

Crisis, Regime Change, and Development: A Quantitative Analysis of South Korean Political Transformation 1945~1987*

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A series of crises in Korea induced regime changes which conditioned the nature of the subsequent regimes. Under a crisis situation, the pattern of interplay of world system, class, and state conditioned the following state. Crisis occurs due to the gap between state and society. Due to its nature as a security state, the gap was reduced by state's repression by security institutions except in the case of the April Revolution. The world security system has played a key role to the rise of the Syngman Rhee's security regime under the identity crisis, while social class played a crucial role in its fall and the rise of the Chang regime under import-substitution industrialization and legitimization crises. Since then, the military as a major state institution has played a key role both in political and economic arenas by establishing a neo-mercantile security state. Korea's contradictory development is the consequence of the neo-mercantile security state rather than being explained by bureaucratic authoritarian model, dependent development, or statist theories: its enhanced economic capacity produced an "economic miracle," while its security capacity facilitated political underdevelopment.

I. Toward An Explanation of Korean Development and Regime Change

A leading member of the newly industrializing countries (NICs), South Korea has achieved rapid economic development during last two decades. With three other Asian NICs: Taiwan, Hong Kong, and Singapore, Korean economic performance has deservedly been called an "economic miracle" by Westerners.¹⁾ In contrast to its economic achievement, however, Korea has experienced serious political "underdevelopment," with five regime changes in this period. Most Koreans have critically concerned socio-political sacrifice either

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1) In addition to numerous mass media, some scholars also use this term. cf. Jon Woronoff, *Asia's 'Miracle' Economies* (New York: M.E. Sharpe, Inc., 1986); Thomas B. Gold, *State and Society in the Taiwan Miracle* (New York: M.E. Sharpe, 1986).

〈Table 1〉 “Economic Miracle” with “Political Decay”

Economic Development Planning Indicator	1st	2nd	3rd	4th	5th
growth rate	—	—	8.81	9.9	4.54
GNP/capita	—	\$ 87(' 62)	\$ 243(' 70)	\$ 591(' 75)	\$ 2,180(' 85)
manufa. %/GDP	—	8.9(' 61)	17.5(' 70)	24.7(' 75)	31.4(' 83)
political right	—	3.9	4.6	4.9	5.0
civil right	—	4.6	5.3	5.6	5.9
petition rate	3.1	9.0	5.6	1.0	1.6
bill by executive	62	58	59	87	81
GINI index	—	.448(' 60)	.332(' 70)	.391(' 75)	.389(' 80)
upper 20%	—	.418(' 65)	.416(' 70)	.453(' 75)	.454(' 80)

cf. For definition, data sources, see latter part of this paper; (): year, others are mean score during the period.

in exchange for “economic miracle” or just due to its “militarism.”

Employing a comparative perspective on a world scale, some indicators show this contradiction clearly. Taking the world as a whole, Korea's GNP *per capita* \$105, ranking 100th among 135 in 1965, to \$2,180, ranking 39th among 126 in 1985; while political right index and civil right index have worsened from 3.9 and 4.6 in 1960, to 4.9 and 5.6 in 1975, to 5 and 6 in 1984, by moving its ranks from 40th and 60th in 1960, to 60.5th and 94.5th among 135 in 1975, to 92.5th and 127th among 168 in 1984, respectively.²⁾ Table 1 shows other specific figures.

Regarding the “economic miracle,” neo-classical economists argue that the “correct choice” of export-led development strategy based on a comparative advantage of cheap labor has largely contributed to extra-ordinary economic performance, while statistis assert that a “strong state” maximizing state autonomy is the major variable to economic development.³⁾ Both economists and statistis try to explain economic development, but neglect

2) Political right and civil right index range from 1 (freest) to 7 (least free). cf. Raymond D. Gastil, “The Comparative Survey of Freedom 1984,” *Freedom at Issue*, January-February, pp.19-34; *Freedom at Issue*, Jan.-Feb. 1975; World Bank, *World Development Report* (New York: Oxford University Press, 1986), pp.174-175; Charles L. Taylor and David A. Jodice, *World Handbook of Political and Social Indicators*, third edition (New Haven: Yale University Press, 1983), second ed. by Taylor and M.C. Hudson(1973) and first ed. by Bruce M. Russett(1964); Doh C. Shin and Wayne Snyder, “Economic Growth, Quality of Life, and Development Policy: A Case Study of South Korea,” *Comparative Political Studies*, 16(2), July 1983, pp.195-213.

3) The state structure approach emphasizes “strong” state, while the “developmental state” view focuses on the strategic goals of state elites and the policy instruments developed to achieve them. This structural view, however, is criticized due to its logical “tautology”: “states are deemed ‘strong’ by virtue of certain policy outcomes.” It is also less useful in explaining change. Thus, this study is basically affirmative to the structural approach, but also accom-

Korea's political underdevelopment.

Concerning this paradoxical outcome of economic development and regime change, only limited theories, such as bureaucratic authoritarian (BA) model and dependent development among others, try to account for it. O'Donnell's BA model, which relates the rise of authoritarianism to an economic strategy of "deepening," has been applied to analyze Korean Yushin system of 1970s.⁴⁾ Some characters of Yushin system similar to those found in the BA regimes of Brazil, Argentina, and Chile are: i) political, economic exclusion of the popular sector, and ii) emphasis of technological rationality, efficiency, and social stability.

Despite these similarities in political consequences, the fundamental factors which differentiate Korean case from the BA model exist in: i) the manner of incorporation into the international capital system, ii) the strong state and stunted populism, iii) the preparatory period prior to the invitation of a BA regime, and iv) the state's dominant position in the triple alliance.⁵⁾ In detail, first, the "deepening" hypothesis is inappropriate in the Korean case, because the deepening of the Korean economy began in the mid-1970s and was the consequence rather than the cause of BA regime. The Yushin regime was not justified by an economic crisis, instead, President Park Chung Hee justified Yushin on the pretext of continuing economic development and the national reunification.

Second, although there was more significant popular political activism in 1971 than prior, there were no serious anti-union or anti-leftist fears among the military, the upper and middle classes, and the state bureaucrats. Instead, external factors, such as North Korean military threats and the "Nixon doctrine," facilitated security fears among ruling class. Third, Korea has established a strong state long before the rise of Yushin regime and the Korean case does not support the "strong state" hypothesis of BA model. Fourth, the

moderate "developmental state" view in explaining regime change. cf. Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford: Stanford University Press, 1982); Peter Katzenstein, "Conclusion: Domestic Structures and Strategies of Foreign Economic Policy," in Katzenstein (ed.), *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978), pp. 295-336; Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in Peter Evans, Dietrich Rueschmeyer, and Theda Skocpol (et al.), *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985).

4) cf. Hyug Baeg Im, "The Rise of Bureaucratic Authoritarianism in South Korea," *World Politics*, 39 (2), January 1987, pp. 231-257; Jeongwoo Kil, "The Development to Authoritarian Capitalism: A Case Study of South Korea," Unpublished Ph. D. Dissertation (Yale University, 1986).

5) cf. J. Kil, *op. cit.* Kil adds the Confucian sociocultural tradition to these four differences.

Korean state has dominated other ruling coalition partners, such as local business and foreign capital since 1962. Thus, no BA coup coalition that can press for a regime change existed on the eve of a BA regime rise in Korea.⁶⁾ The economic determinism and functionalism of the BA model are also theoretical weaknesses.⁷⁾

Further, Peter Evans' "dependent development" model, which assumes "the alliance of transnational, state, and local capital" can produce development under dependent situation, has been applied to explain Korean development after 1963⁷⁾. Since BA model is considered a bureaucratic instrument of "dependent development," the criticisms made above also can be applied to the "dependent development" model when it is applied to Korea. In addition, geopolitical security interest relations between Korea and the United States have characterized the fundamental framework of the "triple alliance" of the Korean state, local business, and foreign capital. The U.S. preferred a stable strong state in Korea. The strong Korean state dominated not only domestic business but also controlled U.S. multinational corporations (MNCs) that were involved in the Korean industrialization process. The political repression was largely due to political stability and security purpose rather than economic interest of MNCs. Further, popular exclusion has a long history in Korea and cannot be seen as causally linked to the problem of dependent development.⁹⁾ Second, the Korean state has controlled the activities of MNCs and local businesses by controlling full foreign direct investments until 1979. It was possible because Korean involvement in capitalist world system was different from that of Latin American cases. Third, the Korean state preferred foreign loans to foreign direct investment and pursued foreign loans as an instrument of "strategic dependency" since US decisions of military reduction and with-

6) H.B. Im, *op. cit.*, pp. 240-241.

7) For the critique of economic determinism, see the articles by Albert O. Hirschman, Jose Serra, and David Collier in David Collier (ed.), *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979); Fermin D. Adriano, "A Critique of the 'Bureaucratic Authoritarian State' Thesis: The Case of the Philippines," *Journal of Contemporary Asia*, 14(4), 1984, pp. 459-484; George Philip, "Military Authoritarianism in South America: Brazil, Chile, Uruguay, and Argentina," *Political Studies*, 32, March 1984, pp. 1-20. For the critique of functionalism, see Michael Wallerstein, "The Collapse of Democracy in Brazil; Its Economic Determinants," *Latin American Research Review*, 15(3), 1980, p. 12; Albert O. Hirschman, "The Turn to Authoritarianism in Latin America and the Search for its Economic Determinants," in Collier (ed.), *op. cit.*, p. 81.

8) cf. Hyun-Chin Lim, "Dependent Development in World System: The Case of South Korea, 1963~1979," Unpublished Ph. D. Dissertation (Harvard University, 1982).

9) See Hagen Koo, "The Interplay of State, Social Class, and World System in East Asian Development: The Cases of South Korea and Taiwan," in Frederic C. Deyo (ed.), *The Political Economy of the New Asian Industrialism* (Ithaca: Cornell University Press, 1987), pp. 172-179.

drawal in 1970s. Their logic is "foreign loan=foreign security support" since a large loan lenders will be anxious to maintain Korean security to keep their economic interests.¹⁰⁾ Although both BA model and dependent development theory can account partially, their limitations need significant revision in applying them to Korean case, 1945~1987. Thus this study develops an alternative framework, namely that of the neomercantile security state.

This study argues that Korea's contradictory development is mainly a consequence of the rise of neomercantile security state, which is a result of a series of crises and regime changes. Unlike other Asian NICs, Korea has experienced several crises which eventually changed the existing regimes in its initial state building process during 1945~1987. Crisis is defined as a situation, rather than a variable, which is caused mainly by the discongruity between state and society, both domestic and international. When the state possesses the capacity to manage the demands of society, the gap between state and society will be minimized and the state will manage social demands within the existing state structure. However, when the capacity of the state is not capable of this demand management, then, crisis ensues and either the society presses the state to alter its structure or the state repress social demands. Major types of political crises are identity crisis, legitimacy crisis, distribution crisis, and penetration crisis.¹¹⁾ Economic crises includes import substitution industrialization (ISI) crisis, and export led industrialization (ELI) crisis which was mainly derived from development strategy that changes the economic interests of existing social class in its distribution process.¹²⁾ In many cases, economic crisis is expressed as political activity.

Thus, major indicators¹³⁾ of crisis are: i) political protests including strikes, ii) riots, iii)

10) Government officials expressed their views with their "security logic" on a "serious debt problem," when they were criticized by the Koreans who worried the debt burdens.

11) cf. Leonard Binder (et al.), *Crises and Sequences of Political Development* (Princeton: Princeton University Press, 1971). From their classification, participation crisis is excluded. For legitimation crisis, see Jurgen Habermas, *Legitimation Crisis* (trans. by Thomas McCarthy) (Boston: Beacon Press, 1973); Daniel Bell and Irving Kristol, *The Crisis in Economic Theory* (New York: Basic Book, 1981); Theda Skocpol, "Political Response to Capitalist Crisis: Neo-Marxist Theories of the State and the Case of the New Deal" *Politics and Society*, 10(2), 1980, pp.155-201; Richard Sandbrook, "The 'Crisis' in Political Development Theory," *Journal of Development Studies*, 12(2), January 1976, pp.165-185.

12) ISI strategy would favor unorganized workers, peasants, and local consumer goods manufactures, while threatening export elites, MNCs and organized workers. ELI strategy has almost opposite effects. cf. Robert Kaufman, "Industrial Change and Authoritarian Rule in Latin America," in D. Collier (ed.), *op. cit.*, pp.208-209.

13) For the definitions and statistics of these indicators, see *World Handbook of Political and*

armed attack, iv) death from domestic violence, and v) economic downturn. Crisis situations occur mainly as a result of pressures from social class, the world system, previous state action, or their interplay. The Korean case has demonstrated a high possibility for crisis among the states of the world state system. Indicators of the Korean crisis show that protest demonstrations rank 13th among 124 countries; while riots, armed attack, and death from domestic violence ranked 11th, 49.5th, and 41th among 130, 133, and 127, respectively.¹⁴⁾

Major crises in Korea have been i) post-war identity crisis in the initial state building process (1945~1948), ii) legitimation crisis and ISI crisis (1960), iii) penetration crisis (1961), iii) legitimation crisis and distribution crisis (1971~72), iv) legitimation crisis and ELI crisis (1979~1980). Major actors of crises have conditioned the nature of regime change and its developmental strategy. A political regime is the norms, rules, and institutions that link state and society, that is, that link ruling class and popular social classes.¹⁵⁾ Political regime change is the change in norms, rules, and institutions that results from the conflict among classes, state, and world system over defining, making, and revising those norms, rules, and institutions. Rather than a simple notion of democratic or authoritarian regimes, this study classifies political regime into four conceptual types according to state goal and state institution. Regime change occurs¹⁶⁾ when a change in the balance of power of actors leads to the intensification of economic, political crisis.

Since institution building and regime change is a continuous historical process, major indicators¹⁷⁾ of regime change can be: i) irregular executive transfer, ii) executive adjustments, and iii) government sanctions. Government change in Korea has been very frequent, ranking 10th, 9th, and 21th among 57, 133, and 137 countries, respectively, according to

Social Indicators.

14) See *World Handbook*, second ed. (1973), and third ed. (1983).

15) cf. Fernando H. Cardoso, "On the Characterization of Authoritarian Regimes in Latin America," in David Collier (ed.), *op. cit.*, pp.33-57. Similarly, regimes are defined as "sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area..." See Stephan D. Krasner, "Structural Causes and Regime Consequences," in S.D. Krasner (ed.), *International Regimes* (Ithaca: Cornell University Press, 1983), pp. 2-4; Ernst Hass, "Technological Self-Reliance for Latin America: the OAS Contribution," *International Organization*, 34(4), Autumn 1980, p.533; Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Boston: Little, Brown, 1977), p.19.

16) cf. Cran R. Young, "Regime Dynamics: the Rise and Fall of International Regimes" and Charles Lipson, "The Transformation of Trade: the Sources and Effects of Regime Change" in S.D. Krasner (ed.), *op. cit.*, pp.93-113 and 233.

17) For definition, see *World Handbook*.

these indicators. Major regime changes in Korea are marked by the rise of the First through Fifty Regimes in 1948, 1960, 1961, 1972, and 1980, respectively.

The basic research questions of this study are: i) How does crisis relate to regime change? How do world system, social class, and state interplay in a crisis situation and influence regime change? and ii) What is the impact of regime change on state capacities of development?

This study hypothesizes: i) that different types of interplay among world system, social class, and state produce different patterns of regime change in relation to its economic and security capacities, and ii) the nature of the state and regime will produce different patterns of Korean development: the higher economic capacity of a state will produce rapid economic development, while the higher security capacity of a state will promote political underdevelopment. This study applies quantitative method to verify these hypotheses.

II. The Conceptual Framework of the Neo-Mercantile Security State: the Nature of the State and Regime Change

A. The Neo-Mercantile Security State and Four Types of State Institutionalization

States can be classified by two major criteria of state institutionalization: state ideology and state bureaucracy. Although each state pursues inter-related and multiple goals including political, military, economic, and welfare,¹⁸⁾ its emphasis is found slightly different one from the other. Although it can be over-simplified, each state can be categorized into two broad groups according to its orientation toward the pursuit of power: i) the political power-seeking state, and ii) the economic power-seeking state, both in domestic and international arenas.¹⁹⁾ In general, most countries mainly pursued more political power in the international system during the cold war period. Political ideologies were the most important variable in international relations among states. Since *de-tente*, however, economic power becomes attractive to the "late-late industrializers," some of whom now have become the NICs.

18) S. Krasner defines multiple state goals. see Stephen Krasner, "State Power and the Structure of International Trade," *World Politics*, 28, April 1976, pp. 317-343.

19) Although the economic power-seeking behavior of each state is different, this study mainly focuses on "neo-mercantilist" policies and orientation. cf. David J. Sylvan, "The Newest Mercantilism," *International Organization*, 35(2), Spring 1981, pp. 275-393.

Major indicators to identify state's goal seeking behavior are: statements, slogans, political behavior, and the official goals of state elites and their relation with other state elites. These can be categorized into liberalism, conservatism, and mercantilism, for example. The percentage of economic issues in the presidential address differs significantly between Presidents Syngman Rhee and Park Chung Hee 38% and 50% respectively, while their political issues are 32% and 15%, respectively.²⁰⁾ Between Korean regimes, the emphasis on economic issues increased significantly over time focusing on the pursuit of more economic power.

From comparative perspective, major indicators of political power-seeking (and Korean rank/number of whole countries in 1965, for example) are: the number of memberships in international organizations (89/122) and diplomatic representation (diplomats sent and received, missions abroad; 58.5/119); while indicators of economic power-seeking are foreign trade (as % of GNP), foreign aid and loans (12/113), and concentration of export commodities (88.5/101).²¹⁾ A lower rank in the concentration of exports means higher economic power. Ranks of a country can be compared with others to clarify the nature of the state. The Korean state in 1965 shows a high economic power-seeking orientation. Its indicators of economic power-seeking are significantly above average for the world as a whole, while indicators of political power-seeking are below the average.

In addition to goal seeking behavior, states also reorganize their state structures. Virtually, state institutions are static and difficult to be changed. Increasing environmental pressure, however, stimulates the reorganization of the state bureaucracy and its relation with domestic and foreign actors. Although the state has multi-functional institutions responding to multiple demands emanating from the environment, various state institutions can be grouped into two categories: i) the security-oriented state and ii) the welfare-oriented state.

Major indicators for security-orientation (and the shift in the Korean state's rank from 1965 to 1975 in whole world/number of countries) are: military manpower (total, per thousand working age population; from 8th/121 to 6th/140), and defense expenditure (as % of GNP; 39th/121 to 33.5th/142), ratio of military-turned-ministers (from 6% in 1950, to 6% in 1960, to 48% in 1965, to 39% in 1975, to 35% in 1985),²²⁾ ratio of ex-military

20) In-jung Hwang, *Administration and Economic Development* (Seoul: Seoul National University Press, 1972).

21) For theoretical discussion, see Albert Hirschman, *National Power and the Structure of Foreign Trade*, pp.13-51; Jeffrey Hart, "Three Approaches to the Measurement of Power in International Relation," *International Organization*, 30(2), Spring 1976, pp.289-305.

22) Data are analyzed from *Korean Annual 1986*(Seoul: Yonhap News Agency, 1986), pp.393-407.

<Table 2> Four Types of State Institutionalization

		center of state bureaucracy	
		security-centered	welfare-centered
state goal & ideology	political power	political security state	political welfare state
	economic power	neo-mercantile security state	neo-mercantile welfare state

officers in top state bureaucracy (5% in 1950, 3% in 1960, 33% in 1965, 16% in 1975, and 22% in 1985);²³⁾ while indicators of welfare orientation are public health expenditure (as % of GNP; 121.5th/126 in 1975), and education expenditure (as % of GNP; 100th/130 in 1975).²⁴⁾ For comparative purposes, ranking nations can be used to identify its nature. Korea has been an extremely security-oriented state in the world state system.

According to these two criteria of state institutionalization, each state can be classified into one of four cells of a matrix (cf. Table 2).

First, the political security state(PSS) is a state pursuing political power by strengthening or restoring both internal(i.e., police) and external (i.e. military) security-oriented state institutions.²⁵⁾ The Korean regime under Syngman Rhee and Taiwanese Kuomintang (KMT) government by mid-1950s belong to this type of state. More broadly, the PSS includes most of the authoritarian states of the Third World countries in Southeast Asia, Africa, Central America, Latin America (except NICs), and Communist countries

Second, the neo-mercantile security state(NMSS) seeks more economic power by utilizing a security-centered state bureaucracy, which controls economy-related state institutions. Regarding economic affairs, technocrats and economy-oriented state machinery can have significant "autonomy" to achieve more economic power, but still security-related institutions remain more powerful in state operations in general. Both Korea since Park Chung Hee (1961~) and Taiwan under the KMT (since late-1950s) are model cases of this NMSS. The NMSS includes those states seeking economic growth in Latin American and East European NICs.

Third, the political welfare state (PWS) intends to keep more political power by

23) It is counted above the vice-minister level within government. Byongman Ahn, *Korean Government* (in Korean) (Seoul: Tasan, 1985), p.188.

24) See *World Handbook*.

25) The Rosecrance's term of "military-political world nations" is similar to the PSS, while his "trading states" are close to the NMWS. See Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986), pp. 22-28.

maintaining welfare-centered state structure. The PWS is found in many West European welfare states and North American states (US, Canada). Korea under Chang Myon (1960~61) tried to shift from the PSS toward the PWS right after the April Revolution. Without enough time to reorganize it, the military coup of Park Chung Hee prevented Chang's efforts from its successful operation within nine months in May 1961.

Fourth, the neo-mercantile welfare state(NMWS) pursues more economic power by using a welfare and economic performance centered state bureaucracy. Korea under Chun Doo Hwan (1980~) has tried to shift from NMSS to NMWS, but it cannot happen due to its fundamentally militaristic nature. Since there has been no significant change in the ruling coalition and state institutions for welfare affairs, on one hand, and the reorientation of security-oriented state institutions, on the other, regime change cannot occur. Although the Chun regime has officially adopted welfare and justice as major goals, the nature of state itself has not changed. Good examples of the NMWS are West Germany and Japan. Both states were not allowed to rebuild security organizations and, instead, restructured its state bureaucracy to be economic and welfare centered in post-war period. As "late-industrializers," both states achieved tremendous economic, political, and welfare performances with this type of state institutionalization.

B. State Institutional Change: Regime Change

The status shift of each state occurs, though difficult, when then factors of state institutionalization are changed. When there is a significant gap between state and society—that is, a crisis situation—both sides try to reduce the incongruity between them. When the societal forces, both domestic and international, are stronger than that of state power, state should reflect social pressure by either reorienting its ideology or reorganizing its institutions, or both. A revolutionary situation, such as the Korean April Student Revolution in 1960, is a good example of this case. During and after a revolution from below, social forces can fundamentally reorganize state structure and its relation to society. On the other, when state possesses stronger power than that of the social forces, it can reduce the incongruity between state and society by controlling and restructuring social forces. Examples are seen in Korean cases of three coups (1961, 1972, and 1980).

Under a crisis situation, the major variables that affect the shift of a state's status are class struggle, the world system, and state action. The first variable is class struggle,²⁶⁾

26) Gosta Esping-Anderson, Roger Friedland, Erick Olin Wright, "Modes of Class Struggle and the Capitalist State," *Kapitalistate*, Summer 1976, pp.186-220; Capitol Kapitalistate Group,

that is, a significant conflict between the ruling class and anti-ruling social forces due to crises in governmental performance, such as economic performance failure, crisis in political legitimacy, and critical problems in distributional justice. In a strong society, class struggle is more influential to regime change than that it is in a weak society. When a society is weak, the political role of the military is crucial in the power struggle between ruling class and anti-ruling coalitions as cases seen in the April Revolution of Korea in 1960 and the People's Revolution of Philippines in 1986.²⁷⁾

The second variable is a critical change in world system itself and its linkage to domestic state.²⁸⁾ The changed nature of the international system from a "military-political world" in post-war period to a "trading world" is very sensitive to those "semi-sovereign states"²⁹⁾ like Korea and Taiwan. Korean relations with the U.S. are gradually shifting from "dominant security dependence" in 1940~1950s toward the economic, security "interdependence" in 1980s. International crises, such as war, severe external threats (i.e., military competition of S. Korea and Taiwan with North Korea and China, respectively), and oil crises are included in this category.

Third, the previous state action itself can challenge the existing state structure and result to regime change. State action is made under the influence of social class and world system pressures, but the state also can rearrange society and its relation to it.³⁰⁾ Education reform under the American military government (AMG) enhanced student power in Korea, initiating the Student Revolution in 1960; while land reform under the AMG and the Rhee regime facilitated its social situation by destroying strong landlord class before that. The rapid military build-up under Rhee produced a potential omnipotent military power in Korea which initiated three continuous military coups.

In sum, throughout the interplay of the world system, class struggle, and state action, the Korean state shifted from the political security state under the AMG and the Rhee

"Typology and Class Struggle: Critical Notes on 'Modes of Class Struggle and the Capitalist State'," *Kapitalistate*, Fall 1977, pp. 209-215.

27) The Korean military kept a neutral position in the April Revolution which toppled down the Rhee regime, while the Philippines military was divided into two groups, one of which supported the people's forces and led to successful revolution.

28) cf. Immanuel Wallerstein, *The Modern World-System I* (New York: Academic Press, 1974), *The Capitalist World-Economy* (Cambridge: Cambridge University Press, 1979); *The Politics of the World-Economy* (Cambridge: Cambridge University Press, 1984).

29) Katzenstein uses this term in his research on West German politics. Peter Katzenstein, *A Semi-Sovereign State: Politics of West Germany in 1980s*, mimeo (1986).

30) Gosta Esping-Anderson, Roger Friedland, Erick Olin Wright, *op. cit.*; Capitol Kapitalistate Group, *op. cit.*

<Table 3> Characteristics of Korean State Institutionalization

Regime	1st Rep. Rhee	2nd Rep. Chang	3rd Rep. Park	4th Rep. Park	5th Rep. Chun
Variable					
State ideology	conservatism	liberalism	mercantilism	mercantilism	mercantilism
State Goal	unification	eco. dev. welfare	eco. dev. security	pol. power security	eco. dev. security
State Bureaucracy					
Focus	police	welfare	KCIA, EPB	KCIA	NSC, KCIA
central	central	decentral	central	central	central
autonomy	weak	very weak	strong	very strg	strong
recruit	patronage	merit	merit	merit?	merit?
planning	weak	good	very good	good	good
training	weak	good	very good	very good	good
Ruling Coalition	exclusive col. elite business	inclusive popular sector	exclusive military business	exclusive military technocrat	exclusive military business
Policy	narrow	narrow	broad	very broad	broad
Networks	weak	weak	strong	strong	strong
pub. entr.	weak	weak	build up	strong	strong
financial	autonomy	autonomy	dominated	dominated	dominated
big business	positive	positive	big push	big push	push
small, med	positive	positive	negative	negative	negative
labor	excluded	included	repressed	repressed	repressed
farmer	excluded	included	excluded	excluded	excluded
Foreign Linkage	US security	US sec. eco.	US sec. eco	US eco.	US sec. eco.
capital	US aid	US aid	Jap. eco.	Jap. eco.	Jap. eco.
trade	US	Jap. US	Jap. US loan	Jap. US	Jap. US
Developmt Strategy	ISI	EOI	ELI	ELI deepening	ELI
Major Policy Impacts	education -----> 4.19 military -----> build-up ----->		5.16----->	10.17----->	5.17----->

regime through Chang's political welfare state to the neo-mercantile security state since the Park regime. The current struggle for democracy in Korea is an effort to move toward the neo-mercantile welfare state in 1980s. Table 3 summarizes major characteristics of each Korean regimes in post-war period.

III. Crisis, Regime Change, and Development: Quantitative Analysis

Analytic Model and Method: From the discussion advanced above, the basic contextual and content models of this study can be summarized as follows:

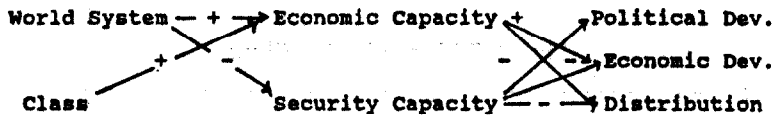
[Model I: Contextual Model]

CRISIS ----> REGIME CHANGE ----> DEVELOPMENT PATTERN

H1: A serious crisis situation will induce regime change, and in turn, determine the nature of the state, while the development pattern will be derived from the nature of this

state.

[Model II: Content Model]



H2: The interplay of world system, class, and state will condition the nature of state, that is, one type of four states, whether by increasing its security capacity or economic-welfare capability.

H3: The nature of the state will produce patterns of development. A state with high economic-welfare capacity will produce high rapid economic development and equal distribution, while a state with high security capacity will induce political underdevelopment and unequal distribution.

This study uses factor and regression analysis as major methods by using numerous data sources.³¹⁾ Factor analysis³²⁾ is used to identify factor loading weight among indicators to formulate conceptual variables. Since indicators within each variable differ from each other, this study uses conceptual variables to reduce their differences. Each conceptual variable is calculated from factor analysis results. Then, these variables are analyzed by multiple regression method to identify their relation among conceptual variables. Finally, a set of relations among variables is established by path analysis.

Crisis and Regime Change: The indicators of political protest (X81) and riots (X82) are used to identify crisis, while indicators for regime change are irregular executive transfer (X89), executive adjustments (X87), and government sanctions (X85). With substantial evidence that they can be clustered together as variables, crisis and regime change are defined from factor coefficients obtained by factor analysis as follows:

$$\text{CRISIS} = 1.018 * X81 + .725 * X82$$

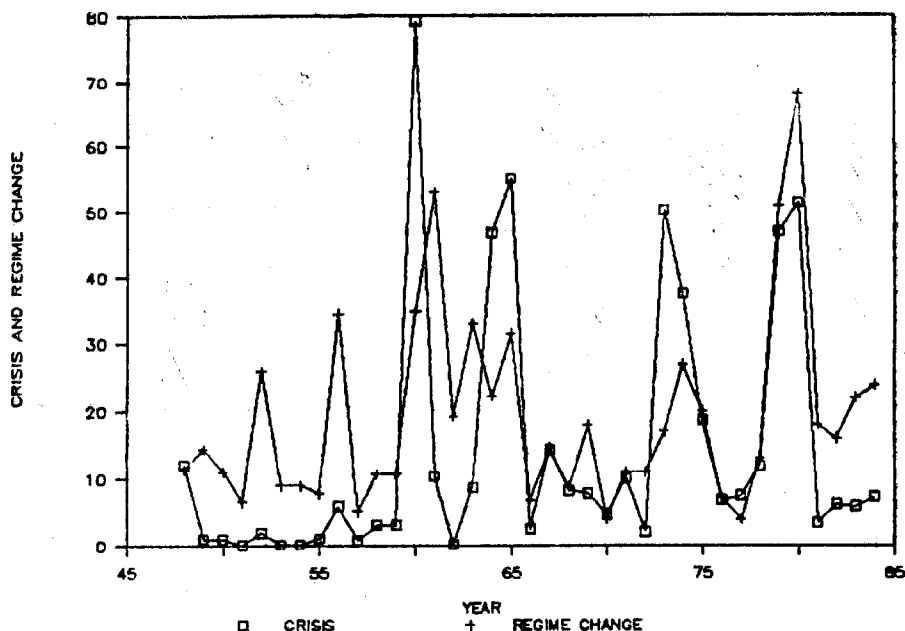
31) Data for indicators X5 through X24, X37 through X39, and X44 through X47 are derived from EPB ROK, *Major Statistics of Korean Economy* (Seoul: Republic of Korea, 1982, 1986), while X33 and X34 are from *World Handbook of Political and Social Indicators and Freedom at Issue*. X30 through X32 and X40 through X43 are from *Korea Annuals 1986* and from the Korean National Assembly, while X28 and X29 are analyzed from Sejin Kim (ed.), *Documents on Korean American Relations* (Seoul: Research Institute for Peace and Unification, 1976). The rests are calculated from these raw data by this study.

32) Jae-on Kim, "Factor Analysis," in Norman H. Nie and others (et al.), *SPSS*, second edition (New York: McGraw-Hill, 1975), pp.468-514; and Charles W. Mueller, *Factor Analysis* (Beverly Hills: Sage, 1978); *SPSSX User's Guide* (New York: McGraw-Hill, 1986), pp.714-731.

$$\text{REGIME CHANGE} = .647 * X_{85} + .553 * X_{87} + .829 * X_{89}$$

From these two equations, Korea's scores of crisis and regime change over time are as follows:

<Fig. 1> Crisis and Regime Change



This graph implies that crises in 1960, 1961, and in 1979 and 1980 induced regime changes in the same period, but regime change in 1972 occurred mainly by state action rather than as a response to social crises. In other words, regime change in 1972 produced political crisis in a later period between 1973 and 1975. This data supports the proposition that the Yushin system is not the result of social crisis by rejecting the applicability of BA model in 1972. Although there also was a crisis during 1964~65, the Park regime managed it with martial law. The relationship between crisis and regime change is explained by regression analysis as follows:

$$\text{REGIME CHANGE} = 11.678^{***} + .380^{***} * \text{CRISIS} \quad (\text{beta} = .578)$$

Adjusted R² = .315 Significance Level = .0002

* : .05 ** : .01 *** : .001

This analysis implies that there is a significant possibility that current crisis in mid-1980s will produce another regime change in late-1980s.

The contextual analysis between crisis and regime change can only identify the rela-

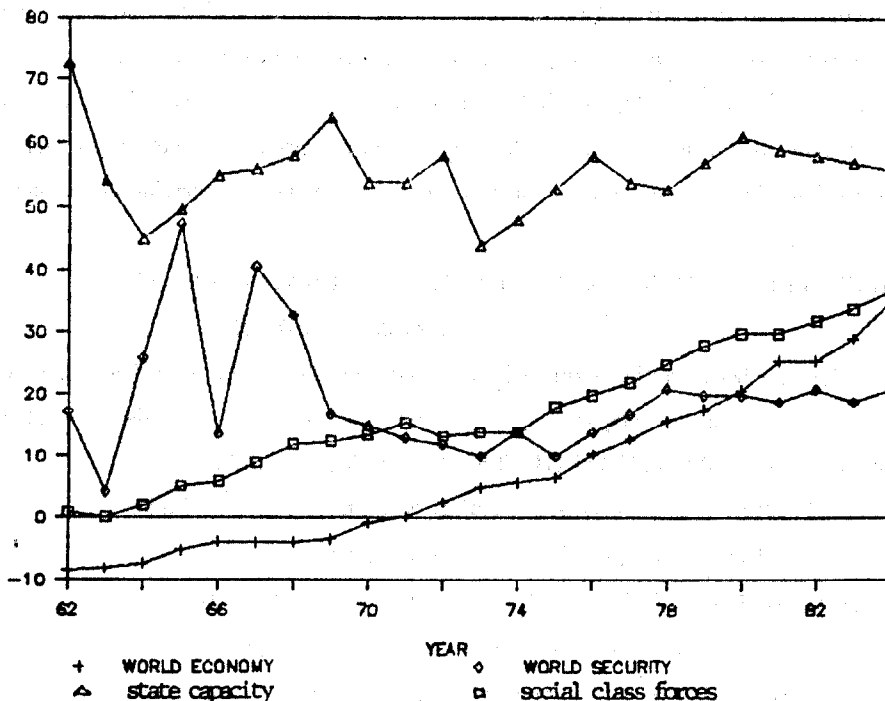
relationship between two variables without explaining their relationship between specific content of crisis and nature of regime change. The specific content and nature of regime change can be analyzed by relating it to the characteristics of interplay among world system, social class, and state during crisis situation. Since quantitative analysis virtually cannot explain their activities among actors, this study analyzes their relations instead of their interplay. The relation to world economic system is identified by indicators such as percent of foreign capital (foreign investment and loan) to gross national product (GNP: X20), annual export index (X21), import/export ratio to U.S. (X45), and import/export ratio to Japan (X46), while the world state system is measured by the percentage of economic issues in ROK-US summit meeting joint statements (X28), and that of political, security issues (X29). Since the nature between the two sub-systems are very different, they cannot be clustered into one variable. Factor analysis derives the following equations for world system, both economic and state systems:

$$\text{World Economic System [X92]} = .489 * X20 + .624 * X21 - .920 * X45 - .920 * X46$$

$$\text{World State System [X91]} = .925 * X29 - .971 * X28$$

Social class forces can be measured by the percentage of persons employed in mining

<Fig. 2> World System, Class, & State



and manufacturing industries (X6) and those in agriculture, forestry, and fishery (X7). From factor analysis, social class can be measured by followings:

$$\text{Social Class [X95]} = .983 * X6 - .953 * X7$$

The overall capacity of the state vis-a-vis society can be characterized by the central government budget ratio to GNP (X8), that of the general budget (X9), and government revenue ratio to gross domestic product (GDP: X48).

$$\text{STATE CAPACITY [X51]} = .978 * X8 + .775 * X9 + .766 * X48$$

From the equations of world system, social class, and state, their relations over time can be shown as follows: State capacity and class forces has increased continuously, while world security linkage maintained and world economic linkage marginally increased.

The Nature of State and Development Pattern: The state has two major capacities: economic and security. Economic capacity can be measured by development budget ratio to total budget (X14), that ratio to GNP (X15), export index (X21), and R & D expenditure ratio to GNP (X24).

$$\begin{aligned} \text{ECONOMIC CAPACITY OF STATE [X60]} &= .564 * X14 \\ &+ .609 * X15 + .565 * X21 + .866 * X24 \end{aligned}$$

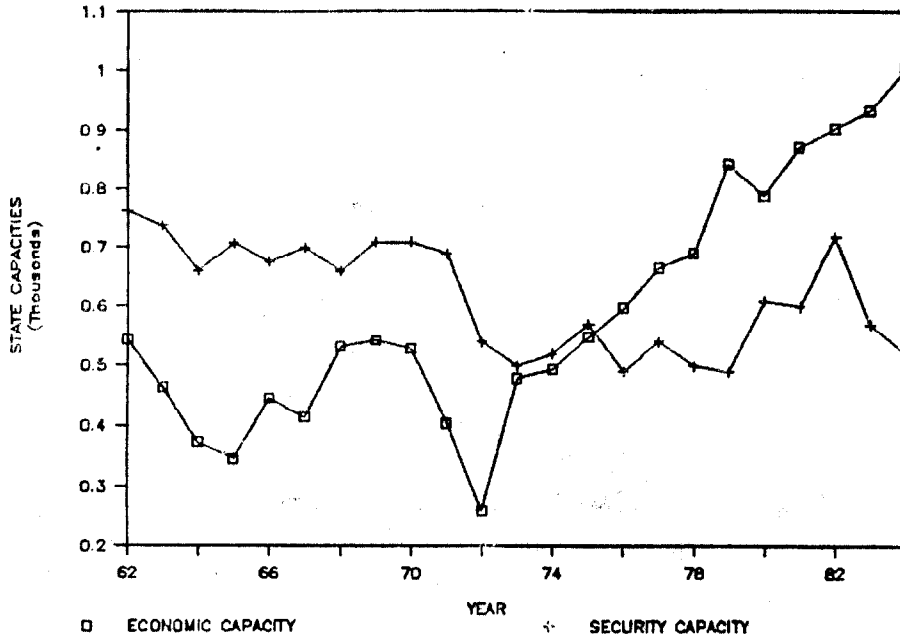
Security capacity of state can be identified by defense budget ratio to total budget (X12), defense budget ratio to GNP (X13), ex-military officers ratio in cabinet (X30), and those in the top administrative bureaucracy ranked above vice-minister level (X31). Security capacity of state is measured by the following equation and its scores with the economic capacity of state over time are compared. Since the two capacities compete with each other within state both in resources and in institutional arrangements, correlation coefficient is negative ($r = -.32$).

$$\begin{aligned} \text{SECURITY CAPACITY OF STATE [X58]} &= .870 * X12 + .690 * X13 \\ &+ .737 * X30 + .699 * X31 \end{aligned}$$

The relationship between the nature of state and the nature of interplay among world system, class, and state are compared by regression and correlation analysis ($r = -.315$).

$$\begin{aligned} \text{SECURITY CAPACITY OF STATE [X58]} &= .00787 + .0796^{**} * \\ \text{STATE} &+ .0965 * \text{WORLD STATE SYSTEM} - .0442 * \text{CLASS} \\ \text{Adjusted R}^2 &= .452 \text{ Significance level} = .0022 \\ \text{ECONOMIC CAPACITY OF STATE [X60]} &= 64.889^{***} + .223^{***} * \\ \text{WORLD ECONOMIC SYSTEM} &+ 1.066^{***} * \text{CLASS} \\ \text{Adjusted R}^2 &= .897 \text{ Significance level} = .0000 \end{aligned}$$

<Fig. 3> Nature of State: State Capacity



These imply that security capacity is closely linked to the overall state capacity and world state system, while economic capacity is related to class forces and its linkages to world economic system.

Indicators for economic development are: GNP per capita (X47), percent of persons employed in mining and manufacturing (X6), percent of chemicals, machinery, and manufactured goods (X44). Major indicators for social distribution are the GINI index (X37) and income ratio of top 20% group (X38). Indicators for political development are: civil right index (X33), people's petition to National Assembly per day (X32), bill passed ratio to total bills initiated by the executive (X41), that by the National Assembly (X42). All three variables are clustered by factor analysis and their results are as follows:

$$\text{Economic Development} = .998 * X47 + .967 * X44 + .882 * X6$$

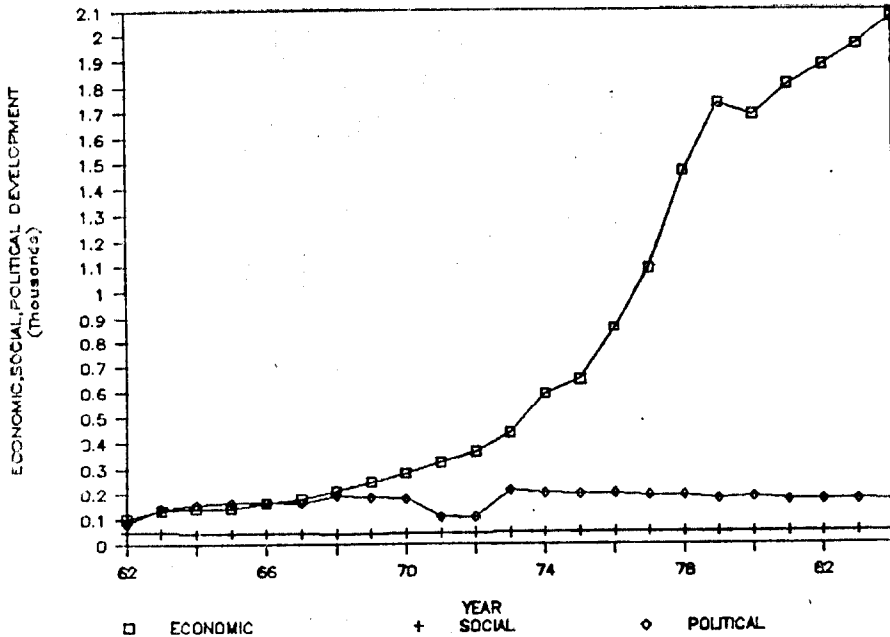
$$\text{Social Distribution} = .824 * X37 + .715 * X38$$

$$\text{Political Development} = 1.002 * X33 - .535 * X32 + 1.005 * X41 + .818 * X42$$

The higher score of each variable from the regression equations above means positive to economic development, but negative to social distribution and political development.

State capacity will contribute to patterns of development. The economic capacity of the

<Fig. 4> Pattern of Development



state will produce positive economic development, while its security capacity will repress political development and social distribution. Regression analysis between each aspect of development and type of state capacity supports their relationships.

$$\text{ECONOMIC DEVELOPMENT} = 71.384^{***} + 1.872^{***} * \text{ECONOMIC}$$

$$\text{CAPACITY OF STATE} - .783^{***} * \text{SECURITY CAPACITY OF STATE}$$

$$\text{Adjusted } R^2 = .751 \quad \text{Significance level} = .0000 \quad \text{betaX60} = .838 \quad \text{betaX58} = .418$$

$$*: .05 \quad **: .01 \quad ***: .001$$

Economic development is mainly related to the economic capacity of state positively, while an increasing security capacity of state is negatively related to economic development. This implies that the allocation of state resources and institutions over security or economic affairs is closely linked to economic development performance. If resources and institutions are shifted from economic affairs to security ones, it will produce less economic performance.

$$\text{POLITICAL DEVELOPMENT} = -92.859^{***} + .903^{**} * \text{SECURITY}$$

$$\text{CAPACITY} - .0253 * \text{ECONOMIC CAPACITY}$$

$$\text{Adjusted } R^2 = .412 \quad \text{Significance level} = .0019$$

$$*: .05 \quad **: .01 \quad ***: .001$$

This regression means that political underdevelopment is mainly due to the large security capacity of the Korean state, while the economic capacity of state facilitates political development. Thus, "political decay" can be accounted for by the security nature of state rather than developmental nature of state which BA model and capitalist developmental state theory argue.

SOCIAL DISTRIBUTION=47.211***-.00761*** *ECONOMIC

CAPACITY+.0732** *SECURITY CAPACITY

Adjusted R²=.512 Significance level=.0003

*: .05

**:.01

***:.001

Social distribution is promoted by the economic capacity of the state, while its security capacity significantly challenges it. It implies that the higher economic capability of the state facilitates equal distribution rather than producing the maldistribution which dependency and BA theory assumes. These relations are also supported by some individual indicators. First, GNP per capita (X47) is negatively linked to military ratio in cabinet (X30): $X47=28.454***-.559* *X30$. (beta=.686; Adj. R²=.445; Sig. level=.0000). Second, the civil right index (X33) is negative to development budget ratio to GNP (X30), but positive to X30: $X33=64.6***+.272 *X30-2.075** *X15$. (Adj. R²=.292; Sig. level=.12). This means that security capacity restricts political development, while economic capacity enhances it. Third, GINI index (X37) is positive to defense budget ratio to GNP (X13), which implies that security capacity facilitate unequal distribution: $X37=25.862***+.231 *X13$ (beta=.815; Adj. R²=.648; Sig. level=.0000).

IV. Conclusion

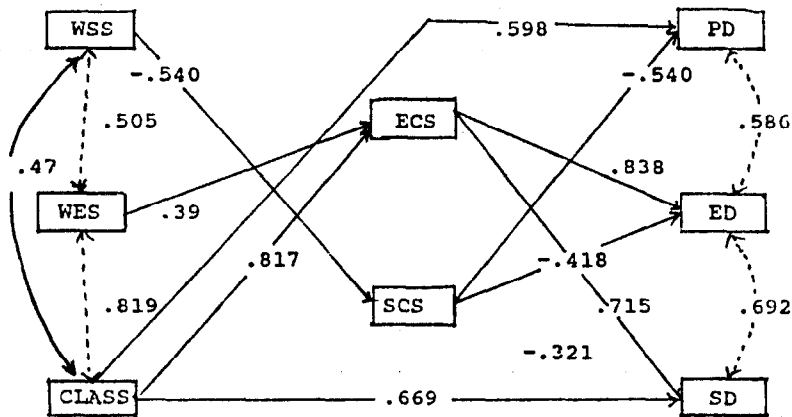
A series of crises in Korea induced regime changes which conditioned the nature of the subsequent regimes. Under a crisis situation, the pattern of interplay of world system, class, and state conditioned the following state. Crisis occurs due to the gap between state and society. Due to its nature as a security state, the gap was reduced by state's repression by security institutions except in the case of the April Revolution. The world security system has played a key role to the rise of the Syngman Rhee's security regime under the identity crisis, while social class played a crucial role in its fall and the rise of the Chang regime under ISI and legitimation crises. Since then, the military as a major state institution has played a key role both in political and economic arenas by establishing a

neomercantile security state.

Korea's contradictory development is the consequence of this NMSS rather than being explained by BA model, dependent development, or statist theories: its enhanced economic capacity produced an "economic miracle," while its security capacity facilitated political underdevelopment. Without changing its nature, this contradictory development will be continued. In order to change its nature, there needs to be a significant shift in either state ideology and policy or state institutions. The Korean people's struggle in 1980s is not just a political struggle for democracy, but for the shift of the state from NMSS to NMWS, in order to produce both economic and political development. Under this NMWS, Korea will be able to achieve welfare with more equal distribution. The shift of the state's nature includes changes in its ruling coalition, development strategy, ideology, state capacities, focus of its state institutions, its role in society, and its linkages to both domestic societal actors and foreign actors.

Instead of one way repression by the state, which distorts both structures of state and society, the gap should be reduced by the interaction from both sides due to their changing relations among three actors. Recently growing social classes will play an important role in changing the pattern of interaction between the state and Korean social classes. Social

(Fig. 5) Three Actors, State Capacities, and Development



* WSS: world state system
 WES: world economic system
 ECS: economic capacity of the state
 SCS: security capacity of the state
 PD : political development
 ED : economic development
 SD : social development

class will soon play a key role in Korean political economy in a near future because its strength among the three actors continuously grows more rapidly than the other two, that is, state and world system. Figure 7 shows the relationships among variables, which support the argument made in this study comprehensively through path analysis.