrepreneurs and industrial employees.
Korea must muster the human capital, financial and other resources for domestic R&D to maintain a continued industrial growth path, complemented by imported technology. Its industrial policy is geared to the fostering of indigenous technology through research centers established in both public and private sectors, and maintaining contact with Korean professionals abroad. Korea has to promote its own technological innovation with R&D efforts that are essential in meeting the constraints imposed on it in the changing global economy.

Conclusion

The rise of the Asia Pacific region should be reckoned with in the international economic arena of the 21st century. These countries in the year 2000 have invested massively to sustain economic development. Granted that Korea's industrial technology has been developed from imported capital and technology, the major feature of its industrial policy was, however, the fostering of indigenous capital formation and technology.

Korea, with a modern educational system and a strong internal scientific and engineering community, can promote its own technological innovation complemented by the industrial alliance. As a mid-tech country, it has actively involved United States investment as a partner so as to facilitate industrial alliances and joint ventures. With more internationalizing trade, capital flow and technology, WTO will move the world economy toward globalized markets, more consolidation and greater efficiency in production. That is, national boundaries signify much less than they used to do in terms of the flow of capital and technology. Korea's present crisis signifies a challenge that the success of developmental efforts brings with it. The war Korea is waging may be considered to be a rite of passage into the maturity of a truly developed economy.

As Korea comes out of this crisis with success, it does so with a thoroughly reformed economy, and with one that is truly open to the world. Having a highly educated and diligent labor force Korea has achieved remarkably high growth rates since the IMF crisis. With its own expanding domestic market and its location very close to China and Japan, Korea offers the United States the unique advantages as well as the gains from the industrial alliance.

Notes

1. The revisions of various Korean laws related to IPRs were passed in the Korean National Assembly in 1997 in order to accommodate the WTO/Trade-Related Aspects of Intellectual Property Rights agreement. Review of National Science and Technology:

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Economic Voting in Korean Elections after Democratization

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Introduction

Many factors influence the electoral results. One of them in the western countries is the economic condition. Whether they are personal or national economic conditions, the importance of economic factors in elections cannot be ignored. This paper focuses on economic voting and investigates whether economic voting worked in the Korean elections after 1987. It is generally accepted that Korean democratization was achieved in 1987¹. Before that year, democratization was the prevailing issue in elections because many Koreans still thought that the government was an authoritarian regime. Though the opposition parties insisted political democracy as first priority and urgent task required for Korea to accomplish, the ruling parties emphasized efficient and fast economic development led by ruling elites.

Achievement of democratization brought on dramatic changes in the electoral environment. First, after the political cleavage between the ruling and the opposition parties vanished, no issue could be substituted for the vacuum of the cleavage. Since the leading political parties were concerned with only political system or legitimacy, they did not prepared their own concrete policies in other areas. Hence, the voters could not differentiate the parties any more. Then, the most crucial factor in both the presidential and the congressional elections in Korea has been regional voting since democratization².

Second, like the western countries where economic issues are becoming crucial in elections after the collapse of the communism, Korean voters began to pay attention to the economy. Electoral surveys suggested that the economic issues were considered most important in Korean elections. However, even when the economic issues were regarded important, the lack of partisan differences did not help voters to get a candidate elected based on economic voting. Parties needed to develop the economic policies to receive voters’ support, after IMF
crisis in 1997. Among determinants of voting behavior, regionalism has played a critical role in the elections\(^3\).

This paper investigates the effects of economic voting in Korean elections after democratization. Many studies of Korean elections focused on regional voting and emphasized on its influence. It is true that regionalism determines most of the election results, regardless of the presidential or the congressional elections. But voting behavior, according to voter’s hometown, cannot explain choices of the voters who came from the places, where regionalism is weak or not dominant such as Seoul, Kyunggi and Kangwon provinces. Then the raised question is what factors lead them to make voting decisions without regionalism. Regionalism does not explain every thing to Korean elections. Considering various condition voters take into account, other factors besides regionalism should be considered.

This paper looks into the role of the economy on voting decision. For this purpose, it will analyze 5 elections after democratization, which consist of 3 congressional elections and 2 presidential elections. This work begins with literature review of economic voting in Korea as well as the western countries. Next, Korean electoral situations pertaining to regionalism are explained. Followed by the analysis of economic voting in Korean elections. Using the survey data of each election, this analysis will compare the effects of economic voting. It will address the questions of how much economic factors influence the voting decisions and under what conditions they can exert. Especially, this paper focuses on the 15th presidential election in 1997 not only because voters are likely to respond more sensitively in presidential elections than congressional ones\(^4\) but also because crisis of foreign currency insolvency which occurred a month before the presidential election may have some affect. During the electoral campaign, the issue of responsibility of the economic crisis was the dominant feature on the newspapers and TV news. Therefore, no election has been more influenced by the economic issues than the 15th presidential election.

Literature Review of Economic Voting

Controversies over Economic Voting

As a pioneer of an economic voting model regarding party choice, Downs built a two-party setting where a voter chooses the party that will offer him or her the highest benefit, in terms of so-called utility income, during the coming election period\(^5\). However, it is Kramer's seminal paper that made students investigates the effect of the economic condition on electoral outcomes\(^6\). He found that changes in
economic conditions influence US congressional elections and presented empirical evidence. He proposed an economic voting model in which a rational individual follows the decision rule in the light of his own self-interest.

Based on retrospective voting, he argued that a "relevant decision rule for voters would be based on readily available information. The past performance of the incumbent party, in particular, gives some indication of what it would do if returned to office, and of the effectiveness of its policies and personnel". With respect to party choice, the decision rule assumed is that the incumbent party is supported if its performance is considered satisfactory. In this case, voters want to continue the present situation. If, on the other hand, the incumbent's performance is not satisfactory, voters decide to vote for the opposition party.

Controversies in economic voting may be divided into three topics. First argument is what kinds of economic factors are used to determine voter's choice. That is, whether voters employ their subjective perceptions of the economic condition or the objective economic indicators. The contribution of the economy to the government's overall record depends on the extent to which the economy is perceived to be the serious problem facing the country. However, perceptions of economic states do not always fluctuate proportionally with changes in observed economic indicators. For instance, sensitivity to the changes in different economic conditions--whether in recession or prosperity--is different, then political burdens are also different. Therefore, perception of the economy is more accurate measurement than the objective economic indicators.

The second issue is concerned with the controversy over pocketbook versus sociotropic evaluation. Consider a voter who lacks comprehensive knowledge of the national economy, we may accept the argument that a voter chooses the candidate based on his or his family's economic condition. However, empirical studies of economic voting found that voting behavior relies on the national economic condition rather than personal financial condition. These studies concluded that a voter judges the national economic condition with the simple criteria of "better off, same, or worse off" and that he/she supports or blames the incumbent on the basis of this simple perception.

The critical defect of the pocketbook voting model, however, is that it relates all of the changes of personal economic condition to the voter's choice. There may be other causes independent of economic policy by the government. For instance, retirement or illness due to physical changes on personal economic condition, but few blame the government for their personal economic difficulties. That is, to
estimate the effect of pocketbook voting, it is necessary to distinguish the effects of economic policy and personal factors on personal economic condition

The final issue, among the controversies of economic voting, is what period of economic conditions a voter takes into account for voting. To put it concretely, the question is whether a voter bases the voting decision on the incumbent's performance during his tenure or with candidates' competence to deal with the economic problems in prospect. Retrospective voting implies that a voter stays with a party or switch on the basis of assessments of past performance. The government is blamed or rewarded for changes in economic conditions, so that the voting decision is subject to the performance of the government regarding uncontested standards.

The retrospective voting model has been popular for several reasons. First, it seems to be intuitively plausible for the public because it is the simplest and most straightforward model. It is generally accepted that ordinary voters are not well informed about political and economic issues. Second, past performance is cheap and reliable information, so the concept of information costs supports retrospective voting. In fact, retrospective voting is relatively cheap because individuals may draw upon more relevant information concerning the government's past performance.

On the other hand, prospective voting argues that a voter does not look solely at the past. Since voters choose the candidate who has the capability to deal with the nation's economic problems efficiently and make the future better, they consider something more than the punishment or reward of the incumbent, which is the main idea of retrospective voting. Prospective evaluations appear to be a second force in determining voting behavior. Extensive analyses on prospective voting found that future expectations of economic conditions influence voting behavior.

Even though I do not assume that voters are extremely well informed, it seems reasonable that they are to recognize the fact that voting is for the future rather than the past. For prospective voting, Kiewiet proposes the concept of policy voting and draws a distinction between retrospective and prospective voting. He identifies two preconditions for policy voting: that voters "(1) see either inflation or unemployment as a serious problem and want to see it alleviated, and (2) perceive differences between the parties in the amount of effort and/or skill they apply in combating that problem." Simple retrospective voting supposes absence of the information about the other alternative. In the real world, however, voters perceive party differences in goals and performance. Thus, prospective economic evalua-
tion should be given more attention.\textsuperscript{17}

It should be noted that retrospective and prospective voting are not opposite concepts. Even the simplest prospective voting model, it extrapolates past information to evaluate expected future utility. Lewis-Beck does not see retrospective and prospective voting as mutually exclusive. He argues that both of them can affect vote choice.\textsuperscript{18} Even the most impressive evidence of prospective voting depends on an index of leading indicators that are based on past performance.\textsuperscript{19}

To investigate the effect of economic voting in Korean elections, I will take account of the retrospective and sociotropic voting model with survey data. There are some reasons that I employ retrospective voting rather than prospective one. Since all of the leading parties, in each election, were conservative, they could not be distinguished based on their partisan platforms. Therefore, prospective voting based on policy voting may not work. As explained before, taking sociotropic voting rather than pocketbook model enables the analysis to avoid noise caused by personal economic conditions. However, I will examine the possibility of prospective voting with the data of the 15th presidential election.

\textit{Studies of Economic Voting in Korea}

Elections have been meaningful processes since the 13th presidential election in 1987.\textsuperscript{20} According to the standards established by previous elections, by virtue of democratization, the 1987 presidential election and the 1988 National Assembly election were comparatively free and honest. However, the most prominent characteristic in Korean elections has become regionalism since that year. Subsequently, studies on the elections have focused only on regionalism. Regionalism, in Korea, is based on the home province of a party's presidential candidate or leader. This has been the dominant form of voter alignment in the presidential, National Assembly and even local elections. Thus, the region has been, not only the strongest predictor, but also the only explanatory variable of voter's choice in the election that has shown statistical significances. The result from a number of studies on elections with too much emphasis on regionalism leads to the problem that they do not take into account voting behavior, which is not governed by regionalism. Despite the fact that economic issues are becoming more important in politics, the effects of economic issues on electoral outcomes were treated marginally. Compared with many papers and books on economic voting in Western countries, only a few papers consider the economic factors in voting models in Korea.

One of the studies of economic voting in Korea is Kim Jae-Han's paper, which found empirical evidence that Korean voters, who worried
about economic problems were not likely to blame the government, instead they supported the incumbent. This is the ironic phenomenon to economic voting. According to the economic voting model, voters would shift supports from the incumbent to the challenger, when they perceive bad economic situation. However, Korean voters did not punish the incumbent, despite the poor economic performance of the government. The main reason for such behavior was that supporters of the ruling party were more likely to consider the inflation problem serious than those of the opposition party. Because of such disproportional predisposition toward economic concern between the supporters of the ruling party and the opposition parties, those who worried about the economy seem to support the incumbent party, in spite of the poor performance of the government. With empirical analysis of the 14th National Assembly election, Kim insisted that regionalism is so dominant that economic issues do not affect voter’s decisions. Therefore, evaluation of competence of candidates or parties does not have a causal relationship with voting behavior.

Pak Kyung-San investigated possibilities of retrospective voting and prospective voting in detail. He found the importance of regionalism and evaluation of candidates in the 14th presidential election as other researchers did. In his research, prospective model was more useful than retrospective voting in that candidate Kim Young-Sam had significantly more support from voters concerned about inflation than any other candidates. To explain the finding, Pak argued that Kim Young-Sam attempted to persuade voters by stating that he was different from the former president Rho Tae-Woo and based on that voters were persuaded. Another plausible explanation, according to Pak, was that voters who supported the ruling party and the opposition party have different political attitudes. On the one hand voters likely to support the ruling party were sensitive to economic problems. On the other hand, voters favoring opposition party gave more weight to the political issue of democratization. Due to the biases of different voter supports, empirical results revealed that voters who worried about economic issue seemed to support Kim Young-Sam. His argument is not different from what Kim Jae-Han said. His conclusion insisted that even though economic voting was found, it had, at best, only limited influence on voting behavior. However, his finding is an exception, in that other studies of Korean elections denied the effects of economic voting.

At this point, I need to explain why empirical studies of Korean elections did not support economic voting even in the cases that the economic problems were seriously considered. Prospective voting belongs to the category of issue voting. Whereas, issue voting requires
some preconditions. First, an issue should be salient enough that voters can perceive the importance of the issue and have their own opinion on that issue. Second, voters not only know the implications of the issue but also consider it serious. If they recognize the issue but do not realize its importance, the issue does not influence their voting decisions. Finally, voters should perceive the difference on issue positions of the parties or the candidates.

In the respect of these criteria, it is possible to explain why economic voting has not been found in Korean elections. Above all things, the economic problems were not a major issue for a long time. In history, Korean military governments attempted to compensate for lack of political legitimacy with economic development. Thanks to economic development initiated by the government, economic problems had not been made an issue so that the ruling parties could get political supports from voters. Of course, Korean voters worried about the economy, but their concern was on continuous economic growth. In other words, voters' economic concern was not resulted from inflation or any employment problem but from ceaseless benefit form the steady economic growth.

Another reason of weak economic voting is the influence of regionalism. Regional voting is powerful, in that the influence of other factors affecting voter's choice such as evaluation of candidates or parties has been ignored. Thus, strong regionalism affects other factors in voting decisions, other factors except regionalism cannot be useful to explain voting behavior in the 13th and the 14th presidential and congressional elections. For instance, voters from Honam province give the highest scores in every evaluation to the candidates coming from Honam region. The same phenomenon applies to Choongchung and Yongnam, where regionalism is dominant.

Empirical Analysis of Korean Elections

Important Problems

As explained before, economic conditions affect electoral outcomes only when the economic issues are salient. Therefore, before estimating the effect of economic voting the first task is to find how serious voters perceive the economic problems. Table 1 shows the importance of economic issues in each election. This table is made based on the question of what is the most important problem facing this country.

According to the table, economic issues are the most serious national problem in every election. More than a half of respondents thought the economic conditions were the most salient issue in three of
four elections. Especially, economic issues were ranked from all three most important problems in the 15th presidential election survey. IMF crisis dramatically changed the Korean economy. A lot of Koreans suffered from economic recession and mass layoffs drove people to be frustrated and angry. Data in Table 1 shows how difficult the economy was in 1997 and the incidence of the economic disaster meets the first requirement for economic voting. However, it should be noted that the fact because many voters worried about economic issue it does not necessarily guarantee economic voting. In addition, it is necessary for voters to blame government for the economic problems to satisfy the assumption of economic voting. Although the survey data does not provide the information about government’s responsibility for the economic problems, in so far as economic voting is concerned with voting behavior rather than attitude toward evaluation on economic condition; it is possible to examine the effect of economic voting with information about voting decision. A voting model including economic factors and other variables influencing voter’s choice enables us to find the effect of economic conditions on party or candidate choice.

Economic Voting

To examine the effect of economic voting in the presidential and the National Assembly elections, other variables, in addition to the economic factor should be considered. The following models consider the demographic variables such as age, education, and partisan bias, so-called Yo and Ya. Additionally, regionalism should be included in the model, since it exerts significant influence on the Korean elections and the perception of the economy is employed to estimate the effect of economic voting. Table 2 displays the analysis results from the presidential and the National Assembly election after 1990.

For the 14th National Assembly election, the coefficient of age indicates that the old would vote for Democratic Liberal Party (DLP). Old voters, who wanted political stability, were inclined to choose DLP, the ruling party. The variable education resulted that the effect on partisan choice is not significant, which implies no differences between educational levels to support the ruling party. This result is quite different from the pattern of the previous elections, in which the highly educated were less likely to vote for the ruling party. In the previous elections democratization was the dominant issue and highly educated voters gave more weight to the political value of democracy, which resulted in votes against the authoritarian ruling party.

While those who have Yo biases are more likely to support DLP, voters having Ya biases are less likely to vote for the incumbent party. More importantly, voters’ perception of the national economy reveals
<table>
<thead>
<tr>
<th>Issue</th>
<th>2000</th>
<th>2002</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMF crisis</td>
<td>26.6%</td>
<td>7%</td>
<td>21.4%</td>
<td>3%</td>
</tr>
<tr>
<td>political instability</td>
<td>31.2%</td>
<td>4%</td>
<td>5.7%</td>
<td>2%</td>
</tr>
<tr>
<td>corruption</td>
<td>34.1%</td>
<td>9%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>inflation</td>
<td>39.1%</td>
<td>7%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>development</td>
<td>15.8%</td>
<td>8%</td>
<td>3.4%</td>
<td>1.2%</td>
</tr>
<tr>
<td>rural issue</td>
<td>25.4%</td>
<td>9%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>democratization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Important Issues in Elections

Source: Korean Social Science Data Center
that it does not affect voting. The assumption that those voters, who thought the economic condition as problematic, voted less for the ruling party than the other voters was not proven. Considering the most important issues in the elections according to Table 1, it is strange not to find economic voting. More than a half of the respondents pointed out that the economic issue was the most serious problem, but they did not decide voting according to the issue perception. In other words, they did not punish or reward the government based on the economic situation.

A couple of explanations help us understand why economic voting did not exist in the elections in 1992. First possibility is that although, voters perceived the economic problems, they would not denounce the government. Then it is necessary to look into the national economy. Macroeconomic indicators at that year displayed a not so gloomy economic situation. Compared with the rates in other election years such as 2.5% and 2% in 1988 and 1996 respectively, the unemployment rate was not high. The annual GNP increasing rate of 8.9% indicated healthy economic condition. What voters worried about was whether or not to loose their jobs or to decrease their real income, but to maintain the economic gain. In fact, there was not a serious economic recession, except for the oil shocks before IMF crisis in 1997. Thus when the economic issues were raised, they were not so severe that voters did adhere to economic voting but considered political issues or regionalism.

Another persuasive explanation of the lack of economic voting stems from the perspective of prospective voting. According to prospective voting, when a voter is not satisfied with the current economic condition, he searches an alternative candidate. For this process, he compares the candidates to find better suited candidate to handle the problem. The opposition parties in Korea lacked experience as a ruling party, which meant that the voter gave little creditability to their ability. The voters with no experience of an economic problem would not easily shift supports from the major party to the opposition one. For this reason, the empirical research did not find economic voting in both National Assembly and presidential elections in 1992.

Such voting behavior was also found in the 14th presidential election. It is natural that the effects of the variables in the both elections be similar because the two elections were conducted in the period of 9 months. Although many electoral studies of the Western countries found that presidential elections are more sensitive to the economy than congressional election, there were no differences in the economic voting between in the 14th National Assembly and the 14th presidential election.
The results of 15th National Assembly election in 1996 looked different from the previous results. The reason that the coefficient of regional variable Yongnam province is negative and insignificant can be explained by the fact that south and north Yongnam had different regionalism at that time. If the variable were divided into south and north Yongnam, the coefficient of south Yongnam would show positive and significant value, whereas that of north Yongnam would not. The most striking finding in the model is the coefficient of variable economy. It is negative and significant, which denotes that the more a voter believes that the national economy was worsened, the more the voter is likely to support the ruling party. This result is opposite to the economic voting model supposing reward and punishment in voting behavior. There was no idiosyncratic political situation to explain the odd result. Since other research using different data found retrospective economic voting, I cast doubt on the measurement errors in the survey data.

The 15th presidential election may be characterized with regionalism and IMF crisis. Furthermore, three major party candidates ran for the election. IMF crisis of foreign currency insolvency happened just 3 weeks before the 15th presidential election. Consequently candidates of the opposition party blamed the Grand National Party (GNP) for the economic disaster and Lee Hoi-Chang, a candidate of the ruling party, stated in his defense that it was not his fault. In spite of his attempt to split from the government, according to the result in Table 2, voters who thought the government should be responsible for IMF crisis voted against the ruling party. The amount of the effect caused by the IMF crisis was as much as that of regionalism of Honam province. Such voting behavior was in accordance with retrospective economic voting. The effects of other variables such as regionalism and Yo and Ya bias are almost the same as those of the previous elections. For precise empirical research ordinary least square (OLS) regression method cannot analyze voting behavior on the whole, and whether prospective economic voting worked cannot be tested. So I will discuss the 15th presidential election in the next chapter.

The 16th National Assembly election was conducted after the momentum of the transition of power. It was during the 15th presidential election in 1997 that the opposition party changed to the ruling party for the first time in Korea. In fact, even though the names of the parties are different, the New Korean Party (NKP) is the successor of the DLP and GNP is a descendant of NKP. While the Millennium Democratic Party (MDP), as the ruling party, gained 115 seats including proportional seats, GNP, the opposition party, won 133 seats out of total 273. The effects of regionalism and Yo and Ya biases are
<table>
<thead>
<tr>
<th>National Assembly elections</th>
<th>Presidential elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th (1992. 3) (DLP)</td>
<td>14th (1992. 12) (DLP)</td>
</tr>
<tr>
<td>15th (1996. 4) (NKP)</td>
<td>15th (1997. 12) (GNP)</td>
</tr>
<tr>
<td>16th (2000. 4) (MDP)</td>
<td>15th (1997. 12) (GNP)</td>
</tr>
<tr>
<td>Intercept</td>
<td></td>
</tr>
<tr>
<td>.36&quot;(.08)</td>
<td>.42&quot;(.08)</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>.03&quot;(.01)</td>
<td>.04&quot;(.01)</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>-.02(.02)</td>
<td>-.03(.01)</td>
</tr>
<tr>
<td>Yongnam Province</td>
<td></td>
</tr>
<tr>
<td>.09&quot;(.03)</td>
<td>.11&quot;(.03)</td>
</tr>
<tr>
<td>Honam Province</td>
<td></td>
</tr>
<tr>
<td>-.11&quot;(.03)</td>
<td>-.23&quot;(.03)</td>
</tr>
<tr>
<td>Yo</td>
<td></td>
</tr>
<tr>
<td>.30&quot;(.03)</td>
<td>.26&quot;(.03)</td>
</tr>
<tr>
<td>Ya</td>
<td></td>
</tr>
<tr>
<td>-.30&quot;(.03)</td>
<td>-.31&quot;(.03)</td>
</tr>
<tr>
<td>Economy</td>
<td></td>
</tr>
<tr>
<td>.01(.01)</td>
<td>.00(.01)</td>
</tr>
<tr>
<td>R2</td>
<td>.31</td>
</tr>
<tr>
<td>963</td>
<td>1116</td>
</tr>
<tr>
<td>N</td>
<td>.20</td>
</tr>
<tr>
<td>974</td>
<td>1108</td>
</tr>
<tr>
<td>N</td>
<td>.25</td>
</tr>
<tr>
<td>805</td>
<td>.44</td>
</tr>
<tr>
<td>N</td>
<td>.00(.01)</td>
</tr>
<tr>
<td>005</td>
<td>.44</td>
</tr>
</tbody>
</table>

a: Dependent variables are the ruling party supports.  b: Standard errors are in parentheses.
***: p<.001; *: p<.05
Yongnam and Honam provinces imply respondents' hometowns.
the same as the previous elections. Voters from Honam province and biased Yo have higher probability to vote for MDP, than any other party. Since the ruling party has changed in the 15th presidential election, those voters, who had the Yo predisposition, biased toward the ruling party, wanted to choose the candidates nominated by MDP. On the contrary, people biased toward the opposition party were inclined to support the candidates recommended by GNP. These effects of variable Yo and Ya revealed to change according to the status of the parties. That is, when DLP was in power, the supporters of the party thought themselves as Yo biased, but when GNP, a successor of DLP, became the opposition party, the supporters claimed that they had the Ya predisposition. Thus Yo and Ya biases are not different from party identification in the western countries. For economic voting, the coefficient of the economy is positive and statistically significant. It implies that voters who evaluated the national economy positively were likely to vote for the ruling party. This finding provides the evidence of economic voting in the 16th National Assembly election.

In summary, investigation of the elections in Korea shows consistent effects of these variables. For variable age, as voters get older, voters choose the ruling party rather than the opposition party because they preferred political stability over political check between the leading parties, by supporting the opposition party. Respondents' education level in the past elections did not influence partisan choice. On the other hand regionalism has influenced voting behavior crucially. The three leading parties won huge supports in their party leaders' respective strongholds. Coefficients of variable Yongnam and Honam province showed consistent and exclusive supports for the dominant party of each region. DLP and GNP, in both presidential and National Assembly elections, dominated Yongnam province, whereas NCNP (National Congress for New Politics) and MDP were represented by the Honam province. It is noteworthy that the effect of Honam province on voting decision is almost twice as that of Yongnam region. It suggests regional cohesion is higher in Honam province, than any other regions. For Yo and Ya biases, they also reveal consistency effect on voting. Considering frequent changes of partisan names, the biases may be treated as partisanship because when the ruling party came to the opposition party, the supporters declare themselves Ya from Yo.

*Retrospective and Prospective Voting in the 15th Presidential Election*

Before the 15th Presidential Election in 1997, Korea faced economic disaster that Koreans had not experienced. The issue of democratization was not a salient issue any more after 629 declaration
in 1987, which was a cornerstone in Korean democracy. Thus, IMF crisis and the disappearance of the political issue meant that the economic issue, in addition to regionalism, might be a major issue. Voters' sensitivity to the economic disaster was at high levels during the presidential election campaign. On December 1997, Kim Dae-Jung, candidate for the main opposition party, insisted on a TV debate the necessity of renegotiation of the IMF arrangements. After Kim's speech, unfortunately, the IMF discussions did not work out well because IMF raised doubts whether Korea would keep the promise in the case that Kim would be elected. Consequently, GNP condemned Kim's imprudent comments and polls showed that while the other candidates maintained their popularity, Kim's popularity went down from 33% to 29%.

High responses to economic issues and vanishing responses to political issues brought adequate condition to examine economic voting. Empirical research on economic voting in this paper is summarized as follows:

(1) If sociotropic voting influenced the voting decision, voting for GNP or the opposition parties would depend on the evaluation of the incumbent's national economic performance.

(2) If prospective voting influenced the voting decision, voters would vote for the candidate considered to be competent to deal with the current economic crisis.

It is necessary to explain the second hypothesis in more detail. According to the argument of prospective voting, even though voters thought that GNP, as the ruling party, was responsible for the current economic crisis, if they were to consider candidate Lee of GNP as the best person to combat the current disaster, in spite of the responsibility of the government, they would vote for him. In fact, an election is a decision-making procedure to choose a leader for the future, not to punish or reward the incumbent.

Three candidates obtained more than 15% of votes in the 15th presidential election. Therefore, the analysis includes respondents who claimed to have voted for Lee Hoi-Chang, Kim Dae-Jung, and Rhee In-Je who were candidates, GNP, NCNP and NPP (the New Party by the People) respectively. If a model was to be applied that utilized the three candidates as a dependent variable, multinomial logit model should be employed. The dependent variable is categorical and for dichotomous categorical data, a logistic analysis is generally used. However, the dependent variable in this analysis is polytomous because it is composed of three category values, so that logistic analysis cannot
be applied. Regression or logit analysis is appropriate to analyze the continuous or dummy dependent variable respectively. However, it cannot take into account all of the three candidates support, simultaneously.

Table 3 displays the coefficient and its statistical significance level of each variable in the comprehensive model. In this model voting for Lee is selected as a base-line. To interpret a coefficient in the multinomial logit model, it is not an absolute value but the relative probability value to the selected base line. For interpretation of the second column in Table 2, for instance, a positive and significant coefficient in the equation showed that one unit increase in an independent variable induces net shifts from choice of Lee to Kim. On the contrary a negative coefficient implies shifts in choice of Kim to Lee.

The result of voting for Kim, relative to Lee based on regionalism, is the coefficient of Yongnam. It is negative and with all things being equal, those who came from Yongnam were more likely to vote for Lee. On the other hand, it is found that voters from Honam were inclined to choose Kim rather than Lee. These two findings imply that regionalism-affected voter's choice. Since the coefficients in the multinomial logit are exponential, it is not correct to state that the impact of regionalism of Honam in voting is double that of Yongnam. It is possible to only note that the influence of regionalism in Honam is greater than in Yongnam.

Another finding is that the Yo and Ya biases also affect the voter's choice. Since the benchmark in the variable for Yo and Ya biases are Neutral (independents), the coefficient of variable Yo indicates that voters who had Yo biases were more likely to vote for Kim, whereas those who had Ya biases were more apt to support Lee than Neutrals, as previously stated. However, demographic variables such as income, education and age pointed that they did not affect voting decisions. These insignificant effects were also revealed by other research on the 14th Presidential Election. The second column in Table 3 displays analysis of relative voting for Rhee to Lee. The coefficients of regionalism are not significant because Lee and Rhee were not differentiated on provincial biases. Their support base is commonly Yongnam province. Looking at Yo and Ya biases, Rhee received more support from Ya-biased voters and Lee from Yo biased ones. One thing notable in Table 3 is that the effect of Ya bias is stronger on Kim than Rhee. In fact, Rhee left GNP during the primary campaign, hence he could not have the identity of an opposition party leader. Furthermore, there was a rumor that Rhee was supported by president Kim Young-Sam, so Ya-biased voters doubted if he would be Kim's
successor. On the other hand, those who attributed the IMF crisis to the incumbent were leaning toward Kim or Rhee other than Lee. This result implies that despite GNPs’ efforts to dissociate themselves from president Kim Young-Sam’s regime, voters still considered GNP as the ruling party and therefore retrospective voting took place in the belief that the economic crisis was evidently attributed to the ruling party.

<table>
<thead>
<tr>
<th></th>
<th>Kim Dae-Jung/Lee Hoi-Chang</th>
<th>Rhee In-Ge/Lee Hoi-Chang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-.63(.96)*</td>
<td>1.79(.96)</td>
</tr>
<tr>
<td>Income</td>
<td>.01(.06)</td>
<td>.01(.06)</td>
</tr>
<tr>
<td>Education</td>
<td>.00(.15)</td>
<td>.03(.16)</td>
</tr>
<tr>
<td>Age</td>
<td>-.00(.01)</td>
<td>-.03*(.01)</td>
</tr>
<tr>
<td>Kangwon province</td>
<td>-.123*(.56)</td>
<td>-.96(.59)</td>
</tr>
<tr>
<td>Chungchung province</td>
<td>.02(.02)</td>
<td>.82(.59)</td>
</tr>
<tr>
<td>Honam province</td>
<td>2.69**(.82)</td>
<td>.43(1.01)</td>
</tr>
<tr>
<td>Yongnam province</td>
<td>-1.45**(.40)</td>
<td>-.24(.27)</td>
</tr>
<tr>
<td>Yo</td>
<td>-1.57**(.35)</td>
<td>-1.30**(.32)</td>
</tr>
<tr>
<td>Ya</td>
<td>1.68(.31)</td>
<td>1.44**(.33)</td>
</tr>
<tr>
<td>Personal economic condition</td>
<td>.00(.00)</td>
<td>.00(.00)</td>
</tr>
<tr>
<td>Government performance</td>
<td>.01(.24)</td>
<td>.17(.24)</td>
</tr>
<tr>
<td>Competence of Kim</td>
<td>1.60**(.33)</td>
<td>-1.38**(.28)</td>
</tr>
<tr>
<td>Competence of Lee</td>
<td>-2.67**(.54)</td>
<td>-4.71**(.57)</td>
</tr>
<tr>
<td>Attribution of IMF to GNP</td>
<td>.90**(.26)</td>
<td>.91**(.27)</td>
</tr>
</tbody>
</table>

Correctness  89% 51%

* p<.05; ** p<.01 a: Standard errors are in the parentheses.

Above all, this analysis finds that the variable of prospective voting also impinges on voting behavior. Voters who thought Kim could handle the economic problems better supported him more than Lee (the coefficient is 1.60). The coefficient of the variable of competence of Lee is -2.67, which implies that respondents, who evaluated Lee as having better capability to deal with the economic problems than Kim, would vote accordingly. These results are consistent and statistically
significant. Such consistency is also found in voter's choice between Lee and Rhee. What is more important is that the coefficients of the variables of prospective voting (the competence of Kim and Lee) are much greater than those of retrospective voting (attribution of the IMF crisis). It indicates that prospective voting than retrospective voting influenced voter's choice in the 15th presidential election, more. It is worth noting that since prospective voting and retrospective voting are not opposite in meaning, they can coexist and be significant in one comprehensive model. Research on coexistence of the two concepts in a model argues that voters use double standards for voter's choice. They would evaluate an incumbent based on retrospective voting and challengers based on prospective voting.

For complete analysis of economic voting, it is necessary to look into the relationship between economic voting and regionalism. That is, if evaluation of the candidates were influenced by regionalism, then national data used in Table 2 are divided into subgroups by regionalism; the coefficients of the evaluation would vary significantly according to different regions. Here I build a hypothesis for the relationship between regionalism and prospective voting.

Hypothesis 1: If the evaluation of the candidates were affected by regionalism, influence of the positive evaluation of Kim n voter's choice in Yongnam area would be very small or insignificant. However, evaluation of Lee and Rhee played an important role in choice of Lee or Rhee.

Even if Kim was perceived as most competent, the atmosphere of anti-Kim atmosphere in Yongnam prevented voters from voting for him. Thus, the positive evaluation of Kim could not have had influence on voter's decision because of regionalism in Yongnam. However, regionalism did not lead voters to vote between Lee and Rhee because both of them represented the regional emotion of Yongnam. In the case where regionalism cannot help in choosing a candidate, voters may consider the second standard for voter's decision, which is economic voting or evaluation of the candidates' competence to solve the economic problems because the issue as considered as the most striking issue. Thus, the relative evaluation of competence between Lee and Rhee might be a critical factor in Yongnam. Relative voting between Kim and Lee supports Hypothesis 1 in that evaluation of Kim did not affect voting for him. Furthermore, even evaluation of Lee or attributing the IMF crisis to GNP did not impinge on voting decision in Yongnam.

Ya-biased voters compared with Neutrals were more likely to vote for Kim than Lee, but prospective economic evaluation of Kim did not
significantly help his support. Some variables, which are meaningful in the model using national data, lose significance in the model with Yongnam data, which implies that the regionalism of anti-Kim feeling was so dominant that it nullified the effects of other variables. Thus, only regionalism explained the fact that Kim was not chosen in Yongnam. But the story between Lee and Rhee is quite different. As argued above, since voters could not make their voting decision between Lee and Rhee with regionalism, they needed another criterion in addition. The prospective economic voting could be utilized as the second criterion. The empirical analysis supports this argument with the result that the coefficient of competence of Lee was much larger than that of any other variable in the model of Rhee/Lee in Table 4. In conclusion, as expressed in Hypothesis 1, relative voting between Kim/Lee depended on regionalism in Yongnam province. For the case of relative voting between Rhee/Lee, however, in which regionalism would not be applied to the voting decisions, prospective economic evaluation was a crucial factor.

**Table 4: Multinomial Logit Model of Yongnam Area**

<table>
<thead>
<tr>
<th></th>
<th>Kim Dae-Jung/Lee Hoi-Chang</th>
<th>Rhee In-Je/Lee Hoi-Chang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-5.68(2.58)</td>
<td>2.17(1.89)</td>
</tr>
<tr>
<td>Income</td>
<td>-.01(.13)</td>
<td>.00(.11)</td>
</tr>
<tr>
<td>Education</td>
<td>.26(.31)</td>
<td>.12(.26)</td>
</tr>
<tr>
<td>Age</td>
<td>.04(.02)</td>
<td>-.02(.02)</td>
</tr>
<tr>
<td>Yo</td>
<td>-2.89**(.12)</td>
<td>-1.48**(.51)</td>
</tr>
<tr>
<td>Ya</td>
<td>2.17**(.65)</td>
<td>1.58*(.62)</td>
</tr>
<tr>
<td>Personal economic condition</td>
<td>.00(.00)</td>
<td>.00(.00)</td>
</tr>
<tr>
<td>Government performance</td>
<td>.45(.55)</td>
<td>-.29(.38)</td>
</tr>
<tr>
<td>Competence of Kim</td>
<td>1.12(.69)</td>
<td>-1.99**(.47)</td>
</tr>
<tr>
<td>Competence of Lee</td>
<td>-1.77(9.99)</td>
<td>-5.15**(1.07)</td>
</tr>
<tr>
<td>Attribution of IMF to GNP</td>
<td>.97(.54)</td>
<td>.63(.46)</td>
</tr>
</tbody>
</table>

* p<.05; ** p<.01  a: Standard errors are in parentheses

Hypothesis 2: Evaluation of the candidates' competence to handle the economic problems was the most influential factor on voter's choice in Seoul and Kyunggi, where regionalism is relatively weak.
It is generally accepted that regionalism is least effective in Seoul and Kyunggi province. If this is true, other important factors will affect the voting behavior. Considering the circumstances during the presidential campaign, the competence of the each candidate may be an important factor.

Table 5 shows that evaluation of the candidates as well as Yo and Ya biases influenced voting decisions in Seoul and Kyunggi after controlling other variables. Respondents considering Kim, as being the most competent were likely to vote for him and respondents giving the best evaluation to Lee would likely to support him. This prospective voting can also apply to voting in the case of Rhee. In Table 5, the coefficient of competence of Kim is 2.12 and it is statistically significant. It says that positive evaluation of Kim's competence among the three candidates led voters to vote for him after controlling other variables. On the other hand, the coefficient of competence for Lee, -2.51, indicates that those voters, who considered Lee the best person to handle the IMF problem, were more likely to support Lee rather than Kim.

---

**Table 5: Multinomial Logit Model of Seoul and Kyunggi Area**

<table>
<thead>
<tr>
<th></th>
<th>Kim Dae-Jung/Lee Hoi-Chang</th>
<th>Rhee In-Je/Lee Hoi-Chang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-.62(.54)*</td>
<td>.83(.61)</td>
</tr>
<tr>
<td>Income</td>
<td>.08(.08)</td>
<td>.12(.09)</td>
</tr>
<tr>
<td>Education</td>
<td>-.11(.24)</td>
<td>.02(.27)</td>
</tr>
<tr>
<td>Age</td>
<td>.01(.01)</td>
<td>-.03(.02)</td>
</tr>
<tr>
<td>Yo</td>
<td>-1.39**(.46)</td>
<td>-1.17**(.49)</td>
</tr>
<tr>
<td>Ya</td>
<td>1.99**(.45)</td>
<td>1.76**(.48)</td>
</tr>
<tr>
<td>Personal economic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>condition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence of Kim</td>
<td>2.12**(.45)</td>
<td>-1.61(.42)</td>
</tr>
<tr>
<td>Competence of Lee</td>
<td>-2.51**(.73)</td>
<td>-1.36**(.69)</td>
</tr>
<tr>
<td>Attribution of IMF to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GNP</td>
<td>.93(.37)</td>
<td>1.23**(.40)</td>
</tr>
</tbody>
</table>

* P<.05; ** P<.01 a: Standard errors are in the parentheses
Thus, the effects of prospective voting are conditional. Prospective voting is not found in an area where regionalism was dominant, such as Honam. Regionalism prevailed in Yongnam, but only to exclude Kim. The other two candidates—Lee and Rhee—represented Yongnam, so that the prospective voting rule was employed to choose the one from the two candidates.

**Summary and Discussion**

This paper examined various disputes over economic voting and tested empirically whether economic voting was valid in Korean elections. After democratization in 1987, no salient political issue emerged and lack of partisan difference drove voters to vote in accordance with regionalism. Under the political condition, candidates and parties exerted regionalism to mobilize voters in their respective home region. Especially, provocation of regionalism more frequently happened in the National Assembly elections because of the electoral system. Transition of votes into seats in the elections in the single-member district system exaggerates seat shares of the dominant party.

This research was motivated by the question of what are the determinants to vote for the voters without regionalism. As long as economic issues are dominant, research on economic voting should be conducted. Unlike the previous studies of Korean elections, this paper focused on economic voting. Other variables including regionalism are included as controlling variables. The results of the paper revealed that demographic variables such as age and education did not influence the voting behavior. Before 1987 when authoritarian government was in power, the highly educated and the young were more likely to support the opposition party because they supported the political value of democracy. In 1990s, however, both of the leading parties advocated democracy and it was difficult to recognize partisan differences. Therefore, the factors of age and education have lost their contribution in voter’s choice.

Economic disaster, so-called IMF crisis, changed voters’ attention to economic issues. People’s concern about the economy is different from what it was. Koreans wanted to get the same amount of economic benefits through steady economic development like the past, hence economic concern was not seriously taken into account. For instance, as long as they stood, they patiently supported the ruling party because the opposition party that had no experience in governing, thus was not reliable. However, in recent times, they worry about unemployment and decrease of real income, not about economic benefits. It is time for voters to blame for the bad economy. Changing of characteristics of economic concern drives voters to vote for choices dependent on the
economic condition. The empirical evidences support this argument. According to the empirical research, economic voting behavior is found in the 15th presidential election and in the 16th National Assembly election, which were conducted after IMF crisis.

Another subject in this paper is whether prospective voting was effective. Empirical analysis on the 15th presidential elections with multinomial logit method provided the evidence of prospective voting. Although voters thought the ruling party GNP was responsible for the economic crisis, if they selected Lee, nominated by GNP as the better candidate for handling the urgent problems than any other candidates, then they would vote for Lee. In relation with regionalism, economic voting was conditional. Evaluation of candidate Kim’s competence was not an issue in Yongnam region because anti-Kim circumstances in the region kept voters from voting for him. Therefore, coefficient of Kim’s competence is insignificant in the empirical findings in the model. This finding implies that no other factor is more crucial than regionalism in Korean elections. Choices between Lee and Rhee were a different story because a provincial bias of both candidates was Yongnam province. Since voters could not choose one of them according to the first criterion, regionalism, they employed the second criteria, economic voting. Therefore, coefficient of Lee’s competence is much greater in the model with Rhee than with Kim, which implies effect of Lee’s competence on voting with Rhee is greater than that with Kim.

Through this work it is not possible to insist that economic voting presumed to be effective in Korean election. It investigated only three current National elections and two presidential elections. Among them economic voting was found only in two election. Therefore, generalization of economic voting in Korean elections is not possible. However, this work contributes to find the possibility of economic voting. When preconditions of economic voting are satisfied, the possibility of economic voting at works is found.

 Economic voting is a kind of issue voting. Voting behavior in the classical democratic theory is assumed rational. Issue voting is considered more desirable than voting behavior based on partisanship or candidate evaluation. From this perspective, each voter is supposed to compare and evaluate competence of the parties as well as the current problems and to vote for the better party or candidate. Economic voting follows the above procedure. If economic voting is valid in Korean elections, the parties will develop their own economic policy to respond to voters’ demands. As long as responsiveness is a critical factor to support democratic politics, economic voting as an example of issue voting is desirable.
Notes

1. In 1987 president Chun Doo-Hwan and his successor Roh Tae-Woo accepted the constitutional amendment that the opposition party and the activists of democratic movements claimed; the main purpose of which was a return of direct presidential elections from indirect ones by electoral college.
3. Regionalism implies provincial biases. Political leader Kim Young-Sam and Kim Jong-Pil dominate Yongnam and Chungchong regions respectively. And Kim Dae-Jung receives exclusive supports in Honam.
7. Ibid., p. 134.
18. Michael S. Lewis-Beck, Ibid.
20. This research does not include the 13th presidential and National Assembly elections because they were administrated just after democratization.
25. Yo indicates party predisposition toward the ruling party. Ya implies party predisposition toward the opposition party. They are the similar concept with partisanship in the western countries.
26. Table 2 displays only the results of the ruling parties because retrospective voting is an incumbency oriented model.
The Global Community
of Overseas Koreans
The Chinese Koreans and the Korean Americans
A Vision for the Future

Chong-Wook Chung
Ajou University

I feel deeply honored to be invited to this annual meeting of the International Council on Korean Studies and to deliver a keynote speech on overseas Koreans. I would like to express my profound gratitude to Professor Ilpyong Kim, President of the Council, and others who worked so hard to make this timely and important annual meeting a success. Before I start, let me make some preliminary remarks. First, I do not believe I can speak on behalf of the government of Korea. I left the government two years ago to return to the academic community. Second, I do not consider myself, either as a scholar or as a former government official, an expert on the subject of overseas Koreans. The best claim I can make in this connection is the fact that while I was serving as the senior secretary for national security and foreign policy for the President for two years in 1993 and 1994, my responsibilities included the affairs of overseas Koreans.

During the presidential campaign in 1992 one of the campaign commitments was to set up an independent office for overseas Koreans. Once the new administration was inaugurated, however, the efforts to create an independent office for overseas Koreans confronted several problems, including the criticism that the creation of a new office was against the proclaimed goal of a small government. As a result, instead of a new ministry, an office was set up within the presidential secretariat (the Blue House) to deal with the affairs of overseas Koreans. So the Office of Overseas Koreans was formed as one of the five offices under my supervision, the others being the offices of foreign affairs, national defense, international security, and unification. I still very much regret that a separate and independent office at a ministerial or sub-cabinet level was not created at that time.

Finally, I will approach the subject of overseas Koreans from the vantage point of the overseas Koreans in China, the Chinese Koreans.
I do this for two reasons. First, the Chinese Koreans are one of the largest overseas Korean groups, and the place they have in the global networks of overseas Koreans has been, and will be, increasingly important. Second, it is a subject I am familiar with. While I was serving as Korean ambassador to China, I came to better understand, and sympathize with the numerous predicaments that confronted the Chinese Koreans. Most of their predicaments are quite unique, reflecting their history as well as their special circumstances. It will certainly be presumptuous to attempt a generalization from the case of the Chinese Koreans. But I do hope that there are lessons to be drawn from the Chinese experiences to the benefit of the Korean Americans, and more broadly of the overseas Koreans in general. At least, I believe that your understanding of, and sympathy with, their predicaments will be essential in the making of the global community of overseas Koreans. I will first try to draw a general picture of the overseas Koreans and their origins, the history of the Korean emigration to China and to the United States, in particular. Then, I will discuss the Chinese Koreans, the Korean community they built in China, the impacts the open door and the modernization policy of China and the normalization of relations between China and Korea had on it, the problems they face both in China and Korea, and what needs to be done to resolve these problems. Finally, I will conclude by presenting a vision for overseas Koreans, a vision for the global community of overseas Koreans, a community of culture, shared values and heritage.

A General Picture of Overseas Koreans and Their Origins

First, let me clarify what is meant by “overseas Koreans.” Overseas Koreans have two meanings. One refers to those Koreans who live in foreign countries on a more or less permanent basis and at the same time retain Korean citizenship. Legally, they are the Koreans, the citizens of the Republic of Korea, and are subject to legal rights as well as obligations that the constitution provides to each and every one of its subjects. The other refers to those Koreans who, regardless of their citizenship, reside in foreign countries on a permanent basis. It is the ethnicity, not the citizenship, that qualifies one to be an overseas Korean. It is in this second meaning of ethnic Koreans that I have in mind when I talk about overseas Koreans here.

According to a Korean government report published early this year, the number of overseas Koreans by the end of 1999 was about 5.6 million. This means that Korea has the fourth largest number of overseas expatriates after China, Israel, and Italy. They are all over the world in 142 different countries ranging from the tropics to the frozen tundra. But the absolute majority of 97% of them reside in four
countries: the United States, China, Japan, and the CIS. The United States accounts for 36.45% (2.06 million), China, 36.2% (2.04 million), Japan, 11.7% (660,000), and the CIS, 8.63% (490,000). Furthermore, about 73% of them are concentrated in the United States and China. That is, at least seven out of every ten overseas Koreans now reside in either the United States or China. This high concentration of the overseas Koreans in China and the United States reflects in their own unique way two different chapters in the history of Korean emigration. The first chapter of the history of Korean emigration was written by the Chinese Koreans. It was as early as in the mid-19th century that Koreans began to move into, and settle in, the northeastern part of China, what is now known as Yanbian. Two forces drove them to cross the border along the Yalu and Tumen rivers: one was economic and the other was political. In the 1860s, severe drought of unprecedented magnitude hit Korea for almost 10 years. The northern part of Korea suffered the most.

### Table 1. Distributions of Overseas Koreans

<table>
<thead>
<tr>
<th>Year</th>
<th>Ethnic Koreans</th>
<th>Annual Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910</td>
<td>202,070</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>205,517</td>
<td>3,447</td>
</tr>
<tr>
<td>1912</td>
<td>238,403</td>
<td>32,886</td>
</tr>
<tr>
<td>1913</td>
<td>252,517</td>
<td>14,114</td>
</tr>
<tr>
<td>1914</td>
<td>271,388</td>
<td>18,871</td>
</tr>
<tr>
<td>1915</td>
<td>282,151</td>
<td>10,727</td>
</tr>
<tr>
<td>1916</td>
<td>328,288</td>
<td>46,173</td>
</tr>
<tr>
<td>1917</td>
<td>337,461</td>
<td>9,173</td>
</tr>
<tr>
<td>1918</td>
<td>361,772</td>
<td>24,311</td>
</tr>
<tr>
<td>1919</td>
<td>431,198</td>
<td>69,426</td>
</tr>
</tbody>
</table>

To most of these early overseas Koreans, the emigration was not totally voluntary. In a way, they were helpless victims of the rivalry among the big powers. First, in the late 19th century, they were
encouraged, if not forced, to settle in Manchuria by the Qing government, which, fearing Russian domination, lifted the 200-year long ban on entering the region the Manchus long regarded a sanctuary. Then, in the early 20th century, Koreans were once again urged to emigrate to Manchuria in the hope that it would avert the Japanese intrusion there. Also, the fear and suspicion of Japanese intrigue in the mid-1930s led Stalin to order hundreds of thousands of Koreans in the Far East to be suddenly put aboard on trains bound for no-man’s land in Central Asia.

By the time Japan surrendered, there were 1.8 million Koreans living in China, of whom 800,000 returned to Korea. During the civil war in the late 40s, many of them fought for the communists against the nationalists. Their contributions were not insignificant. With the establishment of the People's Republic of China in 1949, they became the Chinese citizens, the Chosun minority, one of 56 ethnic groups that made up China. The Korean War saw many of them being forced to fight in the fratricidal war. Then followed a long period of isolation as the cold war deepened the division in Korea and between the east and the west. It was only in 1992 with the normalization of relations that the Chinese Koreans became part of Korea’s global community of overseas compatriots. In short, the first chapter of the history of overseas Koreans, having been pioneered by the Chinese Koreans, was a sad story of forced exodus, humiliation and exploitation, and of victims of the cold war and the division of Korea.

In contrast, the second chapter of the history was dominated by the Korean Americans. Although there were early Korean emigrants who came to Hawaii before 1945, and their number not insignificant, it was only after the end of World War II, since the 1960s in particular, that the majority of the Korean Americans began to settle in the United States. The new immigration law of the United States in 1965, the Hart-Celler Act, opened the door widely for Korean immigrants. A massive influx of Korean immigrants into the United States followed. During the two decades of the 70s and 80s, well over 600,000 Koreans entered the US as immigrants, averaging 30,000 a year. Between 1962 and 1995 the total number of Korean immigrants overseas was 800,000. This means that more than 3 out of every 4 overseas emigrants settled in the United States.

Now, with more than 2 million in number, the Korean Americans are highly respected, both in the United States and in Korea, for what they have achieved in the land of immigrants. In terms of average income, they do much better than the other immigrants like the Chinese Americans and the Greek Americans. In 1987, for instance, the average annual income per family for all national groups of immigrants was $15,224, whereas for Koreans it was $18,342. Also, many of them have
made important contributions in America either as businessmen, professionals or public servants. Their contributions toward the economic development and democratization of Korea, as well as the easing of tension of the division of Korea, are not to be underestimated, either.

Certainly, most of the Korean Americans came to America well prepared, much better than the Chinese Koreans, both in terms of the level of educational achievements and professional qualifications. The discriminations might have been less, and the living conditions better, than those met by the Chinese Koreans. Yet, they did it with little help from Korea, the Korean government in particular. With sheer determination, ingenuity, and hard work, they made the second chapter of the history of Korean emigration a success story.

**Government Policies for Overseas Koreans**

The government of Korea did not have either a vision or a good policy for its overseas compatriots for a long time. It was only in the late 80s that the government began to recognize, and pay serious attention to, the importance of the overseas Koreans. In the 50s it was too impoverished and too preoccupied with the rehabilitation from the destruction of the war to even think of a policy for overseas Koreans. The decade of the 60s saw the enactment of the overseas emigration law and the first group of Korean emigrants going abroad in any significant number. Yet the government was mainly concerned with sending labor forces to work either on agricultural farms in Latin America or in coal mines in Germany. There was no governmental office to look after the overseas Koreans except for a semi-governmental company whose business was to select and send emigrant-workers abroad.

In the 70s and 80s, the government did try to set up strong ties with overseas Koreans, but its policy was flawed on many accounts. Above all, its policy was politically motivated. The primary purpose of the government policy was to win the competition for legitimacy against the North. It was only with the hosting of the Olympic Games in Seoul in 1988 that the government began to formulate a serious policy. It was a time when the socialist systems began to disintegrate and, with the diplomatic initiatives called the northern diplomacy, the relations with the socialist countries, including the People's Republic of China, were being normalized. Also, the inter-Korean relationship improved noticeably as a comprehensive agreement governing non-aggression, reconciliation, and cooperation was signed in 1991. The government policy for overseas Koreans finally seemed to have become less burdened with, if not largely free from, ideological and political
considerations.

The coming to power of a civilian government in 1993 provided another turning point. A new vision for overseas Koreans was declared. It called for the overseas Koreans to be better integrated into the political and social system of which they were a part while maintaining a strong sense of identity as ethnic Koreans. Also, it was recognized that the overseas Koreans could be an important and integral part of the global network of the Korean community and could make contributions to the prosperity of their motherland. The efforts to draw up a comprehensive policy governing the affairs of overseas Koreans led in 1996 to the creation of a high-level policy-making body with the Prime Minister chairing and the relevant cabinet members serving on it. Then, in 1997 the Overseas Koreans Foundation was set up.

At the present time, the Foundation is the only effective means the government has to implement its policy for overseas Koreans. It is also the only organization that can render effective services for overseas Koreans. Yet, so far, it has suffered from both insufficient funding and staffing. Presently it is staffed with only 35 personnel, and its operating budget for this year is less than 14 million dollars. Out of 7.9 million dollars designated for supporting various activities of overseas Korean communities, more than 7 million goes to Japan; the rest, including the Korean communities in the United States, gets a little over 830,000 dollars, or a mere 10.5%. The government was more generous in supporting the Korean studies programs in various universities in the United States, with some better-named institutions getting three million dollars to create a single chair of Korean studies. It is not only a matter of budgetary priorities; it is more a matter of philosophy and vision. But before I deal with what the government should do for overseas Koreans, let me go back to the case of the Chinese Koreans. 5

The Chinese Koreans: Their Hope and Predicaments

Traditionally, the Korean communities in China were highly homogeneous and self-contained. This was attributable to the fact that each community was mostly inhabited by people who were either related to each other or who had come from the same towns in Korea. It was natural that as the immigrants got settled in a foreign and isolated land, people of the same bondage, either by virtue of lineage or geographic proximity, gathered in the same village. Most of the Korean communities were self-sufficient in rural and agricultural villages, and few efforts were made to interact with other ethnic groups. Even contacts with other Koreans were infrequent. Trust was not easily granted to strangers. Remote and poor, yet they were content among themselves, living in the same old way as they did back in Korea before
they had left it. They lived at home away from home. For a long time, they lived in the islands of traditional culture, keeping the same customs and values they had brought from Korea. And they were proud of their culture and heritage.

But now, with the opening and modernization of China, and later with the arrival of Koreans, all these began to change rapidly. The changes came in many different forms. One is demographic. Many Chinese Koreans, searching for better jobs and new careers, left their homes in the villages for cities in China, and further for those to Korea. Just as their grandparents and parents did in the past when they first came to China, at first, one or two members, mostly the younger ones, left home; and as they got settled in the cities, their families followed them. The Chinese call it xiahai. It means plunging into the sea, entering the unknown world of wilderness. And they did it in no small way. In Heilungjiang province alone, for instance, more than 30% of the Chinese Koreans have now left their homes in the countryside. In the case of a Korean village called the Five-Star community in the same province, the number of the Korean families shrank from 170 in 1990 to 60 in 1996. It is estimated that altogether about 200,000 Koreans had left their villages between 1990-96. This means that roughly 10% of the total ethnic Korean population have deserted their homes in the first half of the 90s. To this one has to add the 100,000 Chinese Koreans who are now believed to live in Korea. This represents another 10% of their adult population. Without doubt, the demographic change was speedy and massive.6

This change was extremely painful and destructive, too. For those who live in the cities in China, life is extremely difficult and unstable. They are vagrants, living under extremely poor conditions. Many people share a small room in the outskirts of Beijing and commute for long hours to work mostly for their fellow countrymen from Korea. Many of them, mostly female, work in the service sector. They entertain the visitors from Korea whose number last year was over 820,000. Also, their lives are precarious, as their legal status is insecure. In Beijing, for instance, more than half of the 60,000 ethnic Koreans living there in 1997 were presumably illegal residents. If arrested, they could be sent back where they are legally registered in Yanbian and other areas in Manchuria. Also, for those lucky ones who made it to Korea and still remain there, life is not much different. It is estimated that more than half of them are illegal residents. Their living conditions may be better and they may make more money than in China, but they also live under the constant fear of being sent back to China if arrested. For those who still remain in the villages in China, life is equally difficult and unstable. It is particularly the case with the young people.
Many of them suffer from the separation from their families. The divorce rate among their parents is increasing. Crime and violence involving gangs and drugs are on the rise. Schools get closed down for the lack of students and money.7

The case of a school in Shenyang, the capital of Liaoning Province where many ethnic Koreans live, may illustrate the situation. This school is mainly for ethnic Koreans with the total student size of a little over 1,200. At this school, a local Korean newspaper, Chosun Munbo, conducted a survey in 1997. The survey was designed to find out the impacts of modernization on the family situations of the students in particular. The students were asked if they lived with their parents, and if not, why. The result was astonishing. 177 students (15%) lived in homes of divorced parents. The parents of 212 students (18.3%) lived in Korea. 120 students (10%) were not living with their parents for some unknown reasons. Also, 26 students (2.2%) were orphans. In short, almost half of the students at this school suffered from some types of broken families. The remark by the school principal is sarcastic: the open winds hit us hard at the beginning; then, the Korea winds came and almost wiped out the school.8 This school may represent an extreme case. But there is no denial that the modernization of China and the normalization of relations with Korea had profoundly destructive impacts on the Chinese Koreans, and the youngsters had to suffer most. With the young population suffering, the traditional Korean communities suffer too. Their values, customs, ways of life, and their culture, so well preserved for so long in China, are in crisis.

This crisis may not be confined to the socio-cultural realm. Its destructiveness may be more serious in the political realm. As an ethnic minority, the Chinese Koreans used to enjoy political autonomy. In Yanbian, they have formed a sub-provincial-level local government, practicing self-rule in many areas of their political and economic lives. Heads of administration in the region are Koreans, and the Korean language has long been the official language, along with Mandarin. The Korean language has been taught in school, and the preservation of the Korean heritage, its culture and customs, has been encouraged. But this autonomy presumes the majority of the population being ethnic Koreans, a presumption that is already in serious doubt. In 1990 when the last population census was conducted, for instance, the proportion of the ethnic Koreans was only 39%, down from 64.4% in 1949. For the Han ethnic group, in contrast, its proportion in the Korean communities increased from 32.4% to 57.56% during the same period. It is predicted that by the year 2020 the rate might fall down to less than 20%.

Three factors may have caused this decrease in the proportion of
the ethnic Koreans in the Korean communities. One is the migration to the cities and to Korea, as already pointed out. The other is the low birth rate among the ethnic Koreans. During the period of 1953-90, the population growth among the ethnic Koreans was 1.49% per year, much lower than the national average of 1.83%. In 1996, the ethnic Koreans in the Yanbian area experienced a negative growth of -1.07%. Yet another is the policy of the Chinese government, which, out of political considerations, has tried to reduce the ratio of the ethnic Koreans by encouraging the Han and other ethnic minorities to move into the Korean communities. The Chinese government has always been extremely concerned about the demand for separation and independence by the minorities, such as the Tibetans and the Uighurs in Xinjiang. It considers the ethnic Koreans another minority group whose political ties with Korea might present a serious challenge to its national integration. The Chinese concern is understandable. Korea has long been recognized for its strategic importance. The division of Korea further aggravates this concern China has for the ethnic Koreans. The autonomous region of the Korean minorities may not disappear in the near future. But there exists a profound concern that the Korean communities in China face a crisis of serious magnitude and that unless proper measures are taken the political, as well as the socio-cultural foundation of the Korean communities, may rapidly disintegrate.

**What Should the Korean Government Do?**

For the Korean government, this crisis is largely a crisis of faith. The Chinese Koreans have profound feelings of resentment toward the Korean government and toward the Koreans in general. It is so serious that immediate attention and actions are badly required. Their resentment arises partly from the way they are treated. They do not quite understand why they should be treated as if they were foreigners. They resent it most when they are treated as second-class citizens by their fellow Koreans. They resent it just as their parents and grandparents did when they were treated as inferior second-class citizens by the Chinese or the Japanese. For them, Korea is their hope for making the escape from poverty and for a better and a brighter future. It is a new land of opportunities. Going to Korea means striking it big, making a dragon dream come true. It is more than natural that they grab the opportunities at all cost. They do whatever they can to come to Korea, legally or illegally, by ship or air, and on their own money or on money borrowed from relatives and friends. Often marriage is used as an excuse for them to enter Korea. In a way they are not unlike the early immigrants of the overseas Koreans who left their homes in Korea to go abroad either across the continental border or the oceanic divide for something big...
and special they did not have at home. For a long time they had lived in China as a minority often under suspicious and watchful eyes for political reasons they did not understand fully. Now, in Korea, in their own motherland, they have to live as members of an inferior class and as second-class citizens under the same suspicious and watchful eyes of their fellow Koreans. Many of them feel frustrated and even rejected.

Of course, the Korean government cannot, and should not, be blamed for all the problems confronted by the Chinese Koreans. Many of them are beyond the control of the Korean government. The Chinese Koreans are the subjects of China. Many of the problems they face have domestic origins which only the Chinese government can tackle. The Chinese Koreans do understand that, too. But even then there are still many problems that the Korean government can and should resolve. Take the case of the law passed by the National Assembly of Korea in August of 1999. This law, defining the legal status of overseas Koreans, stipulates that overseas Koreans are those who once maintained the citizenship of Korea in the post-1948 period. So, the Chinese Koreans, and many others like those in the CIS, are not legal members of the overseas Korean community. They left Korea before 1949 and did not have the opportunities to reclaim their citizenships for reasons well beyond their control. They never gave up their Korean nationality. Certainly, the Korean government, out of political considerations, had to exclude the Chinese Koreans and others whom I called the first generation of the overseas Koreans. Yet, the resentment is real; they feel they are deserted by their mother country, their hope and trust betrayed. 9

The Korean government should act fast to remedy the damages done by this law. It should restore to the Chinese Koreans the benefits that had been forfeited by their exclusion from this law. These benefits include the increase in the quota for their job trainees, the extension of the length of the period of their stay in Korea for training, for education, and for other purposes, and the relaxation of other regulations governing their entry into Korea. The government should provide financial and other assistance to the Chinese Koreans who are already in Korea but stay illegally so that they can have a decent living in Korea. It should regard these illegal residents of the Chinese Koreans not as criminals but more as its subjects just like other overseas compatriots. Many of them have their families in big cities in China like Beijing who, because they are there illegally, are treated as criminals and live with the fear of being sent back to the villages they came from. They do not want this to happen to them in Korea. Many of them deplore the fact that the Korean government has been pursuing a sunshine policy toward north Korea and that they have been excluded.
both from this policy of engagement and from the benefits promised under the law for overseas Koreans. They feel as if they have been doubly discriminated against.

There are many other things that the government can do for the Chinese Koreans both in Korea and in China. Specific measures include more financial help for the Korean schools and cultural centers in China, more investment in manufacturing sectors there so that jobs can be created for the Chinese Koreans, and the building of more technical institutions for the Korean youth. But the most important of all is to make the Chinese Koreans feel that they are indeed members of the global Korean community. This has to be the very starting point of the Korean government policy toward them. The Chinese Koreans constitute well over one third of the total number of overseas Koreans. Excluding them will make no policies of the government for overseas Koreans meaningful, much less successful. Certainly, no visions for overseas Koreans can be complete without allowing a proper place for the Chinese Koreans. A vision for overseas Koreans has to be future-oriented. It must be based on the future of Korea, its place and role in Asia in the coming decades of the 21st century.

A Vision for Overseas Koreans

There are many scenarios about the future of Asia. Different people come up with different scenarios. But many agree that the regional order emerging in the post-cold war Asia may have at least the following two characteristics. The first is that China is emerging as a regional power strong enough to pose as a serious countervailing force of the United States. Despite the different assessments concerning the growth potential of China as an economic superpower, there seems to be a consensus that sometime in the early 21st century it will become an economic giant with enough political and military influence to challenge the hegemonic order dictated by the United States in the region. Too many factors will interact in a complex and uncertain way to predict the exact shape of the order. But, with China excluded from the order, Asia and the world will be extremely unstable.10 The second is that Korea will very likely be unified in one way or another. The unification may take the form of a single government or some kind of power-sharing similar to a federal government. Whatever form of government it may take, many believe that the division will disappear and unification in a functional term will indeed be achieved. They foresee a greater role for Korea in the region.

What implications do these have for overseas Koreans? I believe one implication is that overseas Koreans will have roles much larger than the ones they so far have played in Korea, domestically and
externally. In the process of unification, for instance, overseas Koreans may have political and economic roles, just as the overseas Chinese have had in the modernization of China and in the interactions across the Taiwan straits. The unification may be extremely costly in terms of the huge investment necessary to rebuild a better and integrated economy. Also, the process of unification may prove quite uneven and sometimes even rough going. Overseas Koreans, the American Koreans and the Chinese Koreans in particular, will have to make essential contributions to make this process less painful, financially and politically, by investing in north Korea and persuading their host countries to be more positive about unification. With unification, Korea will have a larger place in the region and in the world. With a bigger Korea, overseas Koreans will also have a bigger role-- and a proud role.

The other, perhaps more important, implication is that there is a very strong need for a global community of overseas Koreans. I agree only halfway with Huntington when he argues that the clash of civilizations is inevitable and that it will be the major determinant shaping future international relations just as the clash of ideologies was during the cold-war days. I do not believe in the inevitability of the clash of civilization, but I do believe in the importance of culture and to a lesser extent of civilization. I do believe that culture, more than civilization, will have significant influence. Cultural values and norms up to a certain degree may replace the place ideologies had during the cold war days. Nationalism, as the term was used in the 19th century, is irrelevant. But nationalism in its cultural and economic manifestations may gain in importance in the coming years and decades.

It is in this context that I emphasize the importance of the global community of overseas Koreans. It is not a political community in that it does not assume the same political values and ideologies. The global community of overseas Koreans is a community of shared values, common culture and heritage. Koreans are unique in that they are a single ethnic group, sharing the same ethnic origin and the same ancestors, speaking the same language and observing the same customs. This makes all of the Koreans in Korea and overseas members of a single community, regardless of the place of their residence and the political system under which they live. In short, the vision I present to you today for the global community of overseas Koreans is one of culture, the global cultural community of overseas Koreans.

In this respect, I have a profound concern about the future of the Korean community in the United States. In the case of the Chinese Koreans, I pointed out the danger of disintegration of their traditional communities in China as a result of modernization and of the newly
developing interactions with Korea. Now, in the United States, I see a similar danger approaching from a different direction and for different reasons. The Korean community in the United States, as I see it, is experiencing a transition from the first and first generation to the second and third generations. The first group consists of the original immigrants who were born and lived in Korea for some time before they left for the United States. They brought with them the Korean culture, and in the United States they well preserved it, perhaps a little too well.

The second group, by contrast, were born and brought up in the United States. They are Americans not only in legal terms but more significantly in terms of their values, norms, perspectives, world outlooks, ways of thinking and patterns of behavior. A few may speak Korean, but only as a second language, just as their parents' English was a second language. Language is not only the cultural phenomenon par excellence, as Levy Strauss characterized it; I believe it is the cultural identity par excellence. The second and third generations of the Korean Americans have been successful largely because they did have an American cultural identity. They are the victims of their own success.

The question I raise, then, becomes whether or not the global Korean cultural identity can be reconciled with the American cultural identity. I have no answer for this. I only believe that some reconciliation is possible. At least, such a possibility should not be ruled out, for on it depends the future of the global community of overseas Koreans. The second and third generations of the Korean Americans should be successful both in the American society and in the overseas Korean community. I may sound contradictory. But it is a contradiction that lies at the heart of the future vision for overseas Koreans. Unless this contradiction is resolved successfully, there can be no successful community of overseas Koreans. So far, the Korean Americans have little interaction with other overseas Koreans, including the Chinese Koreans. In the future, they will have to. But what will be the basis of these interactions be other than the common cultural heritage all Koreans share? As I said earlier, it is not inevitable that cultures clash; they may coexist. They should, for this is the only way for the global community of overseas Koreans to survive and prosper.

I would like to conclude by emphasizing that the overseas Koreans, whether in China or in the United States, are now at a crossroad. On the one hand, they are confronted with a serious identity crisis. On the other hand, they are confronted with the challenge of building a global community for overseas Koreans. Ideology no longer divides the world between the east and the west. Why should the overseas Koreans remain divided, between the Korean Americans and the Chinese
Koreans, between the pro-North Koreans and the pro-South Koreans in Japan? Any form of unification of Korea will be incomplete as long as overseas Koreans remain divided. It is imperative that the Korean Americans take the initiative in weaving the global network of overseas Koreans united by shared values, a common language and cultural heritage. I hope the International Council on Korean Studies will serve as a center of gravity in constructing a global network of overseas Koreans.

Notes

3. It was in early 1903 that the first group of 100 Koreans arrived in Hawaii to work in the sugar plantations. The number reached 7,300 in 1905. Some of these Koreans went further to California and even to Mexico. After this time until well after the end of World War II, the number of Koreans who went to the United States was extremely limited. Korea had become a Japanese colony and the belligerent of the United States.
9. This law, which has a long title, "Law Governing the Entrance and Departure of the Koreans Abroad and Their Legal Status," was initiated by the government and passed by the National Assembly in August, 1999. It became effective in September of the same year. It defined the Overseas Koreans in two ways: one refers to the Koreans abroad who are the Korean citizens living overseas on a more or less permanent basis;
the other refers to those who once did have the citizenships of the Republic of Korea and now have acquired foreign citizenship. The word, the "citizenship[s]" of the Republic of Korea, which came into existence in 1948, excluded those Koreans who left Korea before 1948, such as the Chinese Koreans, the Koreans in Japan and those Koreans now residing in the CIS.

Offering Behavior of Korean Presbyterian Church Members  
A Comparative Analysis with African American and Hispanic Groups  

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*Western Illinois University*  

Shin Kim  
*The University of Chicago*  

**Introduction**  
A church as an organization is a normative and an ideological institution\(^\text{1}\). In America, it is a voluntary organization as well. Just like any other similar organization, a church needs a financial resource for its operation and goal achievement. Without it, a church is not able to operate or survive. Thus, developing and maintaining a system of financial resource acquisition and allocation is the indispensable prerequisite for a church\(^\text{2}\). As a voluntary association, a church’s financial resource is heavily derived from voluntary donations of its members. Although church members can confer their financial support to their church in various ways, the major portion of a church’s financial resource comes from its members’ regular offerings at worship services. This study is the first attempt to analyze empirically the regular offerings of Korean Presbyterian church members in a comparison with those of African American and Hispanic Presbyterians.  

**Theoretical Framework**  
Previous major studies\(^\text{3}\) identify three sets of important factors in the analysis of offering behavior of church members. They are (1) church members’ socioeconomic status, (2) their religious orientation and (3) the degree of their involvement in church activities. Church members’ socioeconomic status indicates their ability to give. As long as church members are willing to give some portion of their income to
their church, the level of their ability to give becomes a critical factor. Naturally, church members with a greater ability are expected to make a greater amount (not a percentage of income) of offering to their church. Their socioeconomic status is, therefore, a critical set of factors in the analysis of church members’ offering behavior.

A church exists to serve religious and other needs of its members. The religious goal of a Christian church is to spread the Christian doctrine as promulgated in the Bible. This religious goal makes a church a normative or an ideological organization. Church members accept this goal as the major raison d’être of the organization. Thus, a church must stimulate its member to accept the Christian doctrine and encourage them to practice God’s will in their daily life. Religious orientation of church members thus affects their willingness to give to their churches and the actual amount of their offering. An interesting question is the direction of its correlation. That is, the question is whether conservative members are likely to give more or less relative to liberal members. However one conceptualizes the meaning of being ‘conservative,’ if we can equate conservativeness with the greater commitment to the churches’ (relative to non-church religious organizations’) religious goal, then, the direction is obvious. Thus, the more conservative orientation members hold, the greater amount of offering to their churches.

Church members’ involvement in church activities is also found to explain the amount of their offering. Their involvement intensity conveys their attachment level to their church in general and their opinions toward the activities of their church. The greater attachment and the more favorable attitude are then expected to increase the frequency of their church attendance. Those church members who attend church services more frequently would have more opportunities to give offerings and make a greater amount of offering to their churches.

The above sets of factors are generally observed in the inter-denominational comparison of offering behavior of predominantly Caucasian church members. In this type of comparison, members of Mormon churches and Assembly of God are found to give a greater amount of offering to their churches than members of other denominations. On the other hand, Catholics and Unitarian-Universalistic church members usually contribute a smaller amount of offering than others. Members of several mainline denominations such as Methodists and Presbyterians fall in the middle of the above two extremes.

In general, offering behavior of non-Caucasian minority church members has been overlooked in the sociological studies. Even in previously mentioned studies, the number of minorities in the samples
was too small to provide a meaningful analysis. Our knowledge of minority church members’ offering behavior is thus highly confined. The goal of this study is to expand our limited knowledge by examining offering behavior of three minority groups—Koreans, African Americans, and Hispanics—who belong to respective ethnic Presbyterian churches in the United States. Specifically, this study empirically examines their offering behavior in terms of the above three sets of factors and compares the findings.

Data Collection and Demographics

The data for this study come from the Race Ethnic Presbyterian Panel Study of 1997 (REPP). The Research Center of the Presbyterian Church (USA) received the first set of questionnaires from 1,084 African Americans, 501 Hispanics and 675 Korean Americans. The return rates were 57% for African Americans, 47% for Hispanics and 50% for Koreans. In this study, we excluded those Hispanics who were born in Puerto Rico, reducing the Hispanic sample size to 279. The reason for the exclusion of Puerto Rico-born Hispanics in this study is simple. Existing studies of Puerto Rico-born Hispanics, whether they currently live in the mainland United States or the island, paint complicated and conflicting pictures. For a study of religious behaviors such as this study, we concluded that this complication is too serious to merit an inclusion.

More female than male respondents are included among African Americans (70%) and Hispanics (62%). Among Koreans, the gender ratio is more balanced with 49 percent males and 51 percent females. A great majority of African Americans (60%) and two-thirds of Hispanics (76%) are currently married. Among Koreans, the proportion of the currently married respondents is much higher at 88.8%. Moreover, more African Americans (23%) and Hispanics (21%) are likely to have experienced a divorce than Koreans (7%).

While almost all of the African Americans (95%) are native-born, virtually all of the Koreans (98%) are born in Korea. Hispanic respondents are split between 70 percent who were born in the United States and 30 percent foreign-born. As expected for Presbyterians, the samples are rather highly educated regardless of their race/ethnic status. Fifty-four percent of African Americans, 36 percent of Hispanics and 63 percent of Koreans are college graduates. These rather high proportions of college graduates are reflected in their family incomes. A high proportion of the respondents (57% of African Americans, 45% of Hispanics and 58% of Koreans) report their 1996 annual family income in excess of $40,000. On the whole, thus, the socioeconomic status of the respondents is higher than that of the general population
in their respective groups. The respondents in this study are thus correctly characterized as members of the middle class.

Data Analysis

a) Inter- and Intra-group Variances

On the average, Korean respondents gave $3,462 at various church services in 1996, while African American respondents gave $1,920 and Hispanics, $1,409. All three groups also exhibit the same high values of standard deviation (SD) as their means. For example, whereas Koreans’ SD is $3,355, African Americans’ SD is $3,275 and Hispanics’ SD is $1,550. As a result, a huge discrepancy is observed between average (mean) and median amounts of offering in all three groups. For Koreans, the median amount of offering was $2,500 in 1996, while African Americans’ median was $1,200 and Hispanics’, $800. As Table 1 alludes, there are many outliers in different age groups among different ethnic groups. At this stage of analysis, it is sufficient to note the existence of big inter-group differences and tremendous intra-group variances in the amount of offering in each race/ethnic group.

Table 1: Age and Amount of Regular Offering

<table>
<thead>
<tr>
<th>Age</th>
<th>Koreans</th>
<th></th>
<th>African Americans</th>
<th></th>
<th>Hispanics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>25 or less</td>
<td>20</td>
<td>1,323</td>
<td>3,318</td>
<td>28</td>
<td>1,239</td>
<td>1,378</td>
</tr>
<tr>
<td>26-35</td>
<td>111</td>
<td>1,590</td>
<td>1,709</td>
<td>65</td>
<td>1,222</td>
<td>1,599</td>
</tr>
<tr>
<td>36-45</td>
<td>159</td>
<td>3,604</td>
<td>3,193</td>
<td>114</td>
<td>1,899</td>
<td>3,637</td>
</tr>
<tr>
<td>46-55</td>
<td>145</td>
<td>4,526</td>
<td>3,652</td>
<td>192</td>
<td>1,890</td>
<td>1,849</td>
</tr>
<tr>
<td>56-65</td>
<td>88</td>
<td>4,491</td>
<td>3,454</td>
<td>195</td>
<td>2,576</td>
<td>5,644</td>
</tr>
<tr>
<td>66 or more</td>
<td>44</td>
<td>3,082</td>
<td>3,679</td>
<td>253</td>
<td>1,740</td>
<td>1,580</td>
</tr>
<tr>
<td>Total</td>
<td>567</td>
<td>3,462</td>
<td>3,370</td>
<td>847</td>
<td>1,932</td>
<td>3,332</td>
</tr>
</tbody>
</table>

SD: standard deviation

b) Socio-economic Factors

The offering behaviors of three minority Presbyterians are analyzed in terms of the following five socioeconomic factors: gender, age, marital status/spouse’s church membership, education and annual family income in 1996.

Among Korean respondents, some difference is observed in the
average amount of offering between male ($3,967) and female ($2,993) members. A great majority of Korean respondents and their spouses (88.8%) attend the same church and almost all of these couples make offerings as a family. Thus, the above difference in the amount of offerings must reflect differences demonstrated by a small number of those who are not currently married or whose spouses do not attend the same church. Our preliminary analysis shows a preponderance of females, especially in the age group of 55 or older, among ‘currently not married’ respondents. We thus tentatively attribute this gender difference to the predominance of females in the older (and usually poorer) members. Both African Americans and Hispanics show little difference in the amount of offering by gender. As a whole, gender is not found to be a significant variable to explain offering amounts.

Age is classified into six categories: 1) 25 years old or younger, 2) 26-35 years old, 3) 36-45 years old, 4) 46-55 years old, 5) 56-65 years old and 6) 66 years old or older. As observed in Table 1, Koreans and African Americans demonstrate that their age is directly related to the amount of their offering until retirement. That is, as they get older, they give a greater amount of offering to their church. Koreans in the ages between 46 and 65 years old and African Americans in the 56-65 age group are found to have given the most. They have higher incomes than any of the others. As expected, those in the retirement age are found to have given a lower offering to their church due to their decreased income. On the other hand, Table 1 indicates no clear pattern by age among Hispanics.

Respondents’ current marital status and their spouses’ membership in the same congregation make a substantial difference in the amount of offering. Among Koreans, those who are not currently married ($1,853) give a significantly smaller amount to their church than those who are married. And among those who are currently married, when both respondents and their spouses attend the same church (the respondents’ church), they give a larger offering ($3,829) than the respondents whose spouses do not attend the respondents’ churches ($2,413). A similar finding is observed from African American respondents. Plausible explanations for these findings are two: 1) the family income of currently married respondents is likely to be higher, and 2) when both spouses attend the same congregation, their attachment to the church is likely to intensify. Hispanics, on the other hand, do not show any significant difference among the three subgroups.

As expected, the level of education is directly related to the amount of offering. Among Koreans, those with a high school education or less give on the average a smaller amount of offering ($3,061) than those with a college education ($3,528). Koreans with more than a college
education make the largest offering ($3,829). African American respondents reveal the same pattern. Thus, African Americans with a high school education or less give less ($1,257) than those with a college education ($1,831) to their churches. And African Americans with more than a college education give the most to their churches ($2,358). Comparatively, those Hispanics with a high school education or less make a smaller amount of offering to their church ($1,069) than those with more than a high school education. But little difference is observed in the amount of offering between those Hispanics with a college education ($1,508) and those with more than a college education ($1,519).

### TABLE 2: Annual Family Income and Amount of Regular Offering

<table>
<thead>
<tr>
<th></th>
<th>Koreans</th>
<th></th>
<th>African Americans</th>
<th></th>
<th>Hispanics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>Ratio</td>
<td>N</td>
<td>Mean</td>
<td>Ratio</td>
</tr>
<tr>
<td>1.</td>
<td>85</td>
<td>1,226</td>
<td>12%</td>
<td>142</td>
<td>747</td>
<td>7%</td>
</tr>
<tr>
<td>2.</td>
<td>140</td>
<td>2,529</td>
<td>8%</td>
<td>210</td>
<td>1,233</td>
<td>4%</td>
</tr>
<tr>
<td>3.</td>
<td>102</td>
<td>3,355</td>
<td>7%</td>
<td>169</td>
<td>1,884</td>
<td>4%</td>
</tr>
<tr>
<td>4.</td>
<td>92</td>
<td>4,007</td>
<td>6%</td>
<td>134</td>
<td>2,808</td>
<td>4%</td>
</tr>
<tr>
<td>5.</td>
<td>55</td>
<td>4,879</td>
<td>5%</td>
<td>85</td>
<td>2,269</td>
<td>3%</td>
</tr>
<tr>
<td>6.</td>
<td>75</td>
<td>6,201</td>
<td></td>
<td>94</td>
<td>3,841</td>
<td></td>
</tr>
</tbody>
</table>

**Totals:**

549 3,476 834 1,939 213 1,415

1: less than $20,000; 2: $20,000 - $39,999; 3: $40,000 - $59,999; 4: $60,000 - $79,999; 5: $80,000 - $99,999; 6: $100,000 or more

A clear pattern is found between the respondents’ annual family income and their regular offerings. Family incomes are grouped into the following six categories: 1) less than $20,000; 2) $20,000 - $39,999; 3) $40,000 - $59,999; 4) $60,000 - $79,999; 5) $80,000 - $99,999 and 6) $100,000 or more. As Table 2 shows, in all three race/ethnic groups, family incomes and the amount of offering are positively related. (Among African Americans and Hispanics, a very minor irregularity is found between income categories 4 and 5.) Koreans with an income of $100,000 or more gave more than $6,000 in 1996. The corresponding figures for African Americans and Hispanics are $3,841 and $2,810 respectively. As mentioned previously, family income denotes the
ability to give. Thus, this positive correlation between family income and the regular offering is not surprising. In all income categories, Koreans make a greater amount of offering than African Americans or Hispanics. Our rough estimation suggests that the amount of regular offering as a percentage of the total family income decreases as income increases. Again this finding is concurrent with previous studies. And this holds true in all three race/ethnic groups, even though Koreans give greater percentages of income to churches than others in all income categories.

For a further analysis of the respondents’ socioeconomic factors, Table 3 reports the results of a regression analysis between the amount of offering in 1996 as the dependent variable and the following three independent variables: age, marital status/spouse’s attendance of the same church and annual family income. Education and age are excluded due to their high correlation with family income. As shown in Table 3, all three independent variables are found to be significant factors in explaining the offering behavior of Koreans and African Americans. But for Hispanics, only the annual family income is found to be significant.

**Table 3: Regression of Some Socioeconomic Factors on Regular Offering in 1996**

<table>
<thead>
<tr>
<th></th>
<th>Koreans</th>
<th>African Am.</th>
<th>Hispanics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Income</td>
<td>.38***</td>
<td>.24***</td>
<td>.30***</td>
</tr>
<tr>
<td>Age</td>
<td>.15***</td>
<td>.08**</td>
<td>.02</td>
</tr>
<tr>
<td>Same Church</td>
<td>.11**</td>
<td>.13**</td>
<td>.05</td>
</tr>
<tr>
<td>R Squared</td>
<td>.22</td>
<td>.10</td>
<td>.09</td>
</tr>
</tbody>
</table>

Numbers are beta coefficients.

***: significant at the .001 level;
** : significant at the .01 level
*: spouses attend the same congregation

*(c) Religious Orientation*

Offering behavior of the respondents is also examined in terms of the following two factors of their religious orientation: (1) their conservative/liberal self-identification and (2) their view of the Bible. First, the respondents are asked to self-identify their religious orienta-
tion with any one of the following categories: very conservative, conservative, moderate, liberal, and very liberal. Among Koreans and Hispanics, those who identify themselves as the very conservative Christians make a bigger offering ($4,405 for Koreans and $2,170 for Hispanics) than the conservative Christians ($3,691 for Koreans and $1,659 for Hispanics). Interestingly, African Americans who self-identify as conservative Christians ($1,648) give more than the very conservative Christians ($1,433). The amount of offering of Korean and Hispanic moderate Christians ($3,323 for Koreans and $1,269 for Hispanics) lies between the conservatives and the liberals in their respective ethnic group. African American moderates, on the other hand, make the greatest offering ($2,162) than any other groups of African Americans. Among Koreans, those with very liberal identification give slightly more ($3,271) than those with liberal identification ($2,914). But among African American and Hispanic respondents, the opposite is found. That is, the liberals give more ($1,827 for African Americans and $1,087 for Hispanics) than the very liberals ($961 for African Americans and $469 for Hispanics). Even though the question asks respondents to self-identify and the content of conservatism is likely to differ among race/ethnic groups, all three groups of respondents demonstrate on the whole a propensity that those with conservative leaning make greater regular offerings than those with liberal identification.

The respondents’ view of the Bible is differentiated by four classifications: (1) the Bible as a useful guide for individual Christians in their search for basic moral and religious teachings, (2) the Bible as the Word of God which provides a powerful motivation as we work toward God’s reign in the world, (3) the Bible as the inspired and authoritative Word of God that is without error in all that it says about faith and morals, and (4) the Bible as the inspired Word of God without error, not only in matters of faith, but also in historical, scientific, geographic and other secular matters. These four views closely coincide with the conservative/liberal identification. Thus, those who hold the fourth view of the Bible are more conservative than those who hold the third view, and so on.

As Korean and African Americans move from the Bible as a useful guide (the first view) to the inspired Word of God without error in both faith and secular matters (the fourth), they give more offering to their church. Those who take the Bible as a useful guide make the least amount of offering ($1,943 for Koreans and $1,480 for African Americans), whereas those who accept the Bible as the inspired word of God without error in both faith and secular matters give the most ($4,259 for Koreans and $2,730 for African Americans).
and African American respondents who view the Bible as the word of God give less offering ($3,317, Koreans and $1,817, African Americans) than those who take the Bible as the inspired word of God without error in the area of faith and moral principle ($3,890 for Koreans and $2,338 for African Americans). Hispanics, on the other hand, display no such regularities in the offering behavior in terms of their view of the Bible.

(d) Participation Intensity in Church Activities

The intensity of the respondents' participation in churches is examined by the following four variables: (1) position in church hierarchy (the ordination status), (2) frequency of attendance of Sunday worship service, (3) hours spent at church other than worship services, and (4) length of tenure with the current church.

Korean and African Americans who are ordained as elders give significantly more ($5,910 for Koreans and $2,288 for African Americans) than those who are ordained as deacons ($3,692 for Koreans and $2,061 for African Americans). In turn, deacons gave more offering than members ($2,630 for Koreans and $1,410 for African Americans). Among Hispanics, deacons ($1,718) gave more offering than elders ($1,530), but elders gave more offering than members ($1,173).

In terms of the frequency of attending worship service, the respondents are classified into the following three categories: (1) attendance every Sunday, (2) attendance nearly every Sunday and (3) all other frequencies. The respondents of all three groups show that those who attended Sunday worship service every Sunday ($3,833 for Koreans, $2,464 for African Americans and $1,729 for Hispanics) gave more offering in 1996 than those who attended worship service nearly every Sunday ($2,192 for Koreans, $1,988 for African Americans and $1,283 for Hispanics). Those who attended Sunday worship service nearly every Sunday gave more offering than those who attended Sunday worship service less often than nearly every Sunday ($1,894 for Koreans, $1,105 for African Americans and $974 for Hispanics). The respondents of the three groups also demonstrate that those who spent more hours at church other than Sunday service gave more offering than those who spent fewer hours.

For Korean respondents, the longer they have been affiliated with their current church, the more offering they gave to their church. Those who have been affiliated with their current church for 10 years or more ($4,815) gave more offering than those who have been affiliated between 7-9 years ($3,399). Those affiliated between 7-9 years gave more offering than those affiliated between 4-6 years ($2,847), who
gave more offering than those affiliated with their current church for 3 years or less ($2,125). African American respondents also show that the longer they have been affiliated with their current church, the more offering they gave to their churches ($1,591 for those with 3 years or less and $1,884 for those with 4 and 6 years). But this observation holds true up to the ninth year of church affiliation. Those who have been affiliated with their current church for 10 years or longer gave less offering ($1,994) than those who have been affiliated for the period between 7 and 9 years ($2,251). Hispanics also show that the longer they have been affiliated with their current churches, the more offering they gave to their churches, with one exception. Those Hispanics who have been affiliated for the period between 4 and 6 years ($939) gave less than those who have been affiliated for three years or less ($1,274). Those Hispanics who have been affiliated for the period between 7 and 9 years gave on the average $1,428, while those who have been affiliated for 10 years or more gave on the average $1,533.

<table>
<thead>
<tr>
<th></th>
<th>Koreans</th>
<th>African Am.</th>
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<tr>
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<td></td>
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<tr>
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<tr>
<td>R Squared</td>
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<td>.02</td>
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</table>

Numbers indicate beta coefficients.

***: significant at the .001 level;
**: significant at the .01 level;
*: significant at the .05 level

For a further analysis, we ran a regression analysis with the amount of offering as the dependent variables and the following four factors as the independent variables: position in church hierarchy (elders and non-elders), frequency of church attendance, length of time with current church, and conservative/liberal identification (Table 4). Only for
Koreans, the regression analysis shows that the three independent factors (church position, length of time with current church and frequency of church attendance) explain a substantial variation in the amount of offering. Conservative/liberal identification is not found to be a significant variable. It seems that this orientation factor is somewhat related to the above three variables and this may explain why the orientation factor is not found to be significant. For African Americans, the frequency of church attendance is found to be the only significant factor. For Hispanics, conservative/liberal identification is found to be a significant variable. In addition, frequency of church attendance is found to be an important variable, though not quite significant. All of the three groups thus empirically confirm the importance of one factor, frequency of church attendance.

Conclusion

The three minority groups demonstrate some similarities and differences in their offering behavior. We discussed the empirical findings of the above similarities and differences, starting with their differences. Offering behavior of Korean respondents is best explained by the three sets of factors analyzed, while offering behavior of Hispanic respondents is least explained by those factors. African American respondents stand between the two groups in explaining offering behavior by the three sets of factors. It is a puzzling finding and not easy to explain. Perhaps the above difference in the offering behavior is related to the position of their denomination in their respective ethnic group. Since half of Korean Christians are found to be members of Presbyterian churches, their denomination is considered as the mainstream denomination in their ethnic group. Korean Presbyterian churches thus attract various types of Korean immigrants as church members without any institutional barrier. This wide appeal of Presbyterian churches in the Korean ethnic group may explain why their offering behavior is observed to be close to what has been found among Caucasian church members.

Lincoln and Mamiya present the seven historic African American denominations that constitute the mainline denominations in African American communities. Presbyterian churches are not included in the mainstream denominations. This suggests that Presbyterian churches are rather a marginal denomination in African American communities, although African American Presbyterian churches have a long history. This position of Presbyterian churches indicates that African American Presbyterian churches recruit only a certain type of African American middle class people. In this respect, Hispanic Presbyterian churches appear to be in a more marginal position in Hispanic communities than
African American Presbyterian churches. Hispanics have largely been Catholics. Many Hispanics currently turn to Pentecostal churches. This suggests that only a small minority of Hispanics in the mainland of the United States belong to Presbyterian churches. When members of both African American and Hispanic Presbyterian churches are in a marginal position in their respective ethnic group, they are placed in a situation of double jeopardy. They are members of a minority group in the United States and also members of a marginal denomination in their respective ethnic group. Their position of double jeopardy and the accompanying restricted base of membership recruitment may explain what has been observed from African American and Hispanic respondents.

Another big difference observed from the three minority groups is the amount of offering given to their church. As already discussed, the amount of offering of Koreans is found to be much bigger than that of African Americans and Hispanics. This cannot be explained simply by the difference in the amount of annual family income. Even among those in the same income category, Koreans gave more offering to their church than African Americans and Hispanics (See Table 2). The amount of Koreans offering may reflect the intensity of attachment to their ethnic church. As immigrants, Korean respondents are strongly attached to their ethnic churches. Korean immigrants came with an urban, middle-class background. Due to their pre-immigration backgrounds, they have generally experienced an occupational downward mobility in the United States. Many of them are thus currently placed in the disadvantaged segment of the labor market. Furthermore, they are socially segregated from the native-born Americans, and their personal social network is limited to their family, a few relatives and friends in their ethnic group. Therefore, they badly need some opportunity to satisfy their frustrated socio-emotional needs. The ethnic church offers them a valuable opportunity for the satisfaction of their socio-emotional needs in addition to the satisfaction of their religious need. In fact, the church is found to be the only viable ethnic institution which can satisfy their multiple needs.

In contrast, African American and Hispanic middle-class church members seem to be closely associated with some non-religious groups for satisfaction of their socio-emotional needs. Thus, the meaning of church for African American and Hispanic respondents may not be as critical as for Korean respondents. The Presbyterian panel data demonstrate this point. While half of the Korean respondents indicate that they closely socialize with members of their own church as personal friends, only a small proportion of African American and Hispanic respondents associate with members of their own church as
their personal friends. This reveals that social opportunity of African American and Hispanic respondents is widely dispersed to non-church groups. Intensity of attachment to their church is, therefore, much stronger for Korean respondents than for African American or Hispanic respondents. The difference in the intensity of church attachment may explain the difference in the amount of offering given to their church by the three minority groups.

The social pressure peculiarly related to the Koreans’ immigrant life may also be related to their higher amount of offering. Today only a small proportion of Korean immigrant churches have a long history that can stretch to twenty years or longer. Most of the Korean immigrant churches have a short history and do not receive financial support from any endowment or accumulated property. Their dependence on church members’ offering is thus much higher than the dependence of African American and Hispanic churches. This precarious financial situation of Korean immigrant churches presses Korean church members to give more offering to their church than African American and Hispanic church members.

An interesting similarity is observed from the regression analyses of the three groups. Two factors are found to be important variables in the analysis of their offering behavior: annual family income and frequency of church attendance. The family income naturally indicates their ability to give offering to their church. As long as people are affiliated with their church, they are motivated or obligated to give a portion of their income to their church. Under this situation, those with a higher family income naturally give a bigger amount of offering to their church in each group. In this way, annual family income turns out to be an important factor in explaining the relative amount of offering given by members in each group to their church. Another important factor observed is the frequency of church attendance. Since those who attend church more often naturally have more opportunity to give their offering to their church, it is not surprising to observe that those who attended church every Sunday gave more offering than those who attended church nearly every Sunday or less often.

As already discussed, a huge individual difference in the amount of offering is another similarity observed from the three groups. The difference is also demonstrated by high values of standard deviation observed from several categories in Table 1. Why do the respondents show such a huge individual difference in the amount of offering? We may explain the difference in terms of their different positions in other factors. For example, although many respondents may belong to the same age category, they are definitely different from each other in the intensity of church involvement and/or religious orientation and also
possibly in some other factors. As they are different in these factors, they exhibit a huge individual difference in the amount of offering, even when they belong to the same category.

An important question that arises from the data analysis is the influence of church members' religious orientation on the amount of offering. As already discussed, their conservative/liberal identification and their view of the Bible are definitely related to the amount of their offering. But in the regression analysis, their conservative/liberal identification is not found to be a significant factor. Does it suggest that church members' religious identification has no influence on the amount of their offering? It is more likely that it affects some other factors which in turn determine the amount of church members' offering. This issue needs to be further pursued in the future research.

Notes

2. Warner, ibid.
4. Chaves and Miller, ibid; see also Hoge et.al, ibid.
5. Ibid.
An Analysis of Cross-Sectional and Longitudinal Variations in Types of Voluntary Associations in the Korean American Community

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*University of South Carolina*

**Introduction**

Knoke asserts that “a minimal definition of a voluntary association is a formally organized named group, most of whose members are not financially recompensed for their participation.”¹ As Sills notes, all non-state, common-purpose organizations with voluntary memberships may be considered voluntary associations — organizations whose existence is dependent upon freedom of association.² A review of the literature, however, reveals that substantial variations exist in the definition of voluntary associations.³ For example, previous studies of voluntary associations differ with regard to the inclusion or exclusion of such organizations as labor unions, churches, business and trade associations, political parties, professional societies, and philanthropic groups.⁴ There is, nevertheless, a consensus that “the voluntary association is a nonprofit, non-government, private group which an individual joins by choice,”⁵ and that voluntary associations are “spare-time, participatory associations” to which people belong without pay.⁶ Voluntary associations have offices filled through established procedures, periodic scheduled meetings, qualifying criteria for membership, and some formalized division of labor, although organizations do not necessarily exhibit all of these characteristics to the same degree.⁷

More than one hundred and fifty years ago, Alexis de Tocqueville⁸ observed that “Americans of all ages, all conditions, and all dispositions, constantly form associations” to serve personal interests and to solve problems, from the most mundane to the most profound.⁹ It has been pointed out that Americans frequently turn to voluntary associa-
tions to solve social, political, and personal problems. On the whole, voluntary associations are generally regarded as essential ingredients of a pluralist, democratic society.

Previous studies of voluntary associations have largely focused on the empirical analysis of relationships between association involvement and such individual characteristics as age, sex, race, educational attainment, marital status, and income. Smith and Freedman describe research into voluntary associations as being "in great disarray." They assert that "researchers have yet to explain in more than ad hoc ways just how such status dimensions come to be related to greater or lesser levels of involvement." Furthermore, sociological attention to this field of research has been limited to social correlates of joining and participation, with individual potential members as the primary units of analysis. Only a few studies address the subject at the organizational level, with the voluntary association itself as the unit of analysis. Moreover, few sociological studies have ever focused on the analysis of voluntary associations in ethnic immigrant communities in the United States.

As Kyrsan and D'Antonio indicate, voluntary associations exist for differing reasons and have varying objectives. Prior research has established three categories for use in discussing voluntary associations: "instrumental," "expressive," and "instrumental-expressive." Expressive organizations include hobby clubs, sports associations, senior citizens clubs, church-related groups, alumni associations, fraternal societies, and others which "provide the opportunity for carrying on activities of direct interest to participants or help to provide satisfactions of personal fellowship." In contrast, "the major function and orientation of the instrumental organization are related to activities which take place outside the organization; it seeks to maintain a condition or to bring about change which transcends its immediate membership and members identify with the group, at least in part, because of its commitment to goals which do not contribute directly to their own personal and immediate satisfactions." Examples of instrumental organizations include the Young Republicans, the Ku Klux Klan, and the League of Women Voters. An "instrumental-expressive" group provides a framework within which both types of activities can take place.

Voluntary associations may serve personal as well as societal functions. Membership may provide individuals with opportunities to learn social norms and acquire information, while also increasing self-esteem and the perception of individual efficacy and combating isolation. Such integrative functions of voluntary associations at the community and individual levels can be extremely important for the
adaptation and settlement of new ethnic immigrants in urban America.

Previous studies of voluntary associations in ethnic immigrant communities have observed that voluntary associations cushion the shock of transition to a new society. They also offer incentives for adapting to that society, provide a setting in which to practice American behavior, and thus, aid in the "Americanization" of immigrant groups. On the other hand, when interchange between native and ethnic groups is blocked, ethnic organizations may multiply and gain strength as "compensatory strategies" that allow escape from mainstream American life or a means of exercising ethnic group pressure.

Compensatory theory argues that "those in lower status positions affiliate and participate in voluntary associations for prestige, ego enhancement, and achievement restricted or denied them in the larger society." While this proposition is most frequently applied to the African-American community, it is equally relevant to any racial and ethnic minority. Olsen presents an alternative thesis - "ethnic community theory" - to account for the active participation of ethnic groups in voluntary associations. Ethnic community theory states that "those in a given ethnic community develop a consciousness of each other and hence a cohesiveness because of pressures exerted against them by outsiders." The theory asserts that "through a sense of ethnic community, minority members form groups to deal with an alien environment and problems forced on them by the majority." Previous analyses of the affiliation and participation of ethnic minorities in voluntary associations have found support for both of these theories. Although they were developed to account for variations in voluntary association participation, it is believed that both compensatory theory and ethnic community theory are also applicable to the formation, multiplication, and composition of voluntary associations in ethnic communities.

**Purpose of the Study**

The primary purpose of this paper is to analyze cross-sectional and longitudinal variation in the types of voluntary organizations in Korean American communities. More specifically, this study examines differences in the types of voluntary associations in six selected metropolitan areas having Korean American communities of different sizes. In addition, this paper investigates changes in the composition of voluntary associations in each Korean American community since the 1980s.

Analysis of the composition of voluntary associations in a given immigrant community provides information about the nature of immigrants' needs as they undergo the process of adapting to the host community. Furthermore, overlapping patterns across different
communities may reflect common functions and services demanded in the immigrant communities. On the other hand, changes in the composition of voluntary associations in a given community over time may reflect the evolution of needs as the immigrant community matures and adjusts.

Hypotheses

On the basis of the information obtained from the literature review discussed in the preceding sections, I propose the following hypotheses:

1) Consistent with both compensatory and ethnic community theories, Korean American communities will manifest a tendency to form various types of voluntary associations to meet the needs of the immigrant group.
2) Due to variations in community needs, the composition of voluntary associations will differ by the size of the Korean American population of the community. A community with a relatively small number of Korean immigrants will have a small number of associations. Little diversity will be found in the type of voluntary associations available in the community. Voluntary associations found in relatively small ethnic communities will more likely be multipurpose organizations than those found in communities having larger ethnic populations.
3) Voluntary associations in a given Korean American community will become increasingly diverse in composition as the size of the Korean American population in the community grows over time.
4) According to the typology of voluntary associations, multipurpose "instrumental" organizations will emerge initially to serve the needs of new immigrants. As the ethnic community matures over time, "expressive" organizations will multiply to meet the changing specific needs of the immigrant group.
5) The larger the size of the Korean American population in the community, the greater will be the proportion of organizations with American origins. As an ethnic community achieves critical mass in both size and Americanization, an increasing number of Korean American chapters will form within mainstream American national organizations.

Data and Methods of Analysis

The data used in this study were obtained from the "Korean
Directories” for each of the selected metropolitan areas for different years. These directories are published either by the local Korean Association or by commercial advertising/printing companies. “Korean Business Directories,” published by Korean American newspapers in different metropolitan areas, are used to supplement the Korean directories. These directories, covering the period of 1981-1997, provide name and contact information for each organization. The time periods covered by the directories vary from one area to another, thus rendering consistent, systematic, cross-sectional and longitudinal analyses impossible. Furthermore, the accuracy of the coverage of voluntary associations by the directories may be questionable in general, and the degree of accuracy may differ from one metropolitan area to another. The rates of undercount for smaller and newer organizations will be greater than those for larger and older organizations. Nevertheless, these directories are the only sources of data currently available for this study. So long as the undercount rate does not vary significantly by type of voluntary association, the coverage of these directories will not greatly influence the analysis of these associations.

For this analysis, voluntary associations identified in each of the selected metropolitan areas for a given year are categorized into sixteen types: professional, fraternal/social, veterans, hobby, business, service, youth, sports, political, community serving, church-related, civic, alumni, charity, and church. As indicated earlier, voluntary association typologies used in previous studies vary widely depending upon purpose and scope. Note, however, that the categories used in this study are consistent with those suggested in previous studies.30 This categorization is arguably the most appropriate, in view of the diversity of voluntary associations in the Korean American community.

Korean American voluntary associations in the Atlanta metropolitan area are categorized into three types: “instrumental,” “instrumental-expressive,” and “expressive.” As noted earlier, previous studies used this typology in their analyses of the “purposes,” “interests,” and “functions” of the organizations.31 Because it identifies the general motivations and orientations of organizations in reaching potential members, this typology should prove useful to the analysis of the nature and functions of voluntary associations in Korean American communities.

Findings

A history of Korean American voluntary associations in America must begin with the 1903 organization of the first Korean immigrant church, and the formation of the first patriotic societies soon after the
arrival of Korean immigrants in Hawaii. By 1907, at least twenty-four Korean American voluntary associations had been established in Hawaii alone. The number of Korean immigrant churches in that state had increased to thirty-nine by 1913. As noted by Lyu, the voluntary associations of early Korean immigrants shared identical objectives: "to promote mutual benefit and to protect Korean national interest against Japanese domination." It is interesting to note that the Christian church was the first and most numerous type of Korean immigrant voluntary association in Hawaii. This was due to the fact that many of the early immigrants to Hawaii were Christian before immigrating. The dominance of immigrant churches in the Korean American community of Hawaii prior to the 1930s apparently established a pattern for other Korean immigrant communities during subsequent periods.

As described above, Korean immigrant communities began to appear in Hawaii very early in the twentieth century. In this and other areas, including Southern California, New York, and Chicago, Korean American communities have experienced substantial growth and maturation over time. A review of the history of voluntary associations in Korean immigrant communities where the population is still relatively small and the settlement of Korean immigrants in the community was much more recent would be useful at this point. As shown in Appendix A, the first voluntary association of Korean immigrants in Columbia, South Carolina, was the Korean Community Presbyterian Church, formed in 1975. The Korean Association of the Greater Columbia Area was formed six years later, and the Korean Student Association, the Korean Golf Association of Columbia, and other churches were formed soon after. In February 1997, eleven Korean American voluntary associations existed in the Columbia metropolitan area. In addition to seven churches, these groups included the Korean Association of the Greater Columbia Area, the Korean Golf Association, the Korean Tennis Association, and the Korean Student Association.

The Korean American Association of the Greater Fayetteville, North Carolina, Area was organized in 1970, and the Fayetteville Korean Baptist Church, formed in 1974, was the first Korean American church in the area. Sixteen different Korean American voluntary associations, including eleven churches, were active in the Fayetteville metropolitan area as of February 1997. In Augusta, a metropolitan area crossing the Georgia-South Carolina state line, the first voluntary association in the Korean American community was once again a church, the Augusta Korean Presbyterian Church, established in 1978. The next organization was the Korean Association, established in 1981.

The fact that ethnic immigrant churches were formed prior to any
other type of voluntary association suggests that at least some Korean immigrants in the community might have been Christian before settling in the area. It also suggests that shared religious experience is more powerful than other common background characteristics or interests. Because more than twenty percent of the Korean population identify themselves as Christian, church affiliation is likely to have been the most common background characteristic shared by immigrants in a relatively small community. In discussing the functions of the church in Korean American communities, Kim observed:

...in order to make a community life possible, the church accentuates nonreligious, secular functions. The church creates a family atmosphere in its intra-church activities and becomes a substitute for the extended family. By linking its congregation to the bureaucratic institutions of the larger society, the church assumes the role of a broker; by sustaining and enhancing Korean culture and tradition, the church becomes a center of Korean nationalism.  

As the only formal ethnic organization in the Korean immigrant community, the church provided a variety of functions and services to the ethnic community, in addition to the traditional religious functions. The growth of the Korean immigrant population in relatively small metropolitan areas began in the early 1970s, subsequent to the Immigration Act of 1965. This growth coincided with the initial formation of churches and Korean associations in those communities. Compensatory theory suggests that participation in voluntary associations meets a number of the social and psychological needs of new immigrants in small metropolitan areas. Consistent with ethnic community theory, however, the churches and other organizations had not been formed until the size of the Korean immigrant group reached a critical mass, thus forming an ethnic community.

A review of the constitutions and by-laws of “Korean Associations” shows the primary purposes of the organizations to be: 1) to promote solidarity among members of the association; 2) to provide needed services for members; 3) to connect and represent the Korean American community to the local, state, and other administrative and government agencies; 4) to preserve Korean traditional customs and culture by organizing cultural activities and celebrating the traditional Korean holidays; 5) to protect the rights of members as citizens and legal residents of the United States, and to enhance their status and welfare. The emergence of Korean Associations apparently reduced the secular functions of the churches, especially the provision of services for new immigrants in the community.
A combination of several different factors contributed to the continuation of the community-service orientation among Korean American churches. One factor was the lack of effective leaders in the Korean Associations who were educated in the United States, who were proficient in the English language, and who had prior experience in community service. Another factor was the fact that Korean immigrant churches willingly accepted community-service roles in order to recruit new members. The effectiveness of their community-service programs became an important determinant of the reputation and growth of a church. Church involvement in community-service activities has declined to some extent, even in relatively small Korean American communities, as a result of the growth and maturity of non-church community-service organizations. However, it would be safe to say that Korean immigrant churches still provide a variety of secular community services to existing and potential members. Additionally, the extent of church involvement could be expected to be greater in smaller than in larger communities. Because it nurtures the spiritual needs of immigrants and also provides a “family atmosphere” more effectively than other voluntary associations, the church will remain the focal point of the immigrant community.

Another interesting finding is that the Korean Golf Association was formed at an early stage of immigrant settlement in the Columbia, Augusta, and Fayetteville areas. This may reflect several different contexts in which the formation of these groups has occurred. First, golf has been extremely popular in Korea for the last three decades, and the popularity of the sport may have been transplanted to Korean immigrant communities. Second, golf is regarded by Koreans and by Korean immigrants as a “status symbol,” a classy sport played by individuals of relatively high socioeconomic status. Thus, Korean immigrants may feel that they gain status by forming and joining golf associations. Third, a substantial proportion of the Korean immigrant population is between the ages of forty and fifty-nine, and golf is particularly suitable for such a middle-age group. Fourth, the costs associated with playing golf in the United States are quite reasonable in comparison with those in Korea, and being able to afford to play the game may signify that one has “made it.” Finally, the title of “president” of the Korean Golf Association may have “a nice ring to it,” especially to individuals seeking some type of status in the ethnic community.

Tables 1, 2, 3, and 4 present data on the composition of Korean American voluntary associations in the Atlanta, Chicago, New York, and Los Angeles metropolitan areas for the period of 1981–1997. The 1990 Census showed wide variation in the size of the Korean American
population in these metropolitan areas: from 9,568 in Atlanta to 194,198 in Los Angeles. To understand the composition patterns of voluntary associations by type, it would be useful to examine the data for each area separately.

### Table 1: Perceptions of the Current and Past Political Systems

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(mean score) 3.9  5.9

Source: 1999 Korea Democracy Barometer Survey

The most striking feature regarding the composition patterns of the Atlanta area is that churches and church-related organizations comprise almost half of the total number of voluntary associations in the Korean American community. In addition, the proportion of churches in the total number of organizations has remained about the same since 1982. This may reflect that, throughout the history of Korean settlement in the United States, church organizations have predominated in the Korean American community. In commenting on the latent functions of the Protestant church, Kim indicated that:

...in order to help Korean immigrants cope with the larger society, the churches unknowingly revive and promulgate their version of the Protestant ethic of nineteenth-century America. The ideological coherence of the churches lies in their emphasis on endless self-
abnegation, endurance, hardship, and frugality. These puritan virtues are compatible with Confucian values, which Korean immigrants, regardless of their religious affiliation, have already internalized in their homeland. The churches reinforce the traditional Korean values of self-control and self-abnegation in a Protestant context. The church makes Korean immigrants vigilant and ready to sustain the kind of combat discipline necessary for survival in the larger society.

The second most numerous type of voluntary association in the Atlanta area was the alumni association. Fifty-six different alumni associations existed in the Atlanta area as of February 1997. Alumni associations comprised 26.4% of all organizations in 1997, and this proportion has been about the same since the 1980s. Alumni associations can be classified into two categories: middle and high school alumni associations, and college/university alumni associations. The number of middle and high school alumni associations was twenty-nine, while the number of college and university alumni associations was twenty-seven.

Only three of the fifty-six alumni associations were for American institutions; the remaining fifty-three were for the schools attended by Korean-born immigrants prior to their immigration to this country. Some comments about these alumni associations may be in order here. First, given the size of the Korean American population in the area – 9,568 as of the 1990 census – the actual size of most of these alumni associations is very small. Second, the function of these associations is primarily social – an association may have several meetings per year to celebrate major holidays together with dinner parties and picnics. Third, alumni associations may be regarded as primary groups providing a “family atmosphere” for the formation of trustworthy relationships. According to Kim, alumni associations are subdivided by year of graduation and by “meetings of old classmates who tend to form congenial peer groups and eat, drink, and talk together at alumni parties; they maintain and intensify a solidarity among themselves and their solidarity evolves through such activities as making matches for unmarried persons, giving picnics, birthday parties, Christmas parties or forming a gye and other kinds of mutual assistance.”

The heavy representation of church and alumni organizations in the population of Korean American voluntary associations in the Atlanta area has significant implications for the current position of voluntary associations in the direction and orientation of the Korean American community. Churches provide a number of latent functions to help immigrants cope with the larger society, and alumni associations have played constructive and helpful roles in supporting their members. Neither
type of organization, however, has had significant and consistent contact with the mainstream American community at the local level. Instead, their activities have been largely directed either toward members of organizations or toward the larger Korean American community. The fact that the two most numerous types of organizations are largely oriented toward intra-ethnic relationships seems to affect the orientation of the entire ethnic community.

As of February 1997, sixteen different business and trade associations existed in the Atlanta metropolitan area. This category includes owner associations for such specific lines of small businesses as beauty supply, dry cleaning, clothing, automobile service, groceries, restaurant, and liquor, as well as for the Chamber of Commerce, International Trade Association, Korea Town Association, Association for Women in Business, and others. The number of voluntary associations related to business and trade activities has increased from only two in 1982 to sixteen in 1997. This could reflect the rapid increase in the number of Korean immigrants in the Atlanta area who have been engaged in small-business activities in recent years. Business and trade associations may provide important services to their members, including disseminating information about government regulations for particular lines of business, organizing group purchases directly from manufacturers and importers, arranging price agreements and controls, and sharing information about bank loans and credit. Hence, business associations enable their members to interact not only with other merchants in the same line of business, but they also play intermediary roles, connecting individual members to the larger society. Nevertheless, the primary function of these associations is still social in nature, emphasizing and promoting solidarity and mutual assistance among members.

Three of the ten sports organizations were golf associations: the Korean Golf Association of Atlanta, the Senior Golf Association, and the Elders (Yeongjangja) Golf Association. It is interesting to note that two separate golf associations were based on age. This may be explained by the fact that, in Korean culture, age is an important variable in both formal and informal groups. Maintaining and enhancing the status of relatively older individuals requires that they form their own golf associations. Also, it is possible that the desire for a "family atmosphere" among golf buddies was met only by smaller, more homogenous groups.

It should be noted that only three of the Korean American associations in the Atlanta area were oriented toward political activity as of February 1997. It is possible that other organizations, which were not classified as political, nevertheless performed certain political functions as part of their activities. The participation of Korean Americans in
mainstream American politics is still limited, however, perhaps reflecting the tendency of Korean Americans to participate mostly in intra-ethnic activities directed toward Korean issues. In addition, the small numbers of “youth,” “civic,” and “charity” groups suggest that the Korean American community requires further maturation before it can achieve such diversity in the types of voluntary associations. Alternatively, the functions of Korean immigrant churches and other community-service-oriented voluntary associations may include programs involving youth, civic and charity affairs, at least to some extent. It is possible, therefore, that there was no compelling need for such specialized organizations.

I analyzed data on the composition of voluntary associations in the Atlanta metropolitan area by three types, “instrumental,” “instrumental-expressive,” and “expressive.” As of February 1977, nearly eighty percent (79.1%) of all organizations were “expressive,” while “instrumental” and “instrumental-expressive” types comprised 14.2% and 6.6%, respectively. The total number of voluntary associations increased from forty-five in 1982 to over two hundred in 1997. The number of “expressive” organizations increased from 36 to 167 in the same period of time, while the number of “instrumental” organizations increased from four to thirty and “instrumental-expressive” groups increased from five to fourteen during the same period. The absolute increase was greatest for the “expressive” type, while the relative increase – as measured by the ratio of the number of organizations in 1997 to that in 1982 – was greater for the “instrumental” type.

The Korean American population in the Atlanta metropolitan area increased from 2,749 in 1980 to 9,568 in 1990, and the estimated population for 1997 was about 20,000. As hypothesized, the data show concomitant increases in the number of types of voluntary associations and population size. The increase has occurred in both the “instrumental” and “expressive” types of organizations. An increase in the number of business/trade associations was responsible for the increase in “instrumental” organizations, while an increase in the number of Korean immigrant churches was the primary source of increase for the “expressive” type. This was expected, since the economic participation of Korean immigrants is heavily concentrated in the small-business sector, and participation in intra-ethnic activities is largely through churches.
**Table 2: Citizen Empowerment and System Responsiveness**

<table>
<thead>
<tr>
<th>Degrees</th>
<th>Citizen Empowerment</th>
<th>System Responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>32.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Some</td>
<td>44.3</td>
<td>23.7</td>
</tr>
<tr>
<td>A little</td>
<td>20.5</td>
<td>51.1</td>
</tr>
<tr>
<td>None</td>
<td>1.6</td>
<td>19.7</td>
</tr>
<tr>
<td>(No answer)</td>
<td>1.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Survey.

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**Table 3: Experiences of Substantive Democracy**

<table>
<thead>
<tr>
<th>Types of Experience</th>
<th>Distribution (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Responsiveness</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(no answer)</td>
<td></td>
</tr>
</tbody>
</table>

Source: 1999 Korea Democracy Barometer Survey
### Table 4: Evaluations of the Performance of the Present Political System

<table>
<thead>
<tr>
<th>Scale Points</th>
<th>Current regime (1998-present)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (complete dissatisfaction)</td>
<td>1.5</td>
</tr>
<tr>
<td>2</td>
<td>5.0</td>
</tr>
<tr>
<td>3</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>0.5</td>
</tr>
<tr>
<td>5</td>
<td>34.1</td>
</tr>
<tr>
<td>6</td>
<td>25.8</td>
</tr>
<tr>
<td>7</td>
<td>10.4</td>
</tr>
<tr>
<td>8</td>
<td>3.7</td>
</tr>
<tr>
<td>9</td>
<td>1.7</td>
</tr>
<tr>
<td>10 (complete satisfaction)</td>
<td>0.7</td>
</tr>
</tbody>
</table>

(mean score) (5.2)

Source: 1999 Korea Democracy Barometer Survey

Tables 2, 3, and 4 show the composition of voluntary associations by type in the Chicago, New York, and Los Angeles metropolitan areas, respectively. One of the most consistent patterns observed from the areas was that churches and church-related organizations have been dominant over the years. Church and church-related organizations comprised 56.5, 73.4, and 60.6 percent of all voluntary associations in Chicago, New York, and Los Angeles, respectively, for the most recent years. As observed earlier in the data for the Atlanta area, alumni associations were the second most numerous type of voluntary association in all three areas. In fact, church-related organizations and alumni associations together comprised more than three-quarters of the total number of voluntary associations in each of the areas. In particular, as shown in Table 4, of the total 1,098 voluntary associations in the Los Angeles area, 626 were churches and 195 were alumni associations. In view of the fact that the Korean American population in the Los Angeles area was 194,198 as of the 1990 census, and there were 576 churches as of 1989, the population per church ratio was about 338 persons per church. However, it is interesting to note that the proportion of churches in the total number of voluntary associations in 1996 was smaller than that of the 1980s. This may mean that the increase in the
number of Korean immigrant churches has reached the point of saturation, possibly due to a sharp drop in Korean immigration. It may also reflect an increase in the out-migration of Korean residents from the area, which may have been associated with the deteriorating economic conditions in recent years.

It was hypothesized that diversity in the types of voluntary associations available in an immigrant community will increase along with the immigrant population. The data on the composition of voluntary associations for selected areas seem to support the hypothesis. However, the effect of population size on the composition of voluntary associations is not pronounced because it is largely concentrated on the increase in the number of churches and alumni associations, rather than widely spread over different categories. Nevertheless, both the number of organizations in each designated type and the range of interests represented by organizations within a given category increase along with population. For example, no organization in the Atlanta area as of February 1997 was based either on the city or province of birth in Korea or on a Korean surname, whereas nine organizations from Chicago, seven from New York, and twenty-one from Los Angeles were based on regional origin. In addition, eleven different associations of senior citizens existed in the Los Angeles area alone.

It was hypothesized that the proportion of organizations with American origins would be greater in places with larger Korean American populations. More than twenty different voluntary organizations with American origins were listed in the Los Angeles area in 1996, while only a few such organizations were found in the Atlanta, Chicago, or New York areas. Organizations with American origins included the Korean American Coalition, Kiwanis International Club, Korean Labor Association, Korean American Educators Association, Korean American Cross-cultural Association, Korean Youth and Student Union, Young Korean United of Los Angeles, World Mission in USA, Korean College Student Association of Southern California, Hanmi Presbytery of the PCUSA, Korean American Female Ministers Association of the PCUSA, Korean American Management Association, University of Michigan Korean Alumni Association, Korean Alumni Association of UC Berkeley, Korean Alumni Association of UC Irvine, UCLA Korean Alumni Association, UCLA Engineering School Korean Alumni Association, and others. Moreover, more voluntary associations specifically for second-generation United States-born youth and young adult groups and females existed in the Los Angeles area than in the Atlanta, Chicago, and New York areas. This again suggests that diversity in the types of voluntary associations tends
to increase along with population size.

Discussion

The integrative functions of voluntary associations are extremely important for the adaptation of Korean immigrants to the new cultural and socioeconomic environment in the United States. The "activities of Korean immigrants through voluntary associations are the underlying fabric that interweaves, supports, and influences the individual lives of ordinary community members." The data analyzed in this study seem to support the assertion that voluntary associations constitute an extremely important component of immigrant communities. They also suggest that immigrants tend to form various types of voluntary associations to build up their ethnic solidarity and to cope with their new environment.

Korean immigrants seem to manifest unique patterns in the types of voluntary associations that they organize. Protestant churches are overwhelmingly the dominant organizations, regardless of the criteria used, in the ethnic community. Several factors have contributed to this phenomenon: 1) the affiliation of a great majority of middle-class Korean immigrants with churches in Korea; 2) the availability of a large pool of fairly well-trained Protestant ministers; 3) the similarity of the cultural and social norms of Protestant churches in Korea and those of voluntary associations in America, thus eliminating significant amounts of adjustment, modification, and conflict in the organization of Protestant churches; 4) the realization of the desire of immigrants for recognition and status through the opportunity structures provided by churches; and 5) the historical centrality of Protestant churches in the community life of Korean immigrants in the United States, and their provision of various services for immigrants. It is interesting to note that the functions of Korean immigrant churches are complex, and some aspects of their functions are diametrically opposed to their claims. Churches have provided for the spiritual, psychological, and communal needs of Korean immigrants, thus enhancing ethnic group solidarity, especially among church members. The extent of church contribution to the integration of Korean immigrants into the larger socio-cultural structures of mainstream American society, however, has been limited. In fact, it is possible that immigrant churches may have been largely responsible for the ghettoization of the Korean immigrant group in urban America by building fences around the associational enclave. The programs and activities organized and executed by Korean immigrant churches may have satisfied immediate needs, leading to complacency, reducing the motivation to seek further assimilation with the larger society. In all fairness to Korean immigrant churches,
although “supply side” factors have partially been responsible, such “demand side” problems as language barriers and cultural background have had a greater impact on the current conditions of isolation among first-generation Korean immigrants.

The fact that churches and alumni associations together comprise a significant majority of voluntary associations in Korean immigrant communities clearly demonstrates that most such associations are “expressive” and oriented toward intra-ethnic activities. Moreover, Korean origin is an important criterion determining qualification for membership in many Korean immigrant voluntary associations, which are frequently organized around school and ascriptive ties, such as surname and place of birth in Korea. Voluntary associations based on such criteria may possibly contribute to the proliferation of voluntary associations in Korean immigrant communities, since there is potentially a fairly large number of surname groups and provinces/cities of birth for Korean immigrants.

This study has focused on the composition of voluntary associations in the Korean immigrant communities, according to the type of organization. The findings from this study add to the limited body of knowledge about voluntary associations in ethnic minority communities. Several limitations of the present study should be noted, however. First, this study addressed the composition of voluntary associations exclusively by type, where the unit of analysis was the voluntary association. It did not examine the correlates of immigrant participation in voluntary associations. Second, variations in the size of voluntary associations were not considered in this study. Since size is an important variable determining many dimensions of an organization, it is essential to consider variations in size by type of voluntary association. Third, the data used in this study are taken from directories published by ethnic newspapers and advertising companies in part for revenue-generating purposes; therefore, the accuracy, completeness, and currency of the information may be questionable. Fourth, the determination of the purpose, orientation, and activities of each organization would require the examination of such organizational documents as constitutions, activity reports, and minutes of meetings, but no attempt to obtain these documents was made in this study. Finally, this study focuses on the composition of voluntary organizations in the Korean American communities of selected metropolitan areas. Voluntary associations in these selected areas may not be representative of the entire population of Korean American voluntary associations, nor should Korean American communities be taken as representative of all ethnic immigrant communities. Future studies on the subject should take into account these limitations of the current
study, and should also include a comparative analysis of interethnic group differences in voluntary associations by addressing several different ethnic immigrant groups.

Notes

7. Smith and Freedman, op. cit.
15. Ibid., pp. 9-11.

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18. Gordon and Babchuk, *ibid.* p. 27.
27. Williams et al., *op. cit.*, p. 638.
34. Lyu, *ibid.*, p. 54.
APPENDIX A.

A List of Korean American Voluntary Associations in Columbia, SC, and Augusta, GA-SC for Selected Years.

_Columbia, SC_

1982
1) Korean Association of Greater Columbia Area
2) Korean Community Presbyterian Church
3) Korean United Methodist Church
4) Korean Seventh Day Adventist Church

1997:
1) Korean Association of Greater Columbia Area
2) Korean Golf Association
3) Korean Tennis Association
4) Korean Student Association of USC
5) Korean Community Presbyterian Church
6) Korean United Methodist Church
7) Korean Full Gospel Baptist Church
8) Korean Grace Baptist Church
9) Korean Seventh Day Adventist Church
10) New Jerusalem Presbyterian Church
11) Carolina Korean Presbyterian Church
12) Korean Catholic Church of Columbia

_Augusta, GA-SC:_

1982
1) Korean Presbyterian Church
2) Korean Association of Augusta

1997
1) Korean Association of Atlanta
2) Korean Senior Citizens Association
3) Korean Golf Association
4) Korean Women’s Club of Augusta
5) Korean American Women’s Association
6) Council of Korean Churches of Augusta
7) Korean Presbyterian Church
8) Korean Methodist Church
9) Korean Full Gospel Church
10) Bethel Korean Presbyterian Church
11) Marvin Korean Methodist Church
12) Korean Baptist Church
13) Yumkwang Korean Church
14) First Korean Baptist Church
15) Korean Grace Church
16) Korean American Evangelical Church
17) Korean Catholic Church

South Korea today has the eleventh largest economy in the world. Although recent setbacks placed a temporary brake on several decades of surging economic development, these obstacles have now been largely overcome. The Republic of Korea is proving once again that it has one of the most vibrant economies among advanced industrial countries. These gains have been accompanied by corollary advances in medicine, transportation, urban planning and agriculture, to name but a few areas of noteworthy development. In 1987 the country moved away from its authoritarian past and instituted a working democratic system. In short, the pace of change in the economy, in politics and in social life generally has been spectacular. It is entirely appropriate, therefore, that Korean achievements, as documented in a wide range of government publications, should now be made accessible, in English, to scholars, policy makers and the interested public. *Korean Government Publications: An Introductory Guide* is the first comprehensive English-language guide to this wealth of information, much of it published in both Korean and English. It is especially timely because of the recent upsurge in the number of government publications and because the mistrust of documents published under authoritarian regimes has dissipated with the advent of genuine democracy.

The book is primarily a bibliographic guide to the publications of the Executive, Legislative and Judicial branches of the government. The careful annotation of each entry makes the work especially useful as a ready reference tool. Indeed, it is hard to imagine anyone undertaking a study of modern Korean society not utilizing this book as a primary source of information about Korean government publications. Researchers interested in the court system, to take but one example, will find references to the organizational structure of the court system, to the decisions of lower courts and the Supreme Court, to the official gazette of the court system which provides information about the enactment of laws and new appointments, etc. This type of infor-
appointments, etc. This type of information, set forth in a well-organized, comprehensive and highly readable fashion, was acquired by the author through painstaking field work and library research.

The book is not simply a reference work, however. It contains a short history of the relationship between the early development of printing technology in Korea and the development of documents sponsored by the royal court. Korea has a rich history of government publications which, as the author points out, is the basis for current attention to such materials. In this regard she also draws attention to the differences between Korean government documents and those of other countries and explains how these documents reflect the nature of government organization and the internal dynamic of individual organizations. Korean government publications, for instance, are organized more on the lines of European countries than of the United States, reflecting differences in the way that the branches of government are organized.

Unfortunately, the work does not cover journal titles or historical titles, leaving room for further research in these areas. The section on electronic information sources, which admittedly change very rapidly, might well have been expanded. There is, nevertheless, an entire chapter devoted to these sources and a list of major government web sites. For those interested in exploring electronic information sources, the book is an excellent guide for further work.

Given the importance of the material in this study, one can only wonder that such a work was not published previously. Fortunately, this timely and excellent study is an admirable introduction that will set a very high standard for subsequent work to emulate. It is essential for a research library to make it available for the graduate students and researchers in the fields of social and political sciences as well as in the field of humanities and other related areas. Highly recommended for the research library and graduate studies.

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