

Economic Development and Political Change in Comparative Perspective:  
Developmental States in South Korea, Taiwan, and Singapore

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**Abstract**

This study investigates how the structure and activities of states shape societies in different ways during processes of economic development. The analysis explores how the particular institutional configurations of developmental states in South Korea, Taiwan, and Singapore shaped trajectories of social change in ways which impacted processes of political change at later points in time. Using a path dependency approach, the study argues that a critical juncture took place in these three countries at various points in their early post-colonial periods, during which time state elites undertook a comprehensive program of reorganizing the state, society, and the organizational and institutional connections between the two, for the purpose of pursuing a strategy of rapid export-oriented industrialization. Differences in the way this critical juncture took place across these cases shaped important variations in institutional patterns of state-society relations. These differences, in turn, conditioned subsequent variation in the mode and type of political change in these countries.

Diese Studie untersucht, in welcher Art und Weise ein Staat während des Prozesses der ökonomischen Entwicklung Einfluss auf die Gesellschaft nehmen kann. Die Analyse geht der Frage nach, wie die verschiedenen institutionellen Ausgestaltungen der Entwicklungsstaaten (developmental states) in Südkorea, Taiwan und Singapur die soziale Entwicklung steuerten und wie die wiederum sich auf den politischen Wandel im Land auswirkte. Die vorliegende Arbeit wendet den Ansatz der Pfadabhängigkeit an. Damit macht sie in den drei Ländern kritische Wendepunkte sichtbar - zu verschiedenen Zeitpunkten in den jeweiligen frühen postkolonialen Epochen. Die Staats-Eliten nutzten diese Wendepunkte dazu, um den Staat, die Gesellschaft und die organisatorischen und institutionellen Verflechtungen zwischen beiden einem umfassenden Programm zu unterziehen – mit der Absicht, die Export-orientierte Industrialisierung rapide voranzutreiben. Der unterschiedliche Verlauf der Weichenstellungen in Südkorea, Taiwan und Singapur sorgte für deutliche Varianz in den Beziehungen zwischen Staat und Gesellschaft. Diese führte in allen drei Fällen zu unterschiedlichen Typen des politischen Wandels.

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## List of Abbreviations

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AMP	Association of Muslim Professionals
ANSP	Agency for National Security Planning
BSP	Barisan Sosialis Party
CC	Community Centres
CCC	Citizens' Consultative Committees
CEC	Central Executive Committee
CEPD	Council for Economic Planning and Development
CFC	Combined Forces Command
CFL	Chinese Federation of Labor
CIA	Central Intelligence Agency
CIECD	Council for International Economic Cooperation and Development
CLA	Council of Labor Affairs
CNP	Chinese New Party
CPF	Central Provident Fund
CUSA	Council on US AID
DBS	Development Bank of Singapore
DJP	Democratic Justice Party
DLP	Democratic Liberal Party
DMZ	Demilitarized Zone
DP	Democratic Party
DPP	Democratic Progressive Party
DPRK	Democratic People's Republic of Korea
DRP	Democratic Republican Party
DSA	Democratic Student Alliance
DSC	Defense Security Command
EDB	Economic Development Board
EOI	Export-oriented Industrialization
EPB	Economic Planning Board
EPC	Economic Planning Committee
EPC	Export Promotion Center
ESB	Economic Stabilization Board
FA	Farmers' Association
FETCC	Foreign Exchange and Trade Control Commission
FKI	Federation of Korean Industries
FKTU	Federation of Korean Trade Unions
GATT	General Agreement on Tariffs and Trades
GDP	Gross domestic product
GLC	Government-linked companies
GNP	Gross national product

GRC	Group Representation Constituency
GTC	General Trading Companies
HCI	Heavy and Chemical Industries
HDB	Housing Developmental Board
IAC	International Advisory Council
IDB	Industrial Developmental Board
IDC	Industrial Development Commission
ISA	Internal Security Act
ISC	Internal Security Council
ISD	Internal Security Department
ISI	Import-Substituting Industrialization
JCRR	Joint Commission on Rural Reconstruction
JLMCC	Joint Labour-Management Consultation Councils
JPC	Justice and Peace Commission
JTC	Jurong Town Corporation
KCIA	Korean Central Intelligence Agency
KEF	Korean Employers Foundation
KMT	Kuomintang
KPA	Korean People's Army
KTUC	Korean Trade Union Confederation
LDP	Liberal Democratic Party
LP	Liberal Party
LPA	Legal Profession Act
MAF	Ministry of Agriculture and Forestry
MC	Management Committees
MCI	Ministry of Commerce and Industry
MCP	Malayan Communist Party
MHA	Ministry of Home Affairs
MNC	Multi-national corporation
MOC	Ministry of Construction
MOF	Ministry of Finance
MOL	Ministry of Labor
MP	Member of Parliament
MUIS	Islamic Religious Council of Singapore
NACF	National Agricultural Cooperatives Federation
NCMP	Non-Constituency Member of Parliament
NDP	New Democratic Party
NDRP	New Democratic Republican Party
NIC	Newly industrializing country
NKDP	New Korea Democratic Party
NMP	Nominated Member of Parliament
NPB	National Productivity Board
NPPA	Newspapers and Printing Presses Act
NSB	National Security Bureau
NTUC	National Trade Union Congress
NWC	National Wages Council
OB	Out-of-bounds
PA	People's Association
PAP	People's Action Party
PEKEMAS	Singapore National Malays Organization
PPD	Party for Peace and Democracy

PPD	Primary Production Department
PRC	People's Republic of China
PUB	Public Utilities Board
RC	Residents Committee
RDP	Reunification Democratic Party
ROC	Republic of China
ROK	Republic of Korea
ROKA	Republic of Korea Army
S\$	Singapore Dollar
SATU	Singapore Association of Trade Unions
SCC	Singapore Competitiveness Committee
SCCC	Singapore Chinese Chamber of Commerce
SCCCI	Singapore Chinese Chamber of Commerce and Industry
SDF	Skills Development Fund
SDP	Singapore Democratic Party
SIR	Second Industrial Revolution
SMA	Singapore Manufacturer's Association
SMD	Single member district
SME	Small- and medium-sized enterprises
SOE	State-owned enterprises
STUC	Singapore Trade Unions Congress
SVMM	Single non-transferable vote in multi-member districts
TCTU	Taiwan Confederation of Trade Unions
TSC	Taiwanese Sugar Corporation
TUC	Trade Unions Congress
UIM	Urban Industrial Mission
UMNO	United Malays National Organization
UPP	United People's Party
WP	Workers' Party

**Economic Development and Political Change  
in Comparative Perspective**

*Developmental States in South Korea, Taiwan,  
and Singapore*



# Chapter 1

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## Introduction: Economic Development, Political Change, and Developmental States

No phenomena have shaped East and Southeast Asian societies since the end of the Second World War more than state building and economic development. National leaders viewed state building as the key to nation building, economic development as the key to state building, and industrial development was understood to be the platform from which these other things could be pursued.<sup>1</sup> By the late 1950s and early 1960s, these forces came together in a powerful combination within a select group of countries to forge a type of state known as the developmental state, the organizations of which wielded high levels of extractive, coercive, and administrative power to pursue the nation-building agenda. Outside of Japan, developmental states appeared in South Korea, Taiwan, and Singapore, which launched national programs of rapid industrialization and economic development, planned and coordinated by the state. While other developing countries in Southeast Asia and Latin America moved forth only slowly, or even stagnated in their projects of industrial development, this group of developmental states—together with the British colony of Hong Kong—pursued an industrialization strategy based on manufacturing for export. From the 1960s to well into the 1980s these countries achieved the highest growth rates across the developing world, enabling them to effectively catch up with the developed western countries by the 1990s.

Rapid economic development and the strong states established for this task shaped these societies in dramatic ways. The agricultural economies of South Korea and Taiwan and the non-industrialized service *entrepôt* economy in Singapore were transformed into modern industrial powerhouses in roughly a generation's time as state officials planned industrial projects and used the power of the state to intervene into the market and society to carry these through. Throughout the process, the emergence of modern capitalists, industrial workers, and urban middle classes was accompanied by drastic gains in average standards of living, higher incomes and consumption levels, the

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expansion of higher education, and a host of other socioeconomic transformations associated with successful economic development.

As programs of rapid development and state building transformed these societies, so too were political institutions transformed in the process. Looking broadly across the region of Southeast and East Asia in the twentieth century, “almost every contemporary form of government known to human history has been experimented with, or simply experienced,” writes Huang.<sup>2</sup> In regards to South Korea, Taiwan, and Singapore, the transformative programs pursued by these developmental states were buttressed by various forms of authoritarian rule—including military juntas, Leninist one-party regimes, personal dictatorships, and various hybrid regimes combining democratic institutions such as elections and parliaments with stringent controls on the rights and freedoms of citizens, unchecked executive power, politicized state security agencies, and bureaucratic parapolitical structures. These political orders changed over time, but not in ways which could be well predicted. South Korea experienced five types of authoritarian political regimes between the founding of the Republic of Korea in 1948 and the establishment of the democratic Sixth Republic at the end of 1987. In Taiwan a single-party ruled over the state and society under martial law and emergency executive decree from 1949 to 1987 before beginning a process of political liberalization and democratization. In Singapore, a dominant-party entrenched itself in the state and government in 1959, from which point onwards it has ruled resolutely within a hybrid configuration of authoritarian and democratic political institutions.

This study investigates the impact of these processes of state building and economic development on social change and political change in these three countries. Two main questions are explored. First, how do institutional configurations relating to the structures and activities of the state vis-à-vis society affect trajectories of social change during economic development? Second, how do institutional patterns of state-society relations forged during economic development impact subsequent processes and outcomes of political change? In particular, the analysis explores how institutional and organizational patterns established by the state to mobilize society for economic development shaped and constrained changes within the social and political realms during the process of development. The structure of these developmental states in South Korea, Taiwan, and Singapore, and the activities undertaken by state elites, created different institutional environments within which social change took place. Variations within these institutional configurations, this study argues, worked to shape certain

variations in the trajectories of social change. As a result, these different socioeconomic structural and state institutional configurations shaped in different ways the process of political change at later points in time.

By looking not only at how economic development reshapes societies, but also how the structure and activities of states will impact, or filter, these social changes in certain ways relevant for politics, this study seeks to take a fresh look at investigating empirically, causal processes that stand between the process of economic development and political regime outcomes. Before beginning with the analysis, the following parts of this chapter will provide an overview of the main concepts and theoretical approach used for the study, briefly sketch out the cases of South Korea, Taiwan, and Singapore, and introduce the basic outline of the historical argument deployed throughout the work.

## **1.1 Concepts and Theoretical Approach**

### ***Economic Development, Social Change, and Political Regimes***

Economic development, understood in the narrowest of terms, is the mobilization of economic resources for the accumulation of economic wealth measured through increases in national wealth—generally measured through per capital income.<sup>3</sup> Economic development generally involves a process of industrialization aimed at the accumulation of national wealth through large-scale manufacturing activities, a process for which natural, human, technological and financial resources are mobilized. As industrialization and economic development transform an economy over time, diversifying and increasing the complexity of production activities, so too do these processes transform a society. Economic development unleashes broad changes in society, leading to a complex of developments that Karl Deutsch long ago termed “social mobilization,” or a “process of change, which happens to substantial parts of the population,” including “changes of residence, of occupation, of social setting, of face-to-face associates, of institutions, rules, and ways of acting, of experiences and expectations, and finally of personal memories, habits and needs . . . and new images of personal identity.”<sup>4</sup> Deutsch saw these numerous changes taking place in society as “tend[ing] to go together in certain historical situations and stages of economic development; that these situations are identifiable and recurrent, in their essentials, from one country to another; and that they are relevant for politics,” as they “tend to influence and sometimes to transform political behavior.”<sup>5</sup> At the macro-level of change, the process of economic development greatly

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reshapes the structural contours and institutional organization of a society and economy. To quote Sheahan, it brings about “changes in class structures, social mobility, land ownership and access to capital, impediments to the acquisition of education and skills, the role of the international system, and the forces acting to determine choices by the state. Thus, they lead attention towards fundamental concerns of social goals and social control,” phenomenon of a highly political nature.<sup>6</sup>

But in what ways does this process impact politics? A large body of theory has collected in the social sciences which seeks to make sense of causal dynamics between processes of economic development, social change, and political change. Theories range from traditional Marxist and post-Marxist orientations to pluralist theories of modernization and critical theories of dependency, and also include more recent rational choice and game theoretical approaches. Modern approaches addressing these issues can be ordered roughly into three broad groups: a modernization approach, a political conflict approach, and a rational choice approach.

By far the most prevalent approaches seeking to explain the effects of economic development on political change are found in mainstream modernization theory. Building on post-World War II studies—which drew their macro-orientations more from nineteenth century European sociologists rather than the agendas of nationalist movements in the newly formed post-colonial states of the third world<sup>7</sup>—these approaches emphasize the development of “modern,” as apposed to “traditional,” individual and group values that result from the socioeconomic and class structural changes unleashed by economic development. Economic development, the general argument goes, brings with it industrialization, urbanization, higher education levels, the growth of mass-communications and the arrival of a large middle class. As incomes rise, so too does general economic security, allowing citizens to gain longer-term perspectives on life. Rising education levels will lead to the development of more tempered and moderate political preferences and behavior. The rise of a middle class will dampen class conflicts and herald the growth of autonomous civil society organizations and the expansion of an increasingly pluralistic civic arena, developments which will cut across traditional social, ethnic, and class cleavages. The aggregate result of these processes will be the construction of a moderate, democratic political culture, in which the growing body of modernized, middle-class citizens will demand more civic freedoms and political participation within a democratic form of government.<sup>8</sup>

The political conflict approach to understanding the impact of economic development on political change is best represented in comparative historical sociology by works such as Moore's *Social Origins of Dictatorship and Democracy*, Skocpol's *States and Social Revolutions*, Rueschemeyer, Stephens and Stephens' *Capitalist Development and Democracy*, and O'Donnell's *Modernization and Bureaucratic Authoritarianism*. These studies have tended to search for the class-structural origins of political regime types as they arise out of trajectories of economic development.<sup>9</sup> What has emerged out of this tradition, Mahoney points out, is a loose meta-theoretical framework that "emphasizes relationships among classes, relationships between classes and the state, and relationships among states."<sup>10</sup> The assumption is simple: certain classes favor decision-making under certain types of political regimes and forge alliances in attempt to defend or transform political institutions for the purpose of securing their class interests. As the process of economic development shifts class structures, it transforms the power balances between classes and between civil society and the state, affecting the possibilities of particular class-state and class coalitions and thereby making certain political outcomes more probable.<sup>11</sup>

More recently, rational choice approaches have focused on locating causal mechanisms linking shifts in class and socioeconomic structure and changing norms and values within society to certain outcomes of political regimes through their impact on rational decision-making among power holders and subordinate groups.<sup>12</sup> The assumption is that the rich fear democracy and most citizens seek democracy due to the possibilities of wealth redistribution under this system of decision-making. "Citizens threaten revolution and social disorder," and political elites, when faced with this challenge, decide rationally about the costs of repression versus the costs of political concessions and, therewith, whether to support or block democratization.<sup>13</sup> These approaches have pointed to mechanisms such as income equality—in a socioeconomic equalized society elites have less need to fear redistribution under democracy—and capital mobility—mobile forms of capital can be moved out of the country and protected from redistribution under democracy.<sup>14</sup> Economic development is central for producing these mechanisms because it is thought to lead to rising economic equality and the transformation of capital into more mobile forms at higher levels of development.

While the various hypothesized causal patterns found in these arguments have not proven valid for sufficiently explaining cases in all times and places,<sup>15</sup> the broad approaches are in agreement that relationships between the process of economic

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development and political change are to be found within the dynamics of changing social orders. First, premising that political regime types have links into particular social orders, the various approaches point to conflicts between contending groups in society—whether these conflicts involve socioeconomic classes, state actors and political elites, social groups and social movements, or even foreign powers; and whether they are driven by power, values and norms, or interests—as a phenomenon impacting political change. Second, they point to the role of economic development in reshaping a social order—shifting the structural relations of these groups, their identities and norms, and the limits of their collective power—as highly relevant for the outcomes of this political change. The idea, Karl suggests, is that depending on the particular historical social configurations brought about by development, “the emergence of certain regime types at a particular moment” may be discouraged, while “the appearance of other types” may be more likely.<sup>16</sup>

What is often lost within the theoretical debates, however, is the fact that economic development shapes socioeconomic- and class-structural configurations and the relations of these groups with the state in ways that are neither unilinear nor universal. Two qualifications are therefore in order. First, economic development is not socioeconomic- and class-structural destiny, and class and socioeconomic configurations are not political destiny. In other words, economic development is not a homogeneous process and therefore does not create homogeneous socioeconomic- and class-structural configurations, in which certain social groups or economic classes develop universal grievances or values out of their objective situations and thereby enjoy an equal access to resources which can be mobilized by collective actors in attempt to rectify these grievances or normative asymmetries found in social and political institutions.<sup>17</sup>

Second, these variations are due to the fact that differing institutional configurations stand between and refract causal processes moving between the economic, social, and political orders as countries develop economically.<sup>18</sup> Put simply, economic development and resulting social changes do not take place in a political vacuum. Looking at industrialization in twentieth-century East Asia, Wade observes: “Late industrializers all tend to construct a similar set of institutions to respond to the handicaps and advantages of lateness.”<sup>19</sup> In the cases of South Korea, Taiwan and Singapore, this job fell to the state. And the institutional set-ups established by state officials for this purpose reached deep into society to shape it around the goal of rapid industrial development.

### ***The Developmental State, Organized Society, and Political Change***

The state can be conceived of as a territorially delimited, organizational complex possessing a monopoly on collective binding decisions over persons residing within this territory, through the use of physical coercion when needed.<sup>20</sup> At the core of this authority is “a set of administrative, policing, and military organizations headed, and more or less well coordinated by, an executive authority.”<sup>21</sup> When understood as a collective organizational actor positioned between other states within the international state system and particular social structural configurations within the domestic realm, Skocpol emphasizes, different states can take on different structures and activities as state officials seek to formulate and pursue particular goals and policies, thereby giving the state a prominent role in shaping society and politics.<sup>22</sup>

States influence the meanings and methods of politics for all groups and classes in society. Social cleavages and interests are not, as received wisdom too often implies, primordial givens that affect the state through politics ‘from without.’ Rather, the organizational arrangements of states, the existing patterns of state intervention in economic and social life, and policies already in place all influence the social interests pursued in politics. Some potential group identities are activated; others are not. Some lines of social conflict are politicized; others are not. Some demands are pressed; others are not imagined or are considered inappropriate given the kind of state structure and established policies with which social actors must deal. In turn, these political realities partially affected by the state feed back to affect future struggles over state structures and policies.<sup>23</sup>

Any analysis of social and political change must be attuned to the role of state institutional set-ups that work in ways to pattern relations with groups in society and shape social change along diverse organizational and developmental trajectories which have diverse consequences for political orders.

The analysis undertaken in this study looks at the state’s patterning of relations with society within a specific type of state that can be categorized as a developmental state—loosely defined as a state with a high resolve and organizational capacity to promote and affect national industrial development. Made explicit by Chalmers Johnson in his pioneering study of twentieth-century economic development in Japan, the concept of the developmental state was subsequently applied to understanding and explaining the rapid industrial development in the set of newly industrializing countries (NICs) in East and Southeast Asia, particularly the former Japanese colonies of Taiwan and South Korea, and also the former British colony of Singapore.<sup>24</sup> A developmental state is most clearly defined not only by its substantive national goal of development, but by its structural and organizational capacities that make state action and intervention effective in realizing this goal. In East and Southeast Asia, successful developmental states

displayed a particular conjuncture of essential features in regards to the goals and activities pursued by state elites and the organizational structures within which they worked. Together, these features set this type of state apart from other states by giving it a high capacity to organize and drive forth rapid industrial development.<sup>25</sup>

First, developmental state elites made the goal of rapid industrial development the foremost goal of their nation-building projects and tasked the state with the primary function of carrying out this process.<sup>26</sup> In becoming the *raison d'état* of state action, all other social goals and interests became subordinate to this objective. The particular substance of this goal was then derived by comparisons with the industrial structure of external economies, which were rendered as targets towards which state planners directed long-term economic projects with the goal of building national industrial capacities on par with the developed countries.<sup>27</sup> Recognizing that the market mechanism alone may not generate the individual incentives to bring about the type of collective action required for achieving these targets, developmental states will undertake strategic market interventions aimed at directing investment and resources into targeted industries and create competitive advantages over the short and long term for the purpose of catching up.<sup>28</sup>

At the center of this economic intervention was the use of strategic industrial policy, generally understood as packages of macroeconomic and financial incentives and controls aimed at bringing about a “deliberate shifting of the industrial structure towards higher technology [and] higher value-added products.”<sup>29</sup> It consists of a “sectoral industrial policy,” with which state planners seek to push investment and capital resources into targeted industrial sectors for development or further upgrading. The chosen policy instruments of the state in pursuing this task are numerous but generally include the control of financing and cheap credit allocation; the subjective use of industrial licensing policies, import tariffs, export credits and tax breaks; currency manipulation, wage controls, production quotas, and other incentives for investment, particularly the provision of necessary infrastructure. What this strategic state intervention ultimately achieved, Wade explains, was to “produce a different profile of industries compared to what would result from the decisions of unguided, unstimulated market agents on their own.”<sup>30</sup> Strategic industrial policy may also entail the use of “industrial rationalization policy,” a practice aimed at developing and maintaining comparative advantages in industrial sectors by identifying weaknesses in the business organization, management practices, and production lines of individual firms and

targeting them with programs to raise quality and productivity, drop costs, and improve overall administration.<sup>31</sup>

Second, the success of this active state intervention was made possible by a particular organizational pattern found in the structuring of relations between state organizations and between the state and society. First, developmental states possess a high degree of relative autonomy from society—generally across all functional bureaucracies in the state apparatus but particularly within the central economic planning organizations.<sup>32</sup> Here, relative autonomy of a state apparatus refers to a situation in which a collective of state officials are able to “formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society.”<sup>33</sup> Relative autonomy allows the central state agencies to plan and oversee national projects as a collective actor free from entanglements with groups in society seeking to maximize their sectoral or individual interests within state policy. The center piece of state autonomy in East Asian developmental states was a small number of pilot organizations concentrated within the upper-levels of the highly centralized state bureaucracies, within which a small group of competent and coherent technocrats were responsible for formulating and coordinating long-term development policy and industrial projects. The high levels of expertise and autonomy among this bureaucratic collective were generally facilitated through meritocratic patterns of bureaucratic recruitment and advancement, the high status, salaries, and career-oriented rewards which came with their position, and the tight working and personal networks among this group.<sup>34</sup> These structural patterns worked to give this collective of state agents a “corporate coherence,” which served as a “bulwark against predatory ‘capture’” by the social groups they sought to direct.<sup>35</sup> In addition, the autonomy of this state technocratic elite was further facilitated by political institutional relations that tended to concentrate power within the political executive at the top of centralized state organizational hierarchies, who, in turn, insulated this group from the formal political realm, making possible the long-term planning and effective coordination of strategic developmental policies free from any law-making or representational bodies.

The second key structural characteristic of these developmental states was the presence of high degrees of state capacity to mobilize and coordinate the collective actions needed to affect industrial development. Here, state capacity is understood as the ability of state agents to implement their collective goals “over the actual or potential opposition of powerful social groups or in the face of recalcitrant socioeconomic

conditions.”<sup>36</sup> Beyond the aspects of military, policing, and administrative territorial control, as well as securing the means for basic resource extraction—from both the domestic and international realms—the developmental capacity of East Asian states was greatly strengthened by the corporate cohesion and technocratic expertise within the central administrative bureaucracies and the relative autonomous structural position of the state apparatus as a whole. But the main institutional capacity, Evans argues, came from a high degree of institutional linkages between the state bureaucracies and groups in society strategic to the state’s developmental project—in Evans’ terminology “embeddedness.”<sup>37</sup> These organizational connections were used by state agents to relay state policies downwards, gather information from below relevant for policy planning and adaptation, and to coordinate and monitor sectoral development plans as they were carried out.

When taken together, both the relative autonomy of central state planning and executing bureaucracies and their organizational linkages into society give the state apparatus types of organizational power that Michael Mann labels “despotic” and “infrastructural” power—or the ability of the state to undertake a range of options “without routine, institutionalized negotiation with civil society groups” while also having the capacity to “penetrate civil society” and implement state policies.”<sup>38</sup> Evans refers to the conjoining of these two structural features as “embedded autonomy,” seeing this as the essential structural characteristic of the developmental state which sets it apart from other types of states and gives it a high capacity to plan, coordinate and mobilize society for rapid industrial transformation:

Embeddedness provides sources of intelligence and channels of implementation that enhance the competence of the state. Autonomy complements embeddedness, protecting the state from piecemeal capture, which would destroy the cohesiveness of the state itself and eventually undermine the coherence of its social interlocutors. The state’s corporate coherence enhances the cohesiveness of external networks and helps groups that share its vision overcome their own collective action problems. Just as predatory states deliberately disorganized society, developmental states help organize it.<sup>39</sup>

While Evans concentrates his analysis of embedded autonomy on the links between the central economic bureaucracy and the social group of private industrial capital, the developmental state as an organizer of collective groups can be expanded across all social sectors.<sup>40</sup> Indeed developmental states in South Korea, Taiwan, and Singapore sought to organize and embed themselves not only with industrial capital, but also with the industrial labor force, agrarian society, and diverse professional groups as state elites attempted to mobilize and channel resources and collective behavior towards the national project of rapid industrial development. The institutional configurations built

for this purpose can be conceived of as structured around two layers of organization vis-à-vis society: one centered on the sectoral-specific level; and the other centered at a more general level of political control.

This first institutional layer consisted of a bulwark of state-controlled and often state-created intermediary organizations structuring relationships between the state and diverse social sectors, such as private business, industrial labor, rural society, and professional middle-class groups—or any other sectoral division of society seen by state elites as requiring organization and mobilization for the national developmental project. Generally taking the form of state-corporatist organizational relations these intermediaries, often having a monopoly on organization, ranged from national trade unions, farmers' associations, chambers of commerce, industrial associations and employer's unions, etc., to related institutions such as consultative forums and, in some cases, tripartite institutions connecting the state with functional sectoral groups as state officials attempted to control and command sectoral interests and channel collective behavior towards the national transformative project.<sup>41</sup> While these organizational relationships, at an abstract level, generated a form of inclusion for functional groups into state policy, they should not to be understood as involving consensual relations between the state and society without investigation. Often, state officials used these organizational nodes to keep certain groups purposely excluded for the purpose of realizing state policies and goals—particularly those groups standing adverse to, or their potential interests conflictual with, the latter.

A second layer of institutions used by these states to subject collective action to the necessities of industrial development aimed at a broader and more society-encompassing level, and entailed the more overt institutional structures of the authoritarian political regime. These ranged from coercive organizations of control and repression such as security agencies and parapolitical policing units, to political mobilizing structures such as parapolitical civic associations and grassroots party organizations, electoral institutions, and national ideological programs—all of which aimed to penetrate and intervene in civil society for the purpose of political control, co-optation, and mobilization of collective action. Thus, they were used by state elites, in no particular order, to buttress the control and mobilization functions of the state's intermediary organizational nodes with social sectors, to secure continued power of the political leadership, to politically insulate the central bureaucracies charged with

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coordination and execution of the industrialization project, and to generally maintain the social and political stability required for rapid development.

It was within these institutional and organizational environments structured by authoritarian political elites in South Korea, Taiwan, and Singapore that the process of social change arising out of rapid industrial development took place. In attempt to mobilize society around the primarily goal of economic development, these states patterned relations with social groups in ways which would highly shape and constrain the trajectories of social change by impacting class structural shifts, the activation of group interests and conflicts, and the collective mobilization of new social forces arising out of development. In turn, these historical configurations of state-society relations and state institutional capacities would serve to condition the type and mode of political change in these countries at later points down the road. Before moving to a discussion of the comparative framework used to analyze these historical dynamics, however, a brief overview of the general developmental trajectories of South Korea, Taiwan, and Singapore is first given.

### **1.2 The Cases: Rapid Industrial Development and Political Regimes in South Korea, Taiwan, and Singapore**

The immediate post-World War II experiences of South Korea, Taiwan, and Singapore, like many other post-colonial states, were characterized by civil war or ethnic strife, underdevelopment and stagnating economies, political conflict, and pressures brought on by the expanding geopolitics of the Cold War. At various points in the 1950s and 1960s nationalist state elites in these three countries undertook colossal projects of modern nation building through a program of industrial development and modernization with the goal of securing and maintaining their independence and national sovereignty in the face of external threats and a history of subordination by stronger countries. In Taiwan, the nationalist Kuomintang (KMT), after losing the civil war on the mainland and retreating to Taiwan, sought to fulfill its claim to the Chinese mainland by building an industrial base for the military effort such a goal required. In South Korea, following three years of devastating civil war with North Korea and 12 years of stalled economic development during the First Republic (1948–1960), a group of military elites instigated a crash-program of industrialization to strengthen the country and pull it out of the reigns of poverty. Following a brief interlude of a failed merger with Malaysia, the modernizing elites of the People's Action Party (PAP) in the former British colony of Singapore

undertook a similar program of industrialization to strengthen and maintain its independence from the encroachment of its larger neighbors.

The similarities in the developmental routes pursued by these countries are striking. At various points in the 1960s, state elites had pieced together developmental states that began driving rapid economic development through a strategy of export-oriented industrialization focused on the production of light-manufactured goods which could be dropped onto the lower-end markets of Western industrial countries and Japan. Throughout the 1960s and 1970s annual growth rates in manufacturing averaged between 12.5% and 18.6% of gross domestic product (GDP) in Korea, between 14.5 % and 16.2% in Taiwan, and 11.5% in Singapore.<sup>42</sup> Average annual growth rates of merchandise exports during the 1960s was 23.7% for Taiwan, 34.7% for Korea and 4.2% for Singapore, and by the late 1970s manufactured goods were making up roughly 90% of these exports in Korea and Taiwan and 56% in Singapore.<sup>43</sup> Throughout these two decades, these countries averaged annual growth rates in GDP of between 8.6% and 9.2%.<sup>44</sup> High growth rates continued throughout the 1970s during which time these countries increasingly pushed industrial development into heavy industries and, by the end of the decade, had begun upgrading their export platforms towards higher value-added and high-tech goods. Accompanying this growth was an enormous rise in national wealth as these countries increasingly overtook other third world developers and began catching up with the West (see table 1).

As industrial development was carried forth at rapid paces the weight of agrarian activity in overall production quickly declined as the economic structure shifted (see table 2). Singapore's pattern stands out due to the city-state's historical lack of an agrarian hinterland, yet the push into industrial production is clearly seen in its increased position across economic sectors. Accompanying these rapid shifts in the sectoral distribution of production were quick transformations in the social structure as emerging industrial factories began swallowing-up labor surpluses from the agrarian sector or the previously urban unemployed, before channeling increasing numbers of the workforce into the growing service economy throughout the 1980s (see table 3). If Oshima's concept of measuring "the transition to an industrial economy" is taken as a light gauge—when the percentage of the industrial labor force overtakes the percentage of the agricultural labor force—then industrial economies and emerging industrial societies were well in place in these countries by various points in the 1980s.<sup>45</sup>

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Table 1. GDP per capita, 1960–1990<sup>a</sup>

Country	1960	1970	1980	1990
South Korea	156	279	1,674	6,153
Taiwan	164	393	2,385	8,124
Singapore	395	925	4,913	11,845
Latin American & Caribbean developing (average)	364	596	2,089	2,557
OECD (average)	1,332	2,598	8,700	17,006

*Sources:* World Bank, “World Development Indicators,” accessed July 21, 2013, <http://data.worldbank.org/data-catalog/world-development-indicators>; Taiwan Office for National Statistics, “National Accounts,” accessed December 12, 2013, <http://eng.stat.gov.tw/ct.asp?xItem=33339&ctNode=3570&mp=5>.

a. US\$ 2011.

Table 2. Sectoral Distribution of GDP (annual averages in percent)

Country	Agriculture			Industry			Services		
	1950s	1970s	1990s	1950s	1970s	1990s	1950s	1970s	1990s
Korea	41.8	25.8	6.6	21.5	38.5	41.4	36.7	35.7	52.0
Taiwan	27.8	13.0	3.5	32.3	50.9	38.0	39.9	36.1	58.5
Singapore	3.5	1.9	0.2	31.2	45.5	33.1	65.3	52.6	66.7

*Sources:* Richard E. Barrett and Soomi Chin, “Export-oriented Industrializing States in the Capitalist World System: Similarities and Differences,” in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (Ithaca: Cornell University Press, 1987), 28, table 3; World Bank, “World Development Indicators”; Central Intelligence Agency, “World Fact Book,” various years.

While the general statistical patterns of economic development were quite similar across these cases, the trajectories of social change and political change unleashed by these processes of rapid industrialization displayed more variance. In South Korea, the industrialization project was born in the wake of a military coup d'état by a group of young officers led by Park Chung-hee, which crushed the country's year-long experiment in parliamentary democracy and cleared the way for the establishment of an electoral authoritarian regime to run the developmental state. Throughout the subsequent decades Korea's development would be marked by reoccurring political crises that served to bring about several transitions in the political regime. As new social forces were brought forth and activated during a decade of rapid manufacturing growth and more advanced developmental goals were desired by the state elite, President Park installed a personal dictatorship, the *Yushin* (Revitalization) regime, to clamp down on

Table 3. Distribution of Labor Force (percent of total labor)

Country	Sector	1960	1970	1980	1990
Korea	Agriculture	66	50	34	18
	Industry	9	18	29	35
	Services	25	32	37	47
Taiwan	Agriculture	56	36	19.5	12.5
	Industry	11	34	42.5	41
	Services	33	30	38	46.5
Singapore	Agriculture	8	4	1.5	1
	Industry	23	30	36	38
	Services	69	66	62.5	61

*Sources:* Barrett and Chin, "Export-Oriented Industrializing," table 2, 27; Tun-jen Cheng, "Transforming Taiwan's Economic Structure in the 20<sup>th</sup> Century." *The China Quarterly* 165 (March 2001): 23, table 1; World Bank, "World Development Indicators."

newly activated social groups and push industrialization into heavy and chemical industries. By 1979 this regime had become so pressurized that it burst asunder upon Park's sudden assassination. During the subsequent period a political opening characterized by high levels of political mobilization among activated social groups emerged, but was closed down less than a year later as the next military man, General Chun Doo-hwan clamped down with repressive measures to reinstall a new authoritarian regime. Chun's authoritarian rule, like that of his successor, increasingly radicalized parts of society through means of exclusion and repression. In 1987 his government came into a confrontation with large, urban demonstrations throughout the country pressing for democratic reforms, leading to a quick transition to a democratic regime in the subsequent years.

Steering rapid economic development and social change on Taiwan from the late-1950s onwards was a one-party state constructed by the Chinese nationalist KMT party during the late 1940s and run under martial law until 1987. The single-party political regime in Taiwan provided the KMT state elite with extremely more stable politics than was the case in Korea, achieved to a great extent by the party's high capacity to co-opt some new social forces and the capacity of state security agencies to repress others. Following the death of President Chiang Kai-shek in the mid-1970s, reform measures set about by his son, Chiang Ching-kuo, began to reorient the party towards the further inclusion of Taiwanese society and broaden the channels for oppositional political

groupings within the electoral realm, neither of which posed a threat to the KMT's dominance of political power. After taking further measures during the 1980s to decompress the political regime, Chiang instigated a program of political liberalization in 1986, lifting martial law and opening the civic realm to a quick upsurge in collective organization and political mobilization, once again well controlled from above by the party-state. When Chiang's successor, Lee Teng-hui, took control of the party and government in 1988 he continued with further political reforms aimed at democratizing the political regime. In contrast to the case of Korea, where Chun Doo-hwan was forced to the bargaining table in 1987, the KMT dominated the process of political change, initiating and controlling the process from above throughout this time.

In contrast to these cases of democratization in South Korea and Taiwan—both of which appear to have emerged out of the transition to comprehensive industrial societies—Singapore's hybrid political regime, established by the PAP following the transition to self-governance in 1959 and consolidated after achieving independence in 1965, developed along a different course. After clamping down with authoritarian controls to gear up the city-state as a depository for the manufacturing activities of multinational corporations in the mid-1960s, the institutions set up by the PAP political regime proved extremely robust in controlling and channeling new social forces arising out of development. Holding a monopoly in parliament from 1965 to 1981 and administering unprecedented control over all aspects of life in the city, the state elite first began undertaking a program of institutional restructuring following the election of an oppositional politician into parliament in 1981. The political reforms aimed not at loosening, but at strengthening the PAP government's political control within the dominant-party political regime. This program of political change can be understood as an attempt to preempt the emergence of increased pressures for political change which could push reforms in another direction. Today Singapore remains the wealthiest non-oil producing, non-democratic country in the world.

### **1.3 The Comparative Framework: Critical Junctures and Path Dependent Trajectories of Social and Political Change**

The three cases of South Korea, Taiwan, and Singapore have been chosen for comparison in this study on the basis of three main criteria. First, they are all positive cases of developmental states which arose in East and South East Asia. Second, the three cases display similar trajectories of rapid industrial development between the 1960s and

the 1980s. Third, these cases also display variance in the outcomes of political change. Together this configuration provides an empirical basis for the use of the comparative method. Particularly, the logic of John Stuart Mill's method of difference is deployed throughout, whereby the analysis seeks to explain differences in the outcome of interest within a set otherwise similar cases on the basis of differences among potential causes associated with the outcomes to be explained.<sup>46</sup> This study argues that clear cross-case differences in the trajectories of social change found in Korea, Taiwan, and Singapore can be explained by variations in the structures and activities of the developmental state as state elites attempted to pattern relations with social groups in ways to further the developmental goal. These differences, in turn, provide explanations for prominent differences in the trajectories of political change in these countries in that they affected both the mode and direction of political regime transitions in Korea and Taiwan and institutional restructuring of the political regime in Singapore.<sup>47</sup>

To facilitate the comparative analysis a model of path dependency is employed to explore how the institutional configurations of these developmental states shaped and constrained trajectories of social change during rapid industrial development and how these historical trajectories would later impact processes of political change. Analyzed as a path dependent process, political regime outcomes in these countries can be understood as involving a type of causality whereby the occurrence of events at one temporal point in a historical sequence are shaped and constrained by events which have taken place at an earlier temporal point.<sup>48</sup> This earlier temporal point often involves the occurrence of a critical juncture, understood as "a period of significant change, which typically occurs in distinct ways in different countries (or in other units of analysis) and which is hypothesized to produce distinct legacies."<sup>49</sup> More specifically, a critical juncture is a historical point that involves the selection of a particular option among two or more alternatives, which generally entails a sharp restructuring of institutional configurations, which then condition subsequent trajectories.<sup>50</sup> As Pierson suggests, path dependence means that there are "often enduring consequences that . . . stem from the emergence of particular institutional arrangements."<sup>51</sup>

Once initial outcomes of the critical juncture are in place, a path dependent process may be characterized by institutional persistence as these institutional arrangements are reproduced over time. Likewise, it may entail the development of "reactive sequences" involving collective challenges against these institutional arrangements that emerged out of the critical juncture.<sup>52</sup> A reactive sequence, Mahoney

argues, can be understood as a chain of “reactions and counterreactions” that is “causally linked” with the critical juncture in that this process is triggered by those enduring institutional arrangements over time.

Actor resistance to prevailing institutions or structures is often the initial force that launches a reactive sequence. Counterreactions to this actor resistance may then drive subsequent events in the sequence. Reactive sequences are therefore often marked by properties of backlash and counterresponse as actors challenge or support structural and institutional patterns established during critical juncture periods. Even if such resistance does not actually transform these institutions and structures, it can set in motion an autonomous process that encompasses events that lead to a final outcome of interest.<sup>53</sup>

In a path dependent process, such transformative sequences may result in outcomes characterized by new institutional arrangements and structural patterns quite different from those that emerged out of the critical juncture. But the steps leading to these outcomes are conditioned by the configuration of institutions and structures already in place.<sup>54</sup>

The historical argument made in this study is structured around this analytic scheme of path dependence. While the empirical details of the argument are developed more fully throughout subsequent chapters (particularly in the introductions to Part’s I, II, and III), the basic contours can be briefly sketched here. The argument hypothesizes that the cross-case variations in the trajectories of social change and political regime types arising out of rapid industrial development in South Korea, Taiwan, and Singapore are historical products of a critical juncture that took place in these countries as state elites shifted developmental courses towards rapid export-oriented industrialization and restructured the state apparatus and state-society relations to build developmental states capable of organizing society for the realization of this developmental goal. The initial outcomes of this critical juncture, while setting these countries on similar courses of rapid industrial development, were characterized by cross-case variations in institutional configurations relating to the structures and activities of these developmental states. The institutional and structural variation was most prominent in the way these states patterned organizational connections and interactions with particular social sectors as state officials sought to mobilize, control, and co-opt society for the program of rapid national industrial development. These variations, in turn, would shape in different ways the trajectories of social change arising out of economic development across cases. They worked to bring about important differences in socioeconomic and class structural change, the formation of collective identities, interests, and mobilizational potential among groups, the types of social and political conflicts that would emerge, and the

modes used by collective groups within the state and society to contest or defend existing social and political orders.

As new social forces arose out of the process of economic development, the institutional arrangements of these developmental states proved to have more or less capacity to control, channel, or co-opt these groups. Generally, where state structures and activities vis-à-vis social sectors provided for more inclusion and co-optation, the activation and appearance of collective mobilization against state and regime institutions was lower. Where state-society relations were patterned around crude institutional means of exclusion and repression, mobilizational challenges over the long-term tended to be higher. Furthermore, not only did the institutional bases laid during the critical juncture shape and constrain these trajectories of social change but they also conditioned the responses taken by state actors to deal with new social forces and oppositional challenges that appeared.

As will be shown more thoroughly in Part II of this study, different patterns came to characterize these countries. In South Korea, the developmental state was constructed around a combination of crude state-corporatist organizational relations based on a high degree of exclusion and authoritarian political structures built around institutions severely limited in their ability to incorporate new social forces and co-opt and control potential or existing opposition among disaffected groups. Lacking these institutional capacities, state elites came to rely on coercive institutions and firm doses of physical repression to deal with the activation of collective challenges generated by this institutional mode of exclusion. In Taiwan, the developmental state was structured around tight, inclusive state-corporatist intermediary organizations across broad sectors of society and a one-party political regime with political institutions capable of securing party dominance while also allowing for the inclusion of new social forces into institutional channels capable of co-opting dissent and political challenges into the system. These institutional configurations worked to dampen the degree of activation among most social sectors, and were also better able to accommodate the oppositional mobilization that did arise, by pulling these groups into institutions over which the party could exercise firm control. In Singapore, the developmental state was institutionally fused with the upper-levels of the hegemonic party-government. Both intermediary organizational and political institutional configurations proved highly capable of controlling sectoral groups and providing channels for inclusion which could co-opt potential opposition before it became activated into mobilized collective challenges.

These historical patterns became relevant for political change in that they supplied the historical socio-structural and state institutional environment within which processes of regime change or regime restructuring took place, thereby constraining or generating different options available to collective actors involved in the process.<sup>55</sup> As different historical patterns had emerged across these countries, these environments therefore conditioned the mode and type of political change in quite different ways. The further theoretical specifics for analyzing the political regime transitions and cases of regime restructuring in South Korea, Taiwan, and Singapore will be discussed further in the introduction to Part III of this work, which is followed by case studies of each country.

Having laid out the main concepts and theoretical focus, a comparative framework for analysis, and the contours of the historical argument for these cases of South Korea, Taiwan, and Singapore, the study now begins with the historical analysis. The analysis is broken into three main parts. Part I consists of comparative case studies of the critical juncture period in South Korea, Taiwan, and Singapore. Here, analytical attention is placed on the interplay between sets of antecedent conditions and contingent events which shaped the maneuvering of state elites as they undertook programs of state institutional restructuring and social reorganization, and shifted the national developmental course towards a strategy of export-oriented industrialization as part and parcel of their nation-building programs. The analysis of the critical juncture period begins to work out the origins of the differences which came to characterize the specific organizational relations of these developmental states vis-à-vis society. The study then moves to Part II, which looks at how these differences in institutional configurations impacted the trajectories of social change during rapid industrialization to bring about important variations in social structures, the activation of new social forces and collective mobilization, and the different conflicts which emerged during this process. Part II is broken into four chapters, each chapter dealing with the patterning of state-society relations in regards to a particular social sector: the capitalist sector, industrial workers, rural society and the middle classes. Part III of this work then turns to an analysis of the processes and outcomes of political change in these countries. As noted above, this part begins with a short introduction laying out a comparative framework for the case study analyses that follow.

# Part I

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## The Critical Juncture

### Introduction

As discussed in the last chapter, this study uses the concept of a critical juncture to facilitate a framework for comparative analysis and explanation of diverging historical paths set loose by rapid industrial development in South Korea, Taiwan, and Singapore. It suggests that a critical juncture took place in these countries at various points during their early post-colonial periods, which was characterized by a shift in the previous national industrial developmental strategies of these countries, whereby state elites implemented a set of policy reforms to promote export-oriented industrialization (EOI) and undertook institutional restructuring to craft a developmental state geared towards the realization of the EOI strategy. The immediate outcome of this period reflected a significant reorientation of the structures and actions of the state in regards to its organizational relationships with social groups. Developmental states were structured around state apparatuses possessing a high level of relative autonomy from society and driven by authoritarian political regimes which served to insulate the core economic planning bureaucracies to enable the formulation and pursuit of long-term developmental goals unconstrained by particular interests of social groups. Heightened state capacity to direct national industrialization projects was accompanied by the creation of new institutional links with society organized primarily along state-corporatist lines. These organizational channels would be used by state elites to mobilize, co-opt, and control social groups towards the overriding goal of rapid national industrial development, effectively subordinating the social order to the imperatives of the state.

The temporal period of this critical juncture in South Korea, Taiwan, and Singapore can be seen as having a longer or shorter time-frame as it took place at different temporal points across cases and interacted with differently sequenced national developments within each case. In South Korea the critical juncture appeared as the

personalized authoritarian regime of President Syngman Rhee collapsed in the face of student unrest and popular revolts throughout urban cities in April 1960. On the ashes of this regime was constructed a parliamentary democracy which would last less than a year. During this time numerous opportunities were opened up to begin new paths and deal with pressing problems including relations with the Democratic People's Republic of Korea (DPRK) and Japan, economic stagnation and domestic political conflicts. The outcome, however, was a military coup in May 1961, followed by the immediate deactivation of the national political and civic arenas. For the next two and a half years, the military junta moved quickly to establish a path forward, shifting developmental policy towards EOI and reactivating the administrative capacity of the state with a revamped bureaucracy and a newly constructed authoritarian regime capable of securing the political conditions necessary for rapid industrial development.

The critical juncture in Taiwan began with the succession of the island to the Republic of China (ROC) following the Japanese military defeat in 1945. Following the defeat of the Chinese Nationalists in the civil war on the Chinese mainland, the Kuomintang (KMT) nationalist forces under General Chiang Kai-shek retreated to Taiwan, bringing the ROC administration with them. Fearing a possible invasion by the People's Republic of China (PRC), unsure of US support, and experiencing political and social instability on the island, the KMT leadership took measures to revitalize the party and state organizations and orient the tumbled Taiwanese economy towards building military capacity to retake the Chinese mainland throughout the 1950s. Having consolidated its control over a stable one-party political regime and built a strong state apparatus, the KMT elite took steps in the late-1950s to orient development outwards and bring the final institutional pieces together to secure a developmental state to push this export-oriented industrialization.

Singapore's critical juncture occurred with the city's entrance into self-governance under British tutelage and the election of the People's Action Party (PAP) into government in 1959. During the next half-decade the future of the city within the international system would be decided, a process that could not be separated from its specific ethnic make-up and the post-colonial political conflicts playing out in the region during this time. A merger with Malaysia between 1963 and 1966, seen as a solution to the domestic political conflict between Singapore's two leading political forces, allowed the PAP government to consolidate a hegemony over political power, but did little to bring about an industrial base in the city. Following the abrupt expulsion of Singapore

Table 4. Chronological Overview of the Critical Juncture Period

South Korea	1960	Syngman Rhee's personalist-authoritarian regime collapses and parliamentary democracy established.
	1961	Military coup d'état establishes junta and clears existing political and civic arena.
	1961–63	State administrative apparatus reformed. Competitive authoritarian political regime established. EOI policies instigated.
Taiwan	1949	Chinese Nationalists loose civil war on Chinese mainland and establish Taiwan as a base.
	1950–55	Party, military, and state administration purged and reformed. KMT exterminates opposition and consolidates single-party regime.
	1958–60	Reformist technocrats gain power within the economic bureaucracy and instigate EOI policies.
Singapore	1959	Limited self-governance under PAP begins.
	1961–63	PAP split between moderates and leftists. Moderate PAP government purges and reforms state administrative organizations and uses state to crush political opposition.
	1963–65	Failed merger with Malaysia.
	1965–68	Establishment of PAP hegemony. EOI policies instigated.

from the union with Malaysia, the PAP government would scramble to secure the imperatives for an EOI strategy and gear the developmental state for this course.

### *Antecedent Conditions*

The progression of these critical junctures were heavily influenced by a set of antecedent conditions and involved decision-making environments of more or less structural fluidity within which state elites maneuvered as they pushed reforms. When a state seeks to bring about economic development, the strategies and policies chosen by state actors do not take place in international and domestic political-vacuums. Developmental courses, Haggard emphasizes, do not arise “unambiguously” out of a country’s mere “factor endowments” as a neoclassical model might predict.<sup>1</sup> While factor endowments certainly figure into the final equation, it is within an environment of antecedent structures and contingent situations that developmental strategies emerge from decision-makers pursuing particular goals. These include international constraints and opportunities, domestic socioeconomic contexts and political constraints, ideological conflicts among policy-makers, and the structure of the state. For the East and Southeast Asian cases dealt with in this study, the situation was no different. As state elites sought to construct developmental states and formulate strategies to promote EOI they were highly sensitive

to such antecedent conditions which mixed with contingent events during the process to shape in different ways the institutional orders that emerged in these countries.

Using a critical juncture framework suggested by Soifer, antecedents can be grouped into a set of “permissive conditions”—understood as those factors necessary for easing existing structural constraints and making change possible—and a set of “productive conditions”—understood as those factors sufficient to bring about the particular outcomes of a critical juncture.<sup>2</sup> These later conditions often include important cross-case variations which can account for important differences within immediate outcomes of a critical juncture. In the case of the critical juncture analyzed here, the paramount permissive conditions that allowed for shifts in industrial strategy and made the construction of developmental states possible included: (1) the geopolitical position of these states along the East and Southeast Asian Cold War front; (2) structural changes within the international capitalist division of labor which opened new production niches for periphery countries; and (3) domestic socioeconomic settings that gave state elites the ability to maneuver to bring about a shift in industrial strategy—in particular, the existence of a state apparatus with relative autonomy and high coercive and administrative organizational capacities.

Within this environment of permissive conditions, several productive conditions were also present in these countries to make structural reform of the state and shifts in industrial strategies possible. Although the contingent events which mixed with these productive conditions varied across cases, the latter can nevertheless be explicated in a somewhat generalized manner. These are: (1) the presence of nationalist ideologies among a cohesive collective of state-elites committed to national development and their recognition of real existing threats to national security; and (2) the inability to either pursue a developmental course based on import substitution industrialization (ISI), as was the case in Singapore, or the inability to continue existing ISI policies, as was the case in South Korea and Taiwan. In each case, when (3) contingent events stemming from both the international and domestic arenas appeared to threaten national security, the collective within the state wielded coercive and administrative power to affect more or less a revolution from above. This process entailed two main moves among the state elite. First, it involved a reorientation of industrial strategy towards production for export in order to generate foreign exchange and loans necessary for the real goal of constructing national industrial bases capable of bolstering national power and security. Second, as a necessity for this goal, it involved a reorganization of state-society relations

through the construction of new institutional nodes through which the state could mobilize and control society from above.

*International and Domestic Arenas: Constraints and Opportunities*

During the late 1950s and early 1960s a new international division of labor was emerging in the world system that offered a channel of upward mobility to these periphery countries, which they, in turn, exploited. As the light-manufacturing sectors in the United States, Western Europe and Japan were becoming constrained by wage increases and the technological upgrading of these industrial economies, producers increasingly looked outside national boundaries for a repository for production, particularly where lower wage opportunities were present. The Republic of China and the Republic of Korea (ROK), standing on the front lines of the Cold War in Pacific Asia, had by this time been effectively integrated into the emerging post-World War II capitalist order under the aegis of the United States.<sup>3</sup> The United States had invested heavily in these countries both economically and military during the 1950s to maintain this Cold War status quo. Thus, if the US containment policy meant tolerating the use of nationalist political economic trade policies in the periphery and opening the lower rungs of the American market to these countries, then Washington was prepared to do so. Singapore, having served as a regional entrepôt throughout its colonial history, had long been integrated into the global capitalist economy under the auspices of the British Empire. Although lying outside the direct sphere of US hegemony, Singapore, through its geopolitical position within Southeast Asia, its anti-communist and western orientation, would also profit along with Korea and Taiwan. It was into these niches in the international system which Korea, Taiwan and Singapore positioned themselves, allowing them to direct massive amounts light-manufactured exports into the Japanese and American markets during the 1960s and 1970s while constructing modern industrial powerhouses in their national territories.

This opportunity also presented itself at a time when these countries were facing tightening internal economic constraints on further industrial development.<sup>4</sup> Both Taiwan and Korea had undertaken a successful phase of ISI during the 1950s, which had helped rebuild war-shattered infrastructure and brought about basic production capabilities for light-manufactured goods within the domestic market. Typical of successful ISI policies, however, their very success brought them to an end as the

domestic economy became flooded with ISI goods and real incentives for exporting remained absent. Combining with this stagnation of ISI was the almost simultaneous announcement by the United States in the late-1950s to begin weaning these countries off the large flows of US financial aid, an event forcing the ROC and ROK governments to search for alternative economic policies that could capture precious foreign exchange and bring about some level of national economic self-sufficiency. In Singapore, the situation was quite similar, but with differences that reflected its British colonial history and its traditional entrepôt function within the international economy. When Singapore passed into self-government from Britain in 1959 the PAP government was well aware of the city's miniscule industrial base and domestic manufacturing capacity and had designed an ISI strategy premised on a merger of Singapore with Malaya. Having little domestic market of its own to absorb ISI production, only the penetration of the Malayan hinterland within a common market would make such a strategy feasible. During the 18-month merger with Malaysia between late 1963 and 1965 the ISI strategy was pursued with poor results due to competition from the Malayan government's own ISI program. Singapore's expulsion from Malaysia in 1965 and sudden independence as a city-state quickly closed the door on the ISI strategy. To make matters worse Malaysia and Indonesia began redirecting their trade away from the traditional entrepôt. When Britain announced its plan to close its military bases on Singapore—which supplied a large portion of local employment and economic activity—the search for a developmental alternative became extremely pressing for the PAP government.<sup>5</sup>

In addition to these international and domestic economic opportunities and constraints, the existing state apparatuses in these countries enjoyed a high degree of autonomy from society and possessed strong coercive and administrative capacities, giving room for state agents to shift strategies toward EOI relatively unconstrained from domestic socioeconomic forces. Leftist political and social movements had previously been smashed—in South Korea and Taiwan during the late 1940s and early 1950s and in Singapore during the early 1960s—and the traditional landlord class—nonexistent in colonial Singapore—had been wiped away as a consequence of wide-reaching land reforms in Korea and Taiwan during the early post-colonial period. The authoritarian regimes in these countries also enjoyed the fruits brought to them by the existence of strong coercive organizations operating within the dominant Cold War discourse of anti-communism and national security. Both Korea and Taiwan had inherited strong leviathans from their former Japanese colonial masters. During the US occupation of

South Korea (1945–1948) the former colonial national police had been reactivated and turned against peasant and leftist unrest in the countryside in order to bolster a conservative political order staffed by Washington’s rightest, Korean clients. In Taiwan, the Chinese nationalists cleared away ethnic-Taiwanese opposition to its rule and undertook a counter-leftist extermination campaign of White Terror throughout the 1950s, making clear that opposition to the KMT was equivalent with pro-communism and vice-versa. In Singapore, the British had strengthened the coercive capacity of the colonial state during the 1950s to meet the challenges of the Malayan Communist Party (MCP) and tight internal security laws continued into self-government. The PAP government had effectively smashed leftist, grassroots political movements by the mid-1960s when the shift towards EOI began. Thus, strong coercive apparatuses in these countries had greatly helped state elites to free themselves of constraints coming from the domestic socioeconomic orders, leaving them much autonomy in undertaking policy and institutional reforms to supply the framework for planning and coordinating national industrial development through export-oriented production.

In sum, these sets of permissive and productive conditions discussed above supplied the general contextual environment within which state elites were able to shift development towards an EOI course and construct developmental states to drive this strategy. The case narratives of the critical juncture which follow in the next chapter highlight the interplay between these antecedent conditions and contingent events within the international and domestic security arenas which influenced decision-making among state elites and closed out alternative options in these countries, thereby shaping the immediate outcomes of the critical juncture period. In addition, the following narratives are focused on important differences across particular antecedent conditions and events during the critical juncture period, which worked to bring about key variations within the structure and actions of the developmental states that emerged. With the overall international and aggregate domestic factors having been sketched in this introduction, we turn to the first of these critical junctures—the case of South Korea.

## Chapter 2

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### The Emergence of Developmental States and Strategic Industrial Shifts

#### 2.1 South Korea: The Military Takes Control

At approximately 3:00 a.m. on May 16, 1961, Commander in Chief of UN and US Forces in Korea, General Carter B. Magruder, received a telephone call from Republic of Korea Army (ROKA) Chief of Staff, Lieutenant General Chang Do-young.<sup>1</sup> Chang informed Magruder that a military coup d'état under the leadership of a young ROKA Major General, Park Chung-hee, was in progress against the government. Park had assumed command of the 6th Military District Headquarters just a few hours before and soon thereafter had elements of the ROK 1st Marine Brigade, the 30th and 33rd ROK reserve divisions, the VI Corps Artillery Units, and the 1st Combat Team Airborne moving in on Seoul. Within a few hours the radio facilities of the Korean Broadcasting Services had been taken over by the coup plotters and broadcasts began in the name of a "Revolutionary Committee," announcing that it "had assumed control of the legislative, executive, and judicial branches of the ROK Government." The broadcasters explained that the actions were being taken to terminate corruption and overcome the difficult situation facing the nation and gave assurances that the new government would be "strictly anti-Communist, root out corruption, honor international agreements and cooperation with the US, undertake measures to stabilize the national economy, unify Korea as an anti-Communist nation, and after completion of its tasks, turn over the reigns of government to honest and competent political leaders." By 9:00 a.m. it was announced that "the entire nation had been placed under emergency martial law." All territory was under strict curfew, all airports and harbors were shut down, all bank assets and activities frozen, all media under full censorship, all public meetings banned, all travel by Koreans forbidden, all cabinet ministers under arrest, and all local councils and the National Assembly effectively dissolved. The constitution of the Second Republic,

not yet one year old, was suspended and the prime minister was in hiding. Within less than 12 hours a small military brigade and a few reserve divisions consisting of roughly 4,000 ROK military personnel had effectively brought an end to South Korea's experiment in parliamentary democracy.

The democratic Second Republic that Park Chung-hee's coup brought to an end in May 1961 had its most immediate origins in the election fraud perpetrated by former President Syngman Rhee and his ruling Liberal Party (LP) during presidential elections on March 15, 1960. The overt violence, intimidation, and manipulation during the elections activated weeks-long student demonstrations in many cities. When the body of a middle school student who had been tortured by local police was fished out the Masan harbor, violent demonstrations again erupted and unrest spread throughout the provinces in large-scale rioting and clashes with Korea's hated National Police which dragged on into April. Political maneuvering in Seoul culminated with calls from the opposition in the National Assembly for the resignation of the president and constitutional changes to establish a new system of government. With military units on the street pulling their support from the president—and with a bit of prodding from Washington—Rhee conceded defeat and submitted his resignation at the end of April, departing to Hawaii the next month.<sup>2</sup> By mid-June the existing National Assembly had amended the constitution to establish a bicameral legislature and a cabinet system of government. The first and only parliamentary elections took place at the end of July. When the former opposition Democratic Party (DP)—made up of conservative forces not much different from those in the LP—won a landslide victory in both houses it created its own opposition when the conservative wing split to form the New Democratic Party (NDP) and the polarized Korean party system was thrown into a representative vacuum. Internal US State Department reports described the presence of “graft and corruption” during the Second Republic “on [a] scale equaling if not excelling that during [the] moral nadir of [the] Rhee regime.”<sup>3</sup> By March 1961, the record of the DP government, headed by Prime Minister Chang Myon, had been meager and failed to meet the expectations of numerous politically activated groups.

The student revolts and demonstrations that had brought down Rhee did not disappear from the political scene with the establishment of the democratic regime. Rather, the young students saw themselves as the protectors of Korean democracy and throughout 1960 and early-1961 they expressed their disapproval at every sign of weakness of the new government via street protests and demonstrations on an almost

daily basis.<sup>4</sup> When the courts dealt out only mild sentences to those members of the Rhee government involved in the 1960 electoral fraud, for example, student demonstrators occupied the National Assembly.<sup>5</sup> When purges of the National Police—still filled with former Japanese collaborators—did not progress as rapidly as Koreans wished, public unrest ensued. “The more open the system got,” Cumings explains, “the more bickering dominated the National Assembly, and the more independent thinkers began to call for a new approach toward reunification with the North.” When students mobilized in favor of Kim Il Sung’s proposal for a confederated unification of North and South, democracy seemed to be pushing “an apparent move to the left,” a situation that “terrified the right wing and the security forces.”<sup>6</sup> With a stagnating economy and rising unemployment, the situation was enough to push the group of young officers around Park Chung-hee to intervene and clear out the political arena. The turn of events in 1960–1961 Korea are quite suggestive of Samuel Huntington’s argument that social and political mobilization, when combined with socioeconomic deprivation and weak political institutions unable to cope with this mobilization, is sufficient for praetorian political outcomes.<sup>7</sup> Add heightened national security vulnerabilities and nationalistic orientations among the military into this equation and you have the Korean coup of 1961.

### *The Options*

If the change in political regime in 1960 to parliamentary democracy ushered in a critical juncture in Korea that ended with the military coup and subsequent restructuring of the state and society, what then, were the available options existing in South Korea between April 1960 and the heady months following the coup of May 1961? Amsden points to three significant options, or “contending views,” prevalent among different social groups at this time, within which the “issue of economic development was foremost.”<sup>8</sup>

The first of these options was presented by the students and newly mobilized political forces during the parliamentary democracy discussed above. Trade unions, radical student groups and intellectuals, socialists and other political groups who had previously been excluded and repressed, offered a vision of economic development which was only vaguely defined by demands for economic policies which could fight poverty and solve the problem of unemployment. A second option was presented by the United States. Having pumped tremendous amounts of US taxpayer money into the ROK to keep its economy afloat and its military bloated, the incoming administration of John

F. Kennedy had begun to rethink this approach.<sup>9</sup> During the 1950s, US aid had been used by Rhee to grease his networks of political support, a practice which resulted in a more-than-modest phase of import substituting industrialization (ISI), but also gave him incentive to stubbornly resist any reforms—this would have undermined his ability to pump largesse through his networks of political support. Furthermore, US policy makers and advisors had sought several times to convince Rhee of the economic importance of letting Japanese economic influence back into the country and tying the Korean economy back into a division of labor with the more developed Japanese industrial structure, an idea loathed and resisted by Rhee.<sup>10</sup> The economic policies advocated by US advisors were geared towards traditional market theory and an agreement had been signed with the Chang Myon government allowing US advisors to observe and advise the government on economic matters along these lines. While the agreement had much support in the National Assembly, it was greatly derided by the more radical groups discussed above.

Lastly there was the Korean military, or at least the younger reformist forces around Park Chung-hee. Their conception of economic development, and the “key factor of the May 16 Military Revolution,” Park wrote shortly after the coup, “was to effect an industrial revolution in Korea.” For “without economic reconstruction, there would be no such things as triumph over Communism or attaining independence.”<sup>11</sup> This group combined a vision of state power as a mechanism for national revival and economic development with an extremely populist ideological framework, the latter particularly evident during the first months of the junta.<sup>12</sup> As the junta “entertained the notion of economic development,” Woo explains, “they thought of a rich nation and a strong army, and wartime Japan came to their minds.” Park, who would ultimately emerge dominant within the junta, “had come of age [as a soldier in the Imperial Japanese Army] in Manchuria in the midst of depression, war, and mind-spinning change. In this radicalized milieu he had witnessed a group of young military officers organize politics, and a group of young Japanese technocrats quickly build many industries.”<sup>13</sup> On an early visit to Japan following the coup in 1961, Park explained to Japanese political elites that “I am pushing for the modernization of my country as the modernizing elite of the Meiji Restoration did” and for that purpose he had been “studying the history of the Meiji Restoration in that context.”<sup>14</sup> This envisioned Japanese model of state-led industrial development found immediate expression in the junta’s first 5-year plan, prepared by a group of technocrats within months of the coup: “The economic system will be a form of

‘guided capitalism,’ in which the principle of free enterprise and respect for freedom and initiative of free enterprise will be observed, but in which the government will either directly participate in or indirectly render guidance to the basic industries and other important fields.”<sup>15</sup> This was the path South Korean industrialization would be set upon following the military coup of 1961. Accordingly, this new role for the state in guiding capitalism would be accompanied by the additional role of organizing society for Park’s Meiji-inspired revolution.

### ***Reconstructing the State and Society***

The Supreme Council for National Reconstruction, as the junta dubbed itself, wasted no time in tearing down the old order of Korean politics and, as its name suggests, reconstructing a new order atop the debris. A United States National Intelligence Estimate drafted in the first months of junta rule described these men “now ruling the Republic of Korea [as] tough, nationalistic, and ambitious” in their determination “to bring a new order and discipline into Korean life and to initiate a major economic development effort.”

Their approach is not that of the intellectual or the professional politician. They are activists who have demonstrated an understanding of the instruments and techniques for political control. Their approach to government is authoritarian and they are convinced that the solution of the ROK’s many economic, political, and social ills requires rigid public discipline and firm, centralized government control . . . [The] junta has made full use of its powers under martial law to close newspapers, jail politicians, educators, and businessmen, and impose curfews and censorship. The atmosphere of fear and intimidation thus created has so far prevented demonstrations of public opposition to the junta. The . . . campaign against potential opposition leaders has greatly reduced the chances for organized resistance.<sup>16</sup>

As the intelligence estimate alludes to, the process of building the developmental state began by clearing out and ‘purifying’ the arenas of civic and political life as a means of following through on the junta’s pledge to root out graft and corruption. Nation-wide security sweeps netted the arrest of some 2,000 politicians and a political purification law then blacklisted over 4,000 politicians for a period of six years. Anti-communist and ‘anti-hooligan’ hunts rounded up over 10,000 individuals. A large group of elite businessmen were arrested on charges of ‘illicit profiteering.’ Voluntary organizations, from trade unions and business associations down to charities and sport organizations, were deactivated and would be investigated and ‘cleaned up’ before they would be allowed to reregister. Seventy-five percent of Seoul’s daily papers were shut down. The

assaults on the state bureaucracy led to the arrest or purge of over 13,000 civil servants and military officers with corrupt or inefficient records.<sup>17</sup>

Unlike flattening society through coercion and fear, however, reconstructing the state to push industrial development required more dexterous actions by the new state rulers. To their benefit, the military junta inherited an extremely strong state apparatus in both its administrative and coercive capacities. Where existing administrative capacity had been lying dormant, much of it having gone unused in directing developmental projects during the First Republic of Syngman Rhee, the coercive capacity of the South Korean state had remained strong throughout. Sixteen years earlier the US military occupation (1945–1948) had reactivated the colonial leviathan left by the Japanese and together with its Korean rightist clients, had turned the coercive power of this organizational monster against all leftist political and social groups. Thereafter, the Korean War (1950–1953) greatly served to further strengthen this coercive capacity. “Standing above all the disorganization and human fragments of post-1953 Korea was a Korean military that had swelled from 100,000 in 1950 to well over 600,000 by 1953. It was now the strongest, most cohesive, best-organized institution in Korean life.”<sup>18</sup>

The weakly organized social forces that continued to characterize South Korean society served to further undergird this state capacity. The political and symbolic power of the former *Yangban* landlord-aristocrats had been effectively broken by a series of land reforms in the late 1940s and the early 1950s—the most drastic of which North Korea implemented during its occupation of the south in the summer of 1950—which had transformed the rural class structure into one with a large number of small owner-operator farmers and solved the earlier problem of rural political volatility.<sup>19</sup> The incipient entrepreneurial class, consisting partly of former landlords-turned-industrial entrepreneurs, lacked both a political and social power base. Their reliance on former President Rhee’s patronage networks greased with US foreign aid left this group unorganized and isolated in the absence of their patron. Industrial workers made up less than 10% of total labor force and the organizational capacity of this incipient group had been blocked within the state-corporatist union structure controlled by Rhee’s Liberal Party throughout the 1950s. The political activation and autonomous organizational capacity of this group that appeared during the democratic interregnum in 1960 had been effectively nipped in the bud by the junta’s purification campaign. The factional nature of Korean political parties and their personalist organizational bent meant the absence of a unified political opposition to the military regime, particularly after these exclusive

parties were deactivated. The only perceivable challenge to the centralization of political and state power by the military were the students. They had spearheaded the April 1960 revolt that brought down Rhee's government less than two years earlier, but posed no immediate threat as the smoke cleared from the junta's destruction of the civic organizational field—not to mention when facing their tanks and guns.

Within this socioeconomic landscape, the construction of a developmental state to drive export-oriented industrialization “encountered no effective class opposition.”<sup>20</sup> What needed to be done was to reactivate the administrative capacity of this behemoth and direct it towards rapid industrial development. Again, the new military rulers would benefit from Korea's former colonial masters. Not only had the Japanese built the state administrative apparatus, but they had also supplied a model of how to use it.

The strong colonial state, the multiplicity of bureaucracies, the policy of administrative guidance of the economy, the use of the state to found new industries, and the repression of labor unions and dissidents that always went with it provided a surreptitious model for both Koreas in the post-1945 period. Japan showed them an early version of the ‘bureaucratic-authoritarian’ path to industrialization, and it was a lesson that seemed well learned by the 1970s.<sup>21</sup>

### *State Institutional Reforms*

To gear the administrative apparatus for the task of planning and directing industrial development the junta reorganized the existing bureaucracy and civil service practices and brought a new administrative elite into the state organizations.<sup>22</sup> Already by December 1961, US Ambassador Samuel D. Berger was writing to Washington that the junta had “established themselves as a group of capable, energetic and dedicated men, determined to make genuine reforms.” Berger was extremely impressed with the introduction of “long overdue reforms in agriculture, industry, banking, education, and social welfare” and in general, the junta's efforts at “reorganizing public administration at all levels.”<sup>23</sup>

The centralization of economic policy accompanied the general institutional restructuring of the state apparatus as a whole. To begin activating the developmental capacity of the state the Economic Planning Board (EPB) was established as a new super-ministry and a group of reformist technocrats, who had been sidelined under the previous governments, were brought in. The EPB was charged as the main planner and coordinator of the industrialization project. To this effect, the organization usurped planning powers from the Ministry of Reconstruction, took most of the budgetary powers from the Ministry of Finance (MOF) and wholly took over the Bureau of

Statistics. It was pulled into the center of Park's administrative staff and given "an unusual level of intra-bureaucratic independence and control over the activities of the ministries" within the new administrative hierarchy.<sup>24</sup> The EPB came to wield an array of instruments to affect its industrial development planning and implementation. It was tasked with foreign borrowing and given authority to underwrite foreign loans in the government's name, given control of direct investment and distribution of domestic loans to target particular industrial sectors. It also controlled the domestic money supply through its authority over the Korean finance minister, who, in turn, controlled the now nationalized central bank. Effectively, the EPB became the gatekeeper of foreign capital into Korea, refracting these capital flows into the domestic economy in accordance with its industrial targeting. Without being tied to a strict sectoral mission, the EPB had the "entire economy" as "its exclusive territory."<sup>25</sup>

Together, the technocrats in the EPB and MOF came to make up the bureaucratic core of the South Korean developmental state.<sup>26</sup> Their mission was to set the agendas and policies of the sectoral ministries in line with the overall hierarchy of national priorities that were established under Park's leadership at the presidential Blue House. Their dominance of industrial planning and execution, their elevated ministerial level and closeness to the Blue House entourage, made them the most prestigious state agencies throughout the 1960s and 1970s. The best and brightest university graduates were recruited into these organizations where they enjoyed an array of privileges including good pay, job security and meritocratic opportunities for promotion. These privileges served several purposes. First, they helped establish a corporate coherence within the central economic planning bureaucracy in the Korean developmental state, meaning that this collective of state actors shared "a sense of mission and organizational interest in industrial transformation, and an unswerving loyalty to [Park]" and his vision of industrial development.<sup>27</sup> Second, bureaucrats trained within these core ministries were regularly transferred into important administrative positions in the line-ministries and served as the main source of political appointees into higher ministerial positions. With the penetration of EPB- and MOF-trained bureaucrats into the lower levels of the hierarchy the "perspectives, agendas, goals and strategies" of their home organization would be brought with them.<sup>28</sup> This greatly helped secure the main agendas and goals coming from above and prevent possible capture by social forces or runaway bureaucratic interests at the lower levels of the bureaucracy that were in regular contact with private entrepreneurial groups.

Across all sectors of the state bureaucracy touched by reform, Kim explains, emerged a “highly self-disciplined military-style administrative structure” backed by “a range of extraordinary disciplines and controls on staff.”<sup>29</sup> Structured hierarchically from the president down to the public servants in the field, authority at each level of bureaucracy was subordinated to its superiors, thereby creating dependencies downwards into the lower levels. The central staff was now made up of qualified professionals geared towards realizing broad goals formulated at the top. In South Korea’s developmental state, the “broad political and economic problems” were dealt with not by any representative body such as the legislature, but by this centralized bureaucratic machinery.<sup>30</sup>

### *Linking the Developmental State to Society*

Having flattened the landscape of civic life, the Supreme Council for National Reconstruction simultaneously undertook measures to reorganize society and connect it to the reformed bureaucratic apparatus. The latter would need to “penetrate society and reshape its preferences” for the developmental project.<sup>31</sup> Its chosen instruments were state corporatist intermediary and parastatal organizations erected along social-sectoral lines, through which the state bureaucracy could co-opt, control and mobilize social sectors for the purpose of rapid industrial development. Along with the labor unions, business associations and farmer’s organizations, all voluntary associations such as teachers and students, lawyers and accountants, were reeled into a panopticon structure around the centralized state and subject to “irksome surveillance.”<sup>32</sup>

The junta rounded up the class of political capitalists that had profited under President Rhee and charged them with the illicit accumulation of wealth to the detriment of the national interest. They were “marched . . . through the streets Cultural Revolution-style, with dunce caps and sandwich placards displaying ‘I am a corrupt swine,’ ‘I ate the people,’ and other such appetizing slogans.”<sup>33</sup> The dilemma faced by the junta with this hard-handed approach, as Berger explained to Washington at the time, was that “the offenses [of the business class] were so flagrant and well-known that they could not be allowed to go unpunished, yet the people and corporations concerned represented a very substantial portion of the industrial plant [manufacturing capacity] and experience essential to economic recovery and expansion.”<sup>34</sup> Thus, realizing that capitalist development would require this group of capitalist entrepreneurs, the junta backed down

and struck a deal with them. The illicit wealth accumulators would be spared their jail sentences, but would indeed pay fines for their illicit and unfair activities by establishing new industrial firms and donating large shares to the government. They were also coerced to sign a pledge in which their property would be donated to the government in the case it was required for 'national construction.' From now on, the role of this group would be to carry out the state's industrial plans within the constraints and incentives of state-guidance. They were organized into a number of intermediary business associations erected by the state. These organizations were made compulsory, given a monopoly on representation, subject to state-approved leadership, and assigned to various sectoral departments within the line ministries, where they could be harnessed by state planners to relay plans and policies downwards, distribute industrial loans, gather feedback and information from below, and coordinate overall implementation.<sup>35</sup>

The small class of industrial labor, having been activated during the democratic regime, was also meted out disciplining measures and subjected to reorganization. Having shut down the political and civic arenas, the junta moved forcefully against the labor movement by outlawing strikes, dissolving the labor unions, and arresting its leaders and activists. It then undertook a restructuring of the labor unions in a strategy to preempt effective autonomous organization. This task fell to the newly established Korean Central Intelligence Agency (KCIA) which took about reorganizing the labor unions in a decidedly top-down manner, bringing them under the tight wraps of the state administrative and security apparatuses. As Cumings describes: "In ten days in August 1961, a KCIA-appointed 'nine member committee' created twelve industrial unions and founded a new national labor federation, the centrally appointed representatives of which all pledged fealty to Park's 'revolution.'"<sup>36</sup> The unions were structured across the economy's industrial sectors and federated at the national level under the umbrella of the Federation of Korean Trade Unions (FKTU), thereby giving those officially sanctioned unions exclusive corporatist representation. In the process the KCIA blacklisted all unwanted union leaders and trained a new group of union organizers to head the industrial unions under the FKTU, with which all unions had to affiliate upon their reactivation. The new FKTU, as Kim writes, was "an organization imposed on the Korean labor force by military political power."<sup>37</sup> The government-selected and -trained leadership was tasked with securing a labor force that would submit to the necessities of rapid industrial development.

The reorganization of the rural sector took on much less disciplinary tones. In 1961, the South Korean population was overwhelmingly scattered throughout rural areas and when the junta came to power this sector stood “economically vulnerable, socially deprived, and politically unorganized.”<sup>38</sup> The junta struck much of the debt farmer’s had taken on during the 1950s and created a new organizational structure by merging the existing peasant cooperatives with the Agricultural Bank to create the National Agricultural Cooperatives Federation (NACF). The NACF was placed under the control of the Ministry of Agriculture and Forestry as a parastatal, corporatist intermediary, dependent on the state for financing and subject to controls on leadership selection and heavy state intervention. Becoming the only service provider for farmers, and with coopts in every village, the NACF became essential to farmers’ daily lives, quickly organizing over 90% of this sector through membership in the local branches.<sup>39</sup> The coops would provide the state with a strong channel to extract agrarian resources and rural savings to shove them into the industrialization program, while also providing the central bureaucracy with an organized channel to implement its rural developmental programs and direct the production of goods it desired. The NACF structure would also come in handy in ensuring political control of the rural sector.

### ***A New Political Regime Emerges***

Giving support to these strengthened institutions of the state and helping secure the command and control of the new channels with society was the building of a new political regime. Throughout 1961 and 1962 Park Chung-hee maneuvered successfully to secure his power within the junta, purging possible challengers or assigning them to outward military posts. Working within the constraints of moderate political demands coming from the United States, he was also pressed to remove his military uniform and initiate some form of electoral civilian rule that had at least a democratic pretense. At the same time, Park had to ensure the perpetuation of power among the new elite and insulate the central state bureaucracy from representative politics.

Already in 1961 Park had tasked his nephew-through-marriage and fellow coup plotter, Kim Chong-pil, to build political support organizations for the new regime. Kim established the first of these in 1961: the KCIA. This he built “into an elaborate, very well-funded organization employing tens of thousands of agents, combining the functions of the American CIA, the FBI and a political machine worthy of Boss Tweed

into an organization that dominated Korean political life.”<sup>40</sup> Kim then used this espionage organization to build the Democratic Republican Party (DRP), placing himself as its chairman and creating a well-financed party machine through which Park’s military clique could control the National Assembly. The two organizations were closely related as Berger reported to Washington in July 1962: The “political, economic, legislative and public information divisions [of the KCIA] . . . is [involved] in ‘everything’—appointments, lodging their people in newspapers and business, deriving income from [a] variety of sources from stock market to business deals, etc.” In response, US Secretary of State Dean Rusk found it extremely peculiar that Kim, “the same man whose function it is to serve as watchdog over government and society” as a politician heading the DRP should “serve also as head of [this] vast and uncontrolled executive apparatus [KCIA] which is set above [the] established government apparatus and stifles it.”<sup>41</sup>

The KCIA was structured to sit above the legislative and judicial branches of government, and also the presidential line-ministries. It was answerable only to the center of power in Park’s presidential secretariat. The organization would become the strong arm of the ruling clique, functioning as much, if not more, on activities of bashing the political opposition—if needed also DRP politicians—and any other challenges that arose to the political or industrial order—its favorites being students, workers and journalists—as on gathering intelligence in matters of national security. These two tasks often became blurred with the practice of branding any oppositional challenges to the government, the state or the industrial order as communist instigated, infiltrated, or controlled. During elections the organization would coercively rally DRP support, take actions to disrupt opposition parties and blackmail, beat and break opposition candidates, censor and manipulate the press, and, when needed, manipulate electoral ballots. Kim Hyung-wook, a young colonel involved in the coup who served as KCIA director from 1963 to 1969, later testified to the US Congress after falling out of Park’s favor that as director of this vast organization “[he] had extremely extensive powers at [his] disposal—more power than you can imagine—covering virtually every aspect of [the] country. [His] power extended into political, economic, cultural, religious and even foreign propaganda activities.”<sup>42</sup>

With these strong organizations in place to protect the new center of political power and also rally and coerce support for it, Park initiated a transition to an electoral authoritarian regime in 1963. For this purpose, a new constitution creating a weak

unicameral legislature and a strong executive was put to a successful popular referendum and new electoral laws were designed to favor the organizational power of the DRP. These preparations were followed by elections for the presidency and the new legislature in 1963. As the US Embassy reported at the end of 1962:

The military government has been planning the transition with great care and attention to detail, seeking to ensure the perpetuation of power in the hands of those who made the revolution of May 16, 1961. To succeed they intend to secure the election of Pak Chung-hui [Park Chung-hee] as President and [DRP] majority control of the National Assembly. Government plans include banning political activity by major ex-political leaders, certain restrictions on political party organizations, and constitutional provisions favoring government objectives. The government political party to be formed will be aided also by the natural advantages of a government in power, plentiful financial resources, a head-start in organization, and the absence of a cohesive opposition. We can expect a cleverly managed election rather than a crudely rigged one.<sup>43</sup>

This plan came off nicely and the new elected government was ushered in at the end of 1963. Presidential elections gave Park a narrow win and the new electoral system served the DRP well. Receiving less than one-third of the popular vote, additional proportional representation gave the DRP a solid majority in the National Assembly (110 of 175 seats), where it could now simply run over the regrouped and still factionalized New Democratic Party (NDP)—those former landlords and colonial collaborators who, as in Rhee's time, made up the political opposition in a legislature powerless against a dominant executive.<sup>44</sup> And with the provincial governors and mayors now appointed directly by the president, contestation over political power would be focused at the center.

The new political structures would serve the purpose of rapid industrial development well. First, the weak National Assembly under the control of a strong executive allowed for the insulation of the centralized state bureaucracy to pursue its developmental agenda free from parliamentary control or entanglements with politicians. Because ministerial positions under Park were typically filled through the civil service and not through political bodies such as the National Assembly or the city mayors and regional governors, the bureaucratic staff remained well insulated from the later. In fact, in cases where National Assembly members sought out administrative favors from bureaucrats, this tended to “reinforce the bureaucratic self-perception of superiority relative to the legislature, and of the bureaucracy as the only significant policy-making body.”<sup>45</sup> Second, where the new intermediary channels between the state and social sectors might become too weak to control social groups, the KCIA could be used against any opposition or autonomous organization which might arise and channel demands that conflicted with the state's developmental agenda. While elections were necessary to

appease the desires of the United States, they would not be allowed to hinder an authoritarian-style execution of centralized state power. But still, elections had to be won and not even the politicians of the ruling DRP would be spared the all-seeing eye of the secret service.<sup>46</sup>

### ***Policy Reforms Towards Export-Oriented Industrialization***

While the military had supplied the image of a state-led industrial development on par with the Japanese Meiji model, its economic thinking regarding the nuts and bolts of economic policy was in comparison more vague.<sup>47</sup> The package of macro-economic reforms creating incentives and supports for shifts into export-oriented production developed out of both domestic economic structural constraints as well as the interplay between the economic ideologies of Park's developmentalist technocrats on the one side, and economic thinkers within the US aid community on the other. As discussed previously, the ISI phase pushed during the 1950s had basically run its course with the domestic market more or less saturated. Furthermore, the Kennedy administration had announced its desire to begin weaning the country off its lifeline of US aid. The immediate dependence of Korea on these financial flows was enough to give the United States leverage to force policy changes in the short-term while reducing its aid commitments over the longer-term. Even still, these developments did not determine the course to come; neither did the exhaustion of easy ISI determine the shift to export-oriented industrialization (EOI) nor did US advisors hand over a plate of macro-economic policy prescriptions to bring about the shift in economic policy. Rather, throughout the period 1962–1964, policy reform was driven by interaction between the rising technocrats in the military junta—and subsequently the first Park government—and US economic advisors. While the process was “punctuated” by “acute tension” at certain points, it resulted in a battery of macro-economic policies and export supports that were in place by 1964. The major reforms were marked by currency devaluation, selective import liberalization and tariff rates, and numerous incentives for exporting such as import duty exemptions, export tax-credits and increased wastage allowances.

Park also took steps to normalize relations with Japan, which would pull in monstrous amounts of capital loans, grants and credit into the Korean economy, effectively lubing it for takeoff.<sup>48</sup> Almost immediately after the coup and the US stamp of approval, the junta had begun reaching out to Japan in a series of consultations and

over the next several years Japanese imports began returning to the Korean market at levels four times higher than previously. Japanese businessmen also showed themselves happy to supply large amounts of financial assistance to Park's political project; they donated millions to the DRP in the run up to the 1963 elections. Official normalization of South Korea-Japanese relations came in April 1965 with an agreement on the issue of reparations and economic relations, a turn of events which proved to do "wonders for the Korean economy."<sup>49</sup> Hundreds of millions in Japanese grants, loans and private investment poured into Korea, giving Park's technocrats an enormous amount of start capital which they poured into power plants, railroads, irrigation networks, communication networks and the financing of machinery imports. Furthermore, the opening of the Japanese market in addition to the US market for light-manufactured Korean goods placed the Korean economy squarely within the new international light-manufacturing niche.

In sum, by 1965 the Korean developmental state had been activated to effect rapid industrial development through an EOI strategy. A political regime transition had taken place from the junta to an electoral regime with a democratic façade, behind which Park's secret service organization worked to fund and defend his political rule. The executive had the upper levels of the bureaucracy in its control and insulated from interests and policy pressures coming from politicians and social groups. New organizational connections with society would be used by the state to penetrate, control and mobilize the former towards the goal of national industrial development. The state would secure the conditions for the prospering of a small group of large industrial capitalists in return for their political support and submission to the technocrats. Agriculture would be squeezed of capital to feed industry. When labor threatened the system of capital accumulation with industrial unrest, the state would be there to beat workers and force them back to work. In return for acquiesce, the growing middle and professional classes would be rewarded with a degree of upward social mobility and rising incomes. As the critical juncture ended, the state was effectively set up for a concerted action, whereby the broad goal of industrial development flowed from the heights of the hierarchically centralized state downwards through the state bureaucracies and through the channels into society.

## **2.2 Taiwan: Consolidating Nationalist Hegemony**

The events taking place during the critical juncture in Taiwan display both temporal and sequential differences from the course of events that took place in South Korea. As the military left the barracks and usurped political power in Korea, the Chinese nationalist Kuomintang (KMT) party, under the leadership of General Chiang Kai-shek, had long entrenched itself in a state apparatus with dominate hegemony over Taiwanese society. The political stability and state capacity needed to push rapid EOI had been solidified a decade earlier, but it was only in the aftermath of the Second Taiwan Strait Crisis in 1958 that a clear shift towards a strategy of EOI took place. Thus, by not having to deal with simultaneously flattening the political order and rebuilding political and state institutions to pull social groups into new socioeconomic and politico-economic relationships, the shift towards EOI, and its trajectory thereafter, took place with much more political stability than the case of Korea. The ruling KMT would not be forced to strike a deal with private capitalists such as that which took place in Korea, and its control over a massive sector of state-owned enterprises (SOEs) gave the party an economic hegemony not seen in Korea before or after the military took over. The KMT party-state had organized social sectors along corporatist lines early on and began to subordinate social preferences towards industrial mobilization. The choice to push an EOI policy, like in the case of Korea, was not a development that can be explained alone by the country's factor endowments or pressure from the United States. Rather, it emerged only with time during the late 1950s with the resolution of internal policy conflicts connected to the Republic of China's (ROC) international position which would clear the way for the final piecing together of the developmental state and a new course of export-oriented development.

### ***Arrival of the Kuomintang***

At the end of October 1945, one month following the Japanese defeat in the Pacific, a ROC nationalist administration headed by Governor General Chang Yi arrived on the island of Taiwan to accept the Japanese surrender and begin governing the former colony as a province of China. Yi's administration of KMT officials and roughly 50,000 nationalist troops were made up exclusively of Mainlander Chinese who possessed "limited knowledge of Taiwan, well-justified animosity toward all things Japanese, and [faced] the pressures of reconstruction and civil war on the mainland."<sup>50</sup> Over the next

two years, KMT rule on Taiwan proved corrupt, incompetent and extremely exploitative. The provincial administration appropriated all Japanese property and subordinated the Taiwan economy to the war effort on the mainland. Former colonial state monopolies were used to create artificial shortages in order to drive up prices on the black market where goods could be sold for higher profits. A large part of the industrial infrastructure was stripped away and shipped back to the mainland, from whole industrial plants to telephone wires, pipes, metal roofing, fire hydrants, railroad switches, and so on—anything that might be transplanted or sold as scrap. The generally undisciplined and undersupplied nationalist soldiers began widespread requisition, theft and looting of public and private properties. The result was economic crash. Inflation and unemployment rose steadily as the island's economy could not be insulated from the rampant inflation on the mainland. Agricultural output declined and industrial production came to a standstill as infrastructure collapsed. Combining with the economic exploitation of the island, many Taiwanese returning from the Japanese army were forced-drafted into the ROC Army to fight against the communist on the mainland. Nationalist policies in the areas of culture, language and education attacked the practices of the local population.<sup>51</sup>

The nationalist government clearly failed to meet the standards of administration that Taiwanese had experienced under Japanese colonial rule, the latter which they regarded as extremely progressive economically, politically, and socially relative to the backward, chaotic mainland.<sup>52</sup> By the beginning of 1947 the reintegration had “led to simmering discontent in the towns and cities of Taiwan.”<sup>53</sup> Growing tension between the Mainlander administration and native Taiwanese proved to be highly combustible when an incident between a widowed cigarette peddler and the state's Monopoly Bureau occurred in a Taipei park on February 27, 1947, setting off what became known as the February 28 Incident. When Monopoly Bureau agents, attempting to confiscate the widow's goods and cash, struck her on the head and fired shots at gathering onlookers, killing one in the process, the incident led to an violent uprising against the provincial administration which spread throughout the island's urban areas in the following days, leaving many dead as groups of Taiwanese—some reestablishing their old units from the Imperial Army and donning their former uniforms—fought ROC troops and police for control of transportation, policing and administrative infrastructure. Within a few days much of the nationalist administration had been taken over by Taiwanese citizens' committees.<sup>54</sup> When the former colonial Taiwanese elite presented a list of ‘thirty-two

demands' to Governor General Chen consisting of major administrative, economic and political reforms that would have effectively established a strongly autonomous and democratic provincial government, military reinforcements were called in from the mainland and proceeded to crush the rebellion.<sup>55</sup> ROC troop reinforcements began arriving from the mainland on March 7 and unleashed a malevolent campaign of violence throughout the island: "Random shootings, bayoneting, rapes, and robberies of any civilians unfortunate enough to be caught on the streets began immediately, and looting of homes and buildings soon followed."<sup>56</sup> Nationalist control was reestablished in no time as Taiwanese resistance quickly collapsed, but ROC soldiers and the local police continued to carry out terror campaigns—dubbed "exterminating traitors" and "cleaning out the villages"—against the Taiwanese population aimed at exterminating all possible opposition to nationalist rule. Particularly those who had taken leadership roles during the rebellion were hunted down and made examples of in public executions: "There seemed to be a policy of killing off all the best people," an eye witness reported.<sup>57</sup> Villages were swept clean of KMT enemies and the survivors were left with horrifying warnings: "The dead bodies of bound men were found every morning on the streets, some beheaded or castrated," as told by another witness of the carnage.<sup>58</sup>

Tallies of the number of Taiwanese killed as a result of the February 28 Incident and its aftermath commonly fall in the area of between 10,000 to 20,000 dead, with figures of the wounded ranging as high as 30,000.<sup>59</sup> What is clear is that the massacre put an end to any questions on the issue of governance in Taiwan that had lingered since the arrival of the KMT. It crushed any potential of Taiwanese elites to become a political force outside of the KMT party-state. Indeed, the violence had physically eliminated a large majority of this group. As hundreds of thousands of mainland refugees began flooding into Taiwan throughout 1948 and 1949 while the nationalist troops suffered increasing war losses against the communists, the KMT had established an unquestionable and unchallenged political dominance on the island.<sup>60</sup>

### ***Emergence and Consolidation of the Party-State***

When the national administrative machinery of the KMT was transplanted to Taiwan at the end of 1949 the state apparatus possessed a high degree of autonomy from society. Nationalist officials had little to no ties to Taiwanese, nor did they have much knowledge of the island. They brought with them a centralized party organization, a large military,

and a massive bureaucracy from the national level that had been built to run a country of a half-billion Chinese. By December 1949, when the last of the nationalist troops and central government officials were evacuated from the mainland, there were about two million Mainlanders on Taiwan exercising political control over roughly six million Taiwanese. The large amounts of Japanese land, industrial and business properties accrued to the state gave the KMT an economic monopoly over society as well as a regular source of finance to complement the US aid funds which began flowing again following the outbreak of the Korean War.<sup>61</sup> Furthermore, the KMT-state enjoyed strong coercive powers, which, as the nationalists had made clear, could and would be used against the population. The results of the February 28 suppression and the state's ongoing White Terror campaign to rid the island of communists and those with ties to communists—both Taiwanese and newly arrived Mainlanders—had left thousands dead or in jail. Thus, as the dust of the post-colonial conflict settled, the ROC state stood over a crushed society with few people daring to voice criticism.

The increased political controls coming after the February 28 Incident had greatly bolstered this state autonomy. Martial Law on Taiwan had been instigated in May 1949 and would continue to be maintained to “preserve our nation's security and to prevent the communists from exercising all sorts of subversive activities,” as General Chiang Kai-shek publicly explained.<sup>62</sup> Authorized by provisions enacted under the Period of Mobilization for the Suppression of Communist Rebellion, the martial law regime prohibited the establishment of political parties, authorized bans and censorship on publications deemed dangerous to national security, and gave the ROC president almost unlimited power in issuing emergency decrees. When party chairman Chiang Kai-shek resumed the ROC presidency in early 1950, political control of the state and society was solid. Recognizing the mistakes made on the Mainland that had proven deadly for nationalist rule, however, Chiang instigated a wave of reforms in the nationalist party, the military and the state bureaucracy which would further consolidate the power of this state apparatus.

### *Party Reforms and State Reorganization*

The Kuomintang party organization was established shortly after the Chinese Revolution of 1911 and had been reformed during the 1920s with the help of Soviet advisors from the Communist International. It was organized along a Leninist model emphasizing

democratic centralism at the highest level, a hierarchy of party cells which paralleled the organizational hierarchy of the state and penetrated it at every level, and an array of party mass organizations responsible for political mobilization. It also served as the official ideological guardian of Sun Yat-sen's Three Principles of the People, further elucidated after the KMT arrived on Taiwan: *nationalism* defined the nation as the integrating and organizing body to unite against imperialism; *democracy* was understood as responsible government for and of the people and a goal which could only be reached after a period of KMT-tutelage to develop and prepare society for it; and *people's livelihood* emphasized social welfare and the equal distribution of basic goods for all.

By the time the KMT dug in on Taiwan, the years of conflict and civil war on the mainland had ground down the party organization and much of its personnel. In the spring of 1950, Chiang began a major shake-up and reorganization of the party.<sup>63</sup> Older party leaders were cleared out of the Central Advisory Council and a group of younger cadets was moved in. Chiang then set up a Central Reform Committee, which was granted full authority by the KMT Standing Committee to carry out party reforms. Numerous corrupt, disloyal or simply incompetent party officials were purged and replaced by new recruits coming out of the Sun Yat-sen Institute on Policy Research and Development, set up in 1949 to reeducate existing cadres and train new recruits. New party branches were established in all government departments from the central down to the local representative bodies, reaching down to penetrate the grassroots level of society. The party then reached outwards, making "workplaces and neighbourhoods in urban areas and villages in rural areas" the targets of organization and control.<sup>64</sup> The restructuring brought about a highly strengthened political organization.

Through self-examination, self-criticism, cadre training, and the establishment of various party branches, the Nationalist Party became a party with strong leadership, concrete structure, tight discipline, high morale, common faith in shared doctrines, greater efficiency, and less corruption. Even the party enrollment increased 200 percent in these three years, and the percentage of Taiwanese members claimed as high as 57.12 percent of the total membership.<sup>65</sup>

Accompanying these reforms were waves of purges and institutional restructuring throughout the coercive organizations of the state. Military purges and troop unit reorganization were followed by the establishment of a new Political Affairs Department headed by Chiang's eldest son, Chiang Ching-kuo, who set up a Political Combat Unit to install political commissars alongside the regular command at all levels of military organization for the purpose of "supervising and extending political and psychological training to the armed forces."<sup>66</sup> The younger Chiang then took to

centralizing the diverse security agencies within the military, the state, and the party under a new National Security Bureau (NSB) in 1955, which became responsible for coordinating all military and civilian policing, secret service and intelligence duties. Under martial law the Taiwan Garrison Command was responsible for internal security and public order and was delegated broad powers for the arrest and detention of individuals, making it a particularly feared organization. Mobilizing a “huge force of some 50,000 full-time and 500,000 part-time informants,” the state’s vast security apparatus became a key part of the KMT party-state.<sup>67</sup> It was used to suppress political dissidents, root out communist conspiracies on the island and basically penetrate all areas of daily life with its watchful eye, moving swiftly to squash any traces of subversive attitudes and behavior.

During the period of White Terror throughout the 1950s, security agencies perpetrated indiscriminate violence in the KMT’s quest “to exterminate all Communist agents and influence in Taiwan.”<sup>68</sup> The numbers of politically motivated arrests of intellectuals and others who posed a threat to the KMT, or were complicit in ‘threatening the security of the ROC,’ are thought to have reached as high as 100,000, about half of those instances resulting in execution.<sup>69</sup> Even after this period, the Taiwan Garrison Command continued to regularly undertake “security sweeps” to keep the population on-guard at all times as US Ambassador Walter P. McCaughy explained to Washington in the late 1960s. The sweeps were “a periodic exercise on Taiwan” and included both targeted sweeps prior to particular events as well as “a more annual general sweep” for good measure.

The pattern for the general police sweep seems . . . established. Reportedly, the garrison command sets a quota of persons to be picked up for each municipality or county and mobilizes all available regular military police, and special security forces. Curfew is put in effect about 1:00 a.m. on an unannounced day, and no one except police is allowed to move until 6:00 a.m. Trains are stopped at their nearest station. During this period everyone, at home or in public places has his household registration and identity card checked for irregularities and against lists of wanted criminals.<sup>70</sup>

Adding to this state coercive capacity was that other historical factor from which Korea so profited: the inherent state administrative capacity of the colonial leviathan left behind by the Japanese.<sup>71</sup> The reform period of the early 1950s brought a well-trained group of bureaucrats into the centralized administrative structure and a reactivation of the developmental bureaucracy followed as the US aid mission began resuming its work on Taiwan. Two joint organizations with the US aid mission had been set-up on Taiwan during 1948, both of which enjoyed an organizational structure well suited for bureaucratic developmental pushes. The first was the Joint Commission on Rural

Reconstruction (JCRR), within which a group of Chinese technocrats and American advisors worked relatively autonomous from the ROC's regular line-ministries. The JCRR planned and organized the agrarian reforms, including the land redistribution, the reorganization of farmers' cooperatives and the introduction of agricultural extension programs. The second organization was the Council on US Aid (CUSA), which served as the Taiwanese counterpart to the US aid mission. Like the JCRR, CUSA enjoyed a position outside the line-ministries, but was tasked with coordinating these for its planning and organization of US aid funds, thereby making it more or less a quasi-central planning agency within the state due to the importance of US financial aid for the ROC's economy at that time.<sup>72</sup>

When the ROC government established the Economic Stabilization Board (ESB) in 1951, economic policy was transferred from the provincial government to the central government. Headed by the minister of finance, the ESB was responsible for an array of developmental activities. It "coordinated trade policy, approved all large loans, both domestic and foreign, formulated the budget for the counterpart aid funds, screened all private investment applications, and oversaw the administration of the state-owned enterprises, which in the early 1950s accounted for over half of total industrial production."<sup>73</sup> When the ESB was reorganized a few years later, the newly created Industrial Development Commission (IDC) took over the planning and targeting of industrial sectoral development and the Foreign Exchange and the Trade Control Commission (FETCC) was delegated responsibility for exchange rates, allocating foreign exchange and designing trade policy. Recruited into the IDC were a group of competent technocrats from the CUSA bureaus, who coordinated with both the FETCC and CUSA the first ISI drive during the 1950s.<sup>74</sup>

The structures and activities of these early organizations began establishing the bureaucratic pattern that would underlie the push into EOI as the 1960s got underway. The influence of the US mission in facilitating this pattern should not be underestimated. It brought together a group of competent technocrats while also strengthening the planning functions and capacity of the state in the economy more generally. Because the US aid budget lay outside the ROC government's budget and its planning and administration lay within agencies situated outside the regular line-ministries, the technocrats concentrated in CUSA and the IDC in particular, and the FETCC to a lesser extent, were shielded from party commissars and could work more or less free from competition coming from the government's national agencies, giving this collective the

autonomy to design and pursue industrial developmental projects free of social and political entanglements.<sup>75</sup>

*Merging the Party-State and Society*

Building on these regenerating reforms in the party organization and state apparatus the KMT wasted no time in organizing and incorporating all politically and economically relevant groups into strong state-corporatist organizations, through which society could be controlled and harnessed for social, economic and political mobilization. As Mattlin writes:

In the KMT's idealized view of itself, it represented all social strata . . . , dividing society into functionally specialized groups, each of which had only one union or association officially recognized by the government. These organizations and associations were closely controlled by the party and had little or no autonomy . . . Party cells operated within the organizations of all major sectors of society: trade unions, professional associations, youth and religious groups, women's associations, mass media and schools . . . , farmers' associations . . . , within all universities and colleges . . . The party dominated the selection of leaders for all state-sanctioned corporatist organizations.<sup>76</sup>

These sectoral organizations were hierarchically structured, exclusive and non-competitive, allowing the state strong penetrative channels into society. Once a particular organization or association was licensed—and this meant it was under direct or indirect KMT political tutelage—competing groups within that sector were prohibited. Under the control and surveillance of the KMT's Department of Social Affairs, the corporatist system would serve well the two purposes of preempting autonomous social organizations and supplying the state with organizational channels for co-optation and mobilization.

Industrial workers in the early 1950s made up only a small sector of society and any remnants of a labor movement that had grown out of the Japanese industrialization had been eliminated during the KMT's White Terror. ROC law mandated the formation of labor unions in all enterprises with more than 30 workers and the KMT quickly took to organizing these. Party branches were established in every state-owned factory and party cells split down into the individual workshops. From here, party unionists established factory unions that were penetrated by party members and grouped into the Chinese Federation of Labor (CFL) where they remained subordinate to the party at the national level. Anti-labor legislation and martial law effectively outlawed strikes and constrained collective bargaining while the state-corporatist policy forbid competing unions, making labor available for rapid industrialization.<sup>77</sup>

Drawing lessons from its civil war experience and the February 28 Incident the KMT took steps early on to pacify the rural population with a program of wide-reaching land reform and redistribution. Mandatory rent reductions beginning in 1949 limited rents accrued by those landlords who had survived the reprisals of the February 28 Incident. In 1951 the state redistributed former Japanese land to claimant tenants for low prices. A Land-to-the-Tiller program in 1953 set a tight ceiling on land-holdings, above which owners were obligated to cede land to the state in return for state bonds and shares in four large state enterprises. These land shares were then redistributed among tenant farmers. Having already destroyed much of the island's landlord class during the Formosa incident, the land reforms effectively wiped-out what was left of it, breaking both its economic and social power. The new rural structure greatly equalized income distribution and social status as a large class of small owner-operators emerged throughout the island.<sup>78</sup> This sector was then organized into the network of Farmers' Associations (FAs) that had been left behind by the Japanese. The FAs were given a monopoly on sectoral representation and federated at the national level, with the party exercising strong influence at every level of the associations.<sup>79</sup> Placed under the administrative authority of the Department of Agriculture and Forestry they could be used by the state to control production, extract rural surplus for industrialization and target developmental programs downwards. Like the cooperatives in Korea the FAs in Taiwan held a monopoly on an array of service provisions, making membership detrimental to farmers. Counterpart organizations such as the Irrigation Associations and Fishers' Associations were structured along the same state-corporatist lines, providing the KMT with a strong organizational net to mobilize and control the rural areas.

Where private industrial capital survived the early violence of reintegration into the mainland or followed the KMT to Taiwan, it was organized into mandated state-corporatist associations with sectoral monopolies and assigned to the relevant ministries. The state's large holdings of industrial enterprises inherited from the Japanese greatly crowded out larger private capital, but what groups existed were organized under the Association for the Promotion of Industry and Commerce, established by the state to coordinate business activities with industrial policy.<sup>80</sup> Like their sectoral counterparts, business and industrial associations were pulled in close to the party:

Cadres from the ruling party and government scrutinized their personnel decisions, budgets and policy decisions; in most cases, the leaders of these organizations were themselves KMT members. Among the board chairs of industrial organizations, 51 percent were KMT members; of these, 42 percent had worked as party employees and 33 percent had received specialized training in a KMT institute. Among general

managers of these groups, 95 percent were KMT members and more than half had experience as party cadres. As a result, the associations became far more effective at communicating the state's policies to their members than articulating or promoting the members' interests vis-à-vis the state.<sup>81</sup>

The KMT's state-corporatist principles, around which these associational landscapes were organized, were also institutionalized at the higher levels of government, where many of the larger sectoral groups such as farmers, labor, industrialists, women, and aboriginals were allocated official seat-quotas in the National Assembly and Legislative Yuan.<sup>82</sup>

### *Consolidating the Political Regime*

The political regime established by the KMT in Taiwan was constructed to secure the party's dominance over all levels of government. Under martial law, the formation of political parties was forbidden, giving the vanguard KMT and its two smaller satellite parties a monopoly on political organization. Competitive elections at the provincial and lower levels of government offered an institution for participation while allowing the party a regular means of mobilizing the electorate and generating support for its rule. The system greatly blurred the party and the state, both organizationally and in terms of personnel. "There was little distinction between the KMT and the government, as most high-ranking ROC officials were KMT members, and government policies privileged the KMT."<sup>83</sup>

The 1947 ROC constitution designed a complex system of government at the all-China national level, which continued to be used after the KMT moved to Taiwan. The parliament consisted of three bodies including the National Assembly, charged with constitutional reform, dismissal of the president and vice-president and legislation proposals; the Legislative Yuan, which served as the main law-making body and was responsible for appointing the members of the Executive Yuan—made up of the government ministries and headed by a premier; and the Control Yuan, the members of which were appointed by provincial and city governments and tasked with a watch-dog function via its powers to censor government officials. The members of these institutions had been elected in late 1947, shortly before the KTM retreat to Taiwan. And because subsequent elections on the mainland became impossible these elected officials simply became 'frozen' when the Council of Grand Justices ruled that those representatives who arrived on Taiwan would hold their seats until subsequent elections could take place on the mainland. The KMT's democratic centralism and strong party discipline, however,

meant that these representative institutions were aligned with the party's Central Committee. Furthermore, as Chiang Kai-shek held the offices of executive head of state, chairman of the KMT, and commander in chief of the army—and it was from his person that power in the ROC emanated—these institutions had the general function of 'rubber stamping' decisions made in the executive.<sup>84</sup>

At the lower levels of government the KMT set up a system of provincial and local government. Although the functions of these institutions were highly constrained by the structures of national government, the system allowed for direct electoral competition for positions in county and city governments, including some but not all mayorships. During the mid-1950s the Provincial Assembly was opened up to direct competitive elections with the provincial governor, however, continuing to be named by the central government. Local-level and provincial elections provided the KMT with a strong institutional mechanism "for neutralizing or co-opting some of its opposition" and the party became well versed at keeping local and provincial politics under its control.<sup>85</sup> Local KMT party machines running on clientelistic relations with local factions were built-up, which provided cooperative local politicians and party mobilizers with economic privileges such as licenses in profitable businesses such as banking, insurance, transportation, broadcasting, securities and shipping, access to credit and loans, public construction contracts, etc. The system also worked to foster two or more factions in local political contests, permitting these to take turns at controlling mayorships or city councils through party nomination. In playing-off the factions against one another, the KMT was able to win the individual cooperation of all.<sup>86</sup> The state-corporatist institutions became a valuable resource to the KMT party machines at this level of politics as they allowed the party to recruit fresh organizers and politicians for electoral competition and provided large organizational memberships which could be mobilized by KMT candidates at election time. Local-level factional elites would often use the executive bodies within the farmer's cooperatives, industrial unions, business organizations and veterans associations as a springboard into local politics under party guidance. In addition, the large memberships of these organizations, along with the military and state bureaucrats, became constituencies of "iron ballots" for the KMT at election times.<sup>87</sup>

In sum, by the early 1950s unchallenged political power was in the hands of the KMT-Mainlander elite organized within the centralized party-state apparatus. The KMT dominated the central political institutions at the national level, which in turn

subordinated the political institutions at the provincial and local levels. Furthermore, all-China representation within the national legislative bodies meant that these institutions were dominated by frozen mainland representatives for decades. The party apparatus became well skilled in controlling politics at the local levels through its party machines based on clientelistic relationships with local elite factions. The ability of the KMT to coopt and incorporate large sectors of society and local political groupings into these institutions of party-rule became an important mechanism of reproducing its political hegemony. And where information censors and the ban on political parties failed to preempt the expression of dissent and opposition, the state's ubiquitous security apparatus lay waiting to crush it.

### ***Shifting from ISI to EOI***

Similar to the situation in Korea, early efforts at ISI via labor-intensive, light manufacturing were pushed by state planners in Taiwan throughout the 1950s, with the bulk of capital financing (roughly 40%) coming from the large flows of US economic aid.<sup>88</sup> Much of the economic aid had been sent into large state infrastructure projects such as electricity, transportation, and communications, while other lines had been made available for ISI efforts among private, mostly mainland Chinese firms engaged in light manufacturing behind protective tariff walls and an overvalued exchange rate. By the late 1950s the process was largely complete as the share of imported consumer goods had become extremely small and ISI production had saturated the domestic market while export market connections were not forthcoming to producers. To add to this situation, the US began making clear its desire to wean the country of its aid line, making essential for Taiwan that it find new sources of foreign exchange. Together, these factors provided a set of constraints within which the state would reorient its production towards export-orientation industrialization.<sup>89</sup> Although some policies supporting exports had been used by state planners during the mid-1950s—such as tax rebates to return import duties to manufacturers producing certain goods for export, and the first of several devaluations among the country's multiple exchange rates took place at this time—the thrust towards a clear EOI strategy came with a series of policy reforms at the end of the decade. From 1958 to 1960 the multiple exchange rates were unified and the currency was devalued, import restrictions on raw material imports and intermediary goods were liberalized to provide input flows into export production. The state pushed through stronger tax

incentives for export production, including a tax-rebate system on inputs for exports, lower tax rates in the form of bank credits for any foreign exchange earned by exporters, and other fiscal incentives such as tax holidays and exemptions for certain production lines. Other measures began to appear at this point such as a system of export credits, state promotion of export cartels, more state involvement in technical and commercial marketing services and export quality inspection.<sup>90</sup>

### *The Options*

As the shift to an EOI strategy took shape during the late 1950s many requisite conditions were already in place. But the policy reforms supporting the strategic shift were not wholly given by the antecedent conditions and economic constraints evident in the late 1950s. Rather, they emerged out of the culmination of a policy cleavage within parts of the economic bureaucracy regarding the course of economic and industrial policy and the restructuring of the developmental bureaucracy. The cleavage revolved around two groups during the 1950s, each representing different developmental objectives and goals and each competing for dominance of overall policy course. Essentially, the conflict centered on questions regarding the share of resources to be pushed into the military vs. the share to be devoted to developing a deeper domestic industrial base, as well as the proper sectoral balance between state vs. private industry. Only as this policy conflict came to an end could agency and institutions come together in a symbiosis for the developmental state to pursue outward-oriented growth. And the contingency created by the 1958 Second Taiwan Strait Crisis appears to have helped solve the conflict.<sup>91</sup>

One policy option was represented by a group of KMT conservatives around the leadership of Premier O.K. Yi, who held a power base among hardliners in the military and party. This group made the goal of retaking the mainland the highest national priority and pursued policies that harnessed all resources towards this end. They dominated the FETCC within the ESB, where they held control over exchange rate policy, the allocation of foreign exchange and overall trade policy. This group also continued to hold administrative power over the large SOE sector within the competencies of the ESB. From these organizational points, this group of conservatives overvalued exchange rates to get the most bang out of the incoming US dollars and pushed the lion's share of the national budget into the military and the SOEs for the

immediate objective of propping up the protected state monopolies and gearing up to retake the mainland through military force.<sup>92</sup>

The second option was represented by a group of reformist technocrats around former provincial governor Chen Cheng. With their organizational base in CUSA and the IDC, the latter headed by Chen's top technocrat K.Y. Yin, this group was tightly connected to the US aid mission and responsible for developing industrial projects in coordination with the FETCC. They held the view that a broad-based development of the domestic industrial structure should be the highest national priority, recognizing that this would be a necessary condition for any eventual military struggle with the People's Republic of China (PRC). K.Y. Yin had masterminded the successful ISI program during the 1950s and by the second half of the decade it became clear to this group that the soaring government deficits and need for foreign exchange could only be dealt with via an export-oriented course. Instead of relying on US aid to keep state monopolies afloat, their vision was to use state connections to Mainlander Chinese, and to a lesser extent Taiwanese, capitalists for the purpose of encouraging investment into targeted industrial sectors for light export-manufacturing. Not only would this increase the availability of soon-to-be scarce foreign exchange, but it would also begin broadening the country's overall industrial base.<sup>93</sup>

Thus, by the late 1950s, economic planners faced a decision. They could pursue a second round of ISI under the overvalued currency by investing more capital into state industry under extended tariff protection, but may find capital scarce if US aid is cut. Or they could push for the development of light-manufacturing export industries that could compete on the international market, thereby bringing in foreign exchange to free ROC dependency on US aid.<sup>94</sup> These two courses, however, required different sets of exchange rate policies, bank lending policies and trade policies, the control of which lay in the hands of the conservatives in the ESB and FETCC, who were strongly averse to channeling precious financial resources into the development of a private manufacturing sector and extremely fearful of any inflation which might result from currency devaluation. But without currency devaluation and a change in trade policy any EOI course based on light manufacturing—which would naturally entail private manufactures—would be ineffective. It was these issues, particularly the overvalued exchange rate, which became the focus of the power struggle between the two competing groups as they fought for “ascendancy in economy policy determination through the 1950s.”<sup>95</sup>

In 1958 two developments came together which would tip the balance towards the reformist technocrats under Chen Cheng and K.Y. Yin and resolve this conflict of developmental priorities. The first development came in the evening of August 23, when the PRC set loose a steady stream of artillery shells onto the ROC-held islands of Matsu and Quenoy, beginning the Second Taiwan Strait Crisis. As the bombardments continued unabated into October, the United States sent its seventh fleet into the Taiwan Strait and channeled massive amounts of armory and weapons to the ROC for defense of the islands. In return for this support, Chiang Kai-shek agreed to a strictly defensive policy against the PRC. With the goal of retaking the mainland through military action now even a more dim possibility than previously, the strategy of a more broad-based development of the industrial structure, as advocated by the reformist technocrats, could be shifted to the highest nationalist priority and serve as a base from which all other things could then be pursued.<sup>96</sup>

The second development played out in the middle of 1958. O.K. Yui was forced out of his position as premier on charges of official misconduct and replaced by Chen Cheng, the latter who had also managed to secure a top position in the party by this time. Thus, the development plans of the reformist technocrats could now be realized because policy could be connected together and coordinated within the new power balance in the bureaucracy. Chen abolished the ESB and moved his men into key positions in the economic bureaucracy: K.Y. Yin took over the FETCC and his protégé K.T. Li was moved to chief of the IDC. Chen then pulled the IDC, where his support base had been, into CUSA, which he now headed in his position as premier. This restructuring proved crucial to the emergence of the EOI course because it “effectively combined in the hands of the reformers influence over the budget, [industrial] planning, aid allocation, finance, and trade and exchange-rate policy, an organizational pattern parallel to that in Korea.”<sup>97</sup> Following the restructuring of the economic bureaucracy were numerous reforms to clear the course for EOI and the use of financial policy to pursue the broad-based industrial development pushed by export production as apposed to the previous policy of harnessing financial policy towards strengthening the military as first priority to retake the mainland. By the end of 1958 the FETCC under K.Y. Yin had eliminated over thirty regulations that disadvantaged export expansion and established two dozen more to encourage export expansion.<sup>98</sup>

In 1963 CUSA was renamed the Council for International Economic Cooperation and Development (CIECD) and the technocrats in the IDC were brought along as its

sectoral planning component. CIECD remained the super-ministry coordinating the Ministry of Economic Affairs and the Ministry of Finance, possessing “a wide range of responsibility, a semiautonomous status within the government, and a highly talented staff with experience gained over many years.”<sup>99</sup> Together with the Council for Agricultural Planning and Development (formerly the JCRR), these bodies became the general economic staff of the ROC developmental state. Like the case of the EPB in Korea, the structure of the ROC’s political institutions and the hierarchy of state line-ministries served to insulate the central planning bureaucracy in its efforts to target and coordinate industrial policy. Within the centralized state apparatus, the upper-level technocrats were accountable only to the top leadership and highly “cautioned themselves against nurturing intimate ties with private business, be they natives or Mainlanders.”<sup>100</sup> Their similar educational backgrounds, high status, party-ties and working-relationships within the bureaucracy, and management of the state enterprises made for “an uncommon amount of personal and professional empathy” and a strong “esprit de corps” among the this group.<sup>101</sup>

In sum, during Taiwan’s critical juncture the KMT was able to consolidate its power and secure a stable political order under the dominance of the one-party state. Ensclosed within a strong, centralized state apparatus, the central power holders and planning technocrats came to hold a high level of relative autonomy from Taiwanese society. They commanded state organizations imbued with high levels of administrative and coercive capacity, which together provided a necessary condition to bring together the pieces of the developmental state by the late-1950s and shift policies towards EOI. One of the major differences between the critical juncture in Taiwan and that of South Korea was that the KMT party-state had previously subordinated society to its organizational dominance before the turn towards EOI took place. This sequencing meant that state elites were less constrained during the transition to EOI and it would contribute to the KMT’s more effective regulation of new social forces arising out of rapid industrial development throughout the subsequent decades.

### **2.3 Singapore: From Crown Colony to Independence**

Singapore’s critical juncture began with the city’s launch into self-governance in June 1959. The People’s Action Party (PAP) was elected into the new government with a landslide victory and the party’s secretary general, Lee Kuan Yew, was elected prime

minister. Although British tutelage remained in the areas of national defense and foreign affairs, and the former colonial power continued to exercise influence on internal security matters in cooperation with the Singapore and Malayan governments, the phase of decolonization had reached a major end turning point. The 1959 elections mark the beginning of large transformations in the city's social and political landscapes that would take shape over the next years as the PAP government dismantled the pluralistic civic arena that had characterized the Crown Colony throughout the 1950s. The politics of this earlier period would have lasting effects on the structure of the state and the political regime constructed by the group of PAP elites around Lee Kuan Yew after coming to power. As these structures facilitated the merging of party, government and state, they supplied a base for the production and reproduction of economic and political hegemony at the center of power. The process would be consolidated following Singapore's abrupt expulsion from the Federation of Malaysia in 1965 and the PAP government's subsequent shift towards a strategy of rapid EOI.

### ***The Coming of the People's Action Party***

The PAP was formed in 1954 by a group English-educated, Chinese middle-class progressives around the personalities of activist leader Lee Kuan Yew and the more leftist-leaning union organizer Lim Chin Siong. At that time, the PAP was one of many new political parties that sprouted up in the aftermath of the Rendel Constitution which had patterned out a route to limited self-government in Singapore beginning in 1955. Lee and his moderate PAP cohorts found themselves in a sea of mass-mobilizing social and cultural organizations in Singapore, a great many of which had emerged out of the United Front strategy of the Malayan Communist Party (MCP) and later the organizing activities of the Anti-British League.<sup>102</sup> The strongest movements were grounded in the trade unions, student organizations, and vocational and cultural associations led by Chinese-speaking communist and leftist organizers. With no grassroots organizations of their own, Lee's PAP forged an alliance of convenience with these leftist and communist organizers, for it was this group who held the grassroots organizational power for mass-mobilization and enjoyed strong popular support among Singapore's Chinese majority. Likewise, the leftist and pro-communist organizations recognized the necessity of "a non-communist, legal, electoral front to give [them] a role in the transition to independence," which the PAP organization supplied.<sup>103</sup> The PAP strategy, therefore,

was to use the pro-communist organizations as a bridge to the Chinese-speaking majority in Singapore—a strategy that proved quite successful. The moderate PAP group was able to maintain its hold on party leadership throughout the later 1950s and during the 1959 elections for full self-governance, the party sat atop the highly mobilized, leftist, grassroots organizations as it rode its way into power with the support of the Chinese-speaking masses in 1959. Winning 53.5% of the popular vote the party gained a solid majority in the new legislature.

The marriage of convenience between the moderate and leftist forces in the PAP—its common denominator having been anti-colonialism—did not last long once the party came to power. Lee Kuan Yew was appointed prime minister and moved to exclude the PAP's leftwing from important government positions while bringing PAP moderates into the main ministries, from where Lee's group came to dominate the state machinery.<sup>104</sup> The government then began taking administrative actions to constrain the organizational power of the left within the labor movement, where the latter had begun rebuilding many of the pro-communist organizations that had been wiped out by state security during the 1950s. First, the government passed the Trade Unions Act in 1960 which mandated the affiliation of all unions with the nationally federated Trade Unions Congress (TUC). Then, placing their man into the TUC secretariat and empowering the government registrar to deregister or refuse new registrations, the PAP moderates began bringing the unions under government influence. The government then moved to counter continuing leftist mobilization of industrial disputes and strikes with the establishment of a new industrial arbitration court under the Ministry for Labour, which mandated immediate cessation of industrial action upon mandatory dispute referral and deregistration of unions in violation of this regulation.<sup>105</sup> These moves aggravated party cleavages and accelerated the split between the PAP's moderate and leftist wings. As leftist organizers held the majority of the party's local branches and the organizational mobilizing structures at the grassroots level, the PAP government, anticipating an eventual full-fledged party split, realized that it may be robbed of this organizational machinery at the community level. To build a substitute organizational base into the electorate the government began establishing community centers throughout the electoral districts, through which it could penetrate into the grassroots and mobilize political support.<sup>106</sup>

As these cleavages between the two PAP factions worsened over the next year, the moderates would continue to use their position at the helm of the state apparatus in

attempt to consolidate their political power while seeking to neutralize and counter increasing challenges coming from the Left.

### *The Options*

The cleavages between the PAP moderates and leftists revolved around two central points regarding the substance and form of the Singapore state and polity. The first contentious issue was the Internal Security Council (ISC) and the Internal Security Act (ISA). The ISC had used the ISA against leftist and communist leadership and organizations throughout the 1950s and the security organization continued to represent British and Malayan interest in addition to the PAP government. The second issue involved the substance of a path towards Singapore's independence. Both issues were highly intertwined.

The PAP moderates around Lee were convinced that merger into a bigger Malaysian Union was the only viable option for the survival of Singapore and they had made it part of the PAP's 1959 electoral platform.<sup>107</sup> First, lacking natural resources, declining entrepôt trade and rising unemployment, the creation of a common market with Malaya would provide Singapore with an ISI option to further develop its economy. Second, merger with Malaya would put Singapore's security under the control of the strongly anti-communist national government in Malaya headed by the ruling United Malays National Organization (UMNO) alliance. The PAP government had broached Malayan Prime Minister Tunku Abdul Rahman on this issue several times beginning in 1959, only to receive less than warm responses. Bringing Singapore's Chinese majority into a Federation of Malaysia, the Tunku feared, would greatly dilute the Malayan majority and threaten Malayan political power. His answer to communist organizing on Singapore was to use the ISC to neutralize the Left through repression. But this was not an immediate option for the moderate PAP government as Singapore's leftist and pro-communist groups enjoyed strong support among the Chinese electorate. The government could move to neutralize and counter the leftists' organizational support-base but it could not arbitrarily unleash coercion on it. In contrast, the leftist PAP wing saw the ISC and its use of the ISA for what it was—a mechanism directed against them—and was fighting for the abolishment of both. They strongly opposed closer association with the anti-communist UMNO government in Kuala Lumpur and wanted a full merger with Malaya under complete autonomy from the British, followed by

immediate pan-Malayan elections. To this effect, they were “working to undermine the Lee government, cause dissent in the PAP and stir up unrest amongst the workforce.”<sup>108</sup> The British, however, would not be granting full-independence and autonomy to Singapore as long as the communist problem remained. As Lee Kuan Yew stressed to two British members of the ISC around this time: “We were at a critical juncture.”<sup>109</sup>

As the left in Singapore increased pressure on the PAP government throughout 1960 and early 1961 with demands for the abolishment of the ISC and full independence from Britain, the uneasy power balance between the moderate and leftist PAP wings appeared to be shifting against the former. In April 1961, former PAP Minister Ong Eng Guan challenged the PAP on these issues in a by-election race for the Hong Lim seat, which he won in a landslide victory. As the power balance increasingly shifted against the PAP government, however, its available political options also began to shift. On May 27, 1961, the Tunku made a public speech to foreign correspondents at the Singapore Press Club, in which he announced his support for the incorporation of Singapore and the northern Borneo territories into a greater Malaysian union.<sup>110</sup> He had evidently seen as very real the possibility that the PAP left may take power in Singapore and viewed “merger as a way of strengthening Lee Kuan Yew’s non-communist regime and thereby reinforcing regional stability.”<sup>111</sup> As Lee increasingly came under parliamentary pressure from the Left, he too saw a speedy merger as the best option. “The strategy, in short,” Amrith explains, “was to cut the Singapore left loose of its global anti-colonial connections by consolidating Singapore’s position within the firm wall of a Malaysian national federation, secured by a round of internal repression that could now be carried out [against the Left] in the name of national integration.”<sup>112</sup>

### *Breaking the Left with Merger*

With merger now a viable option the PAP moderate–leftist fissure was formalized and the split fractured downwards through the party and into the mass organizations, from the unions and Chinese student groups to the Community Centers. As PAP leftists reorganized under the *Barisan Sosialis* (Socialist Front) they took the bulk of grassroots organizational control with them and left the PAP party branches empty of leadership.<sup>113</sup> On the trade union scene, the party split filtered downwards with the pro-PAP unions affiliating with the government’s newly established National Trades Union

Confederation (NTUC) and the pro-Barisan Unions—still the majority of unions—affiliating with the newly established Singapore Association of Trade Unions (SATU).<sup>114</sup>

The PAP and Malayan governments hammered out an agreement for merger in which Singapore would have governing autonomy within the federation in all matters except internal security and defense, both of which would be dealt with by the federal government in Kuala Lumpur. But the PAP government still had to prove to both the British and the Malayan government that it could deal with the Left in Singapore and maintain power. The opportunity came at the beginning of 1963 following an anti-Malaysia revolt in Brunei in December 1962 for which the Barisan in Singapore showed open support. With British and Malayan encouragement, the PAP government now harnessed the ISA to move against the Barisan and leftist unionists with coercive security measures in the name of national unity. Operation Coldstore, as the security crackdown was named, was launched in February 1963, during which 113 left-wing political leaders and trade unionists were rounded up and detained under the ISA. Further administrative attacks were then carried out against leftist union leaders in the subsequent months for violations of the Trade Unions Act, allowing the PAP government to deregister most SATU unions and pull them into the government-supported NTUC.<sup>115</sup>

Singapore entered Malaysia on September 16, 1963. Days later the PAP government called snap general elections to secure a fresh mandate. As Operation Coldstore and subsequent mopping-up actions by the ISC had put many Barisan leaders and leftist organizers in custody, and subsequent government attacks on the SATU unions had robbed the Barisan of support organizations, the PAP enjoyed large organizational advantages for the election, taking a solid majority in the new legislature. Following the election the government extended security actions with the arrest of three newly elected Barisan MPs, causing another two to flee the city, effectively bringing an end to political challenges in Singapore.<sup>116</sup>

### ***Independence and Industrialization***

Singapore's merger with Malaysia lasted but two short years and was characterized by conflict between the political maneuvering of the PAP and the Tunku's UMNO ruling party in Malaya. In addition, Sukarno's *Konfrontasi* against Malaysia put increasing pressure on the situation from the outside through destabilization campaigns involving

the infiltration of armed commando and seditious groups. These developments were marked by two extremely violent racial riots between Malays and Chinese in Singapore during July and September 1964, both which ended in numerous casualties and hundreds of injured. In 1965 the Tunku decided to have Singapore out of union and constitutional arrangements were made for separation, which officially took place at the beginning of August 1965. Hours after the Parliament of Malaysia voted for the expulsion of Singapore from the federation the Singaporean Parliament passed the Republic of Singapore Independence Act, making the city a sovereign republic.

Now thrust alone into independence the PAP found itself in a pressing situation. The British were in the process of winding down their empire and accelerating military withdrawal in Southeast Asia. When the British government announced the closure of its military base in Singapore by 1971, it was clear that this would leave the island defenseless and further worsen the already high unemployment and economic stagnation—the British base accounted for roughly 12% of GDP and provided roughly 20% of employment for the local population.<sup>117</sup> As the perception of national security and domestic instability came to the foreground, related concerns emerged concerning the available options of industrializing the small *entrepôt* economy.

The contingency during 1965 and 1966 greatly narrowed the developmental options for Singapore and opened up “intense debate as Singapore groped toward an economic strategy.”<sup>118</sup> The PAP had promised the electorate economic development and had geared its policies towards an industrialization of the city’s economy within a broader Malaysian common market, which would have provided protection for a phase of easy ISI. Yet unlike the cases of Korea and Taiwan, where an ISI push during the 1950s had laid a basic industrial and commercial base for the later move towards EOI, Singapore’s ISI program had been short-lived and only partly successful. The Malayan government had been pursuing its own ISI program since 1958, which had been pulling skilled workers from Singapore into the Malayan peninsula and shutting out markets for Singapore’s program. Now in the absence of a larger hinterland, the small Singaporean market could definitely not support the continuation of the ISI strategy. Adding to this situation was the fact that the nationalist economic agendas of independent Malaysia and Indonesia had deferred the direction of their trade through the *entrepôt* as these countries began handling their own trade. Unemployment was in the double digits and industrialization was imperative to absorb the masses of unemployed. Singapore had little in the way of industry and factories and lacked the existence of a class of capitalists

that could take on a rapid push into industrial activities. Driven by strong perceptions of immediate threats to the small city-state's national security and survival, the PAP pushed a rapid shift towards EOI. Before discussing this shift in industrial policy, however, it would be useful to first look at the state organizational apparatus the PAP inherited from the British colonial administration and how the government quickly built on this base to wield the state in ways which made the EOI course a viable option.

### *State Autonomy and Capacity*

The strength of the British colonial state inherited by the PAP government played a decisive role in its ride to political hegemony following the split with the Left. It also proved just as essential to the government's construction of an economic and social hegemony following the failed merger. The two most pertinent organizational aspects of the PAP state were its extractive and coercive capacities, both of which had been strengthened by the British during the 1950s.<sup>119</sup> The coercive capacity had been steadily bumped up throughout the 1950s to deal with the pro-communist and leftist mobilization, particularly the labor and student movements. Here the activities of the Internal Security Department within the colonial Special Branch were given the Internal Security Law as a counter-revolutionary tool to arrest and detain citizens without trial, dismember organizations and expel political trouble makers, which the government aimed at the MCP and its front organizations during the 1950s. The moderates in the PAP were greatly helped by these actions on several occasions in the late 1950s as leftist activists were cleared out of the party by colonial security.<sup>120</sup> After coming to power in 1959 they too made good use of the law to move against leftist opponents during Operation Coldstore.

The outgoing British administration also left behind useable organizational structures in the bureaucracy. But because a large part of the upper-class, English-educated civil servants who staffed the main administrative organizations were not so receptive to the populist, socialist agenda on which the PAP had ridden to power, it required reform. In accordance, the incoming PAP government immediately pushed through reforms aimed at changes in both institutional and attitudinal aspects of the bureaucracy. The senior ranks of the civil service were subtly purged through a campaign of selective retention and retirement and the colonial practice of promotion by seniority was replaced by a system of meritocracy and strengthened with measures to

deal with misconduct.<sup>121</sup> The government opened a new Political Study Center in August 1959 to re-orientate civil servants and train new recruits through a “systematic campaign to change the values of the civil servants.”<sup>122</sup> In addition, the expansion in the sheer size of the bureaucracy took place rapidly, with the number of established posts increasing almost 150% by the early 1970s.<sup>123</sup>

With expansion in the size of state administration also came the expansion in the activities of the state. The PAP had promised socioeconomic projects to its electorate and after coming to power it began with the implementation. Its chosen instrument was the statutory board—another vestige left behind by the British. Statutory boards are corporate bodies established by acts of parliament, which are legally independent entities and thereby enjoy greater autonomy in financial and operational matters than the government ministries—although they are still subject to the policy guidelines of the responsible ministry and remain accountable, but only to a limited extent, to parliament.<sup>124</sup> Housing, infrastructure and education were the big projects of the PAP government and the largest percentage of public investment was directed into these areas. The Public Utilities Board was created in 1959 to expand public infrastructure, the Housing and Development Board (HDB) was created in 1960 to construct housing units for the population and the Economic Development Board (EDB) was established in 1961 to serve as the main planner, promoter and coordinator of industrial development.

Undergirding this administrative capacity was the autonomy enjoyed by the group of moderate PAP elites at the center of government and the state apparatus. As discussed above, the leftist movements had been severely weakened following the party split in 1961. By the time of the merger they had been crushed and the majority of the labor movement had been pulled under PAP-dominated unions. Following the PAP electoral victory in 1963 the Barisan Sosialis had lost much of its mass base and its leaders fell victim to the ISA, ensuring that “the left was unable to regroup and consolidate itself as a credible legal opposition.”<sup>125</sup> The only other social group with an organizational power base in society was the Singapore Chinese Chamber of Commerce (SCCC), whose elite members sat atop the hierarchy of Chinese community organizations based along lines of clan, status and wealth and enjoyed strong community influence among the Chinese masses. Although their organizational influence had declined in the rough and tumble of leftist movements and politics during the 1950s, the SCCC still held some influence during the early 1960s. Politically, the SCCC elites had often come into conflict with the moderates in the PAP and following the party split in

1961 some had even provided a financial base to PAP political rivals.<sup>126</sup> Culturally, the Chinese business class heavily propagated Chinese nationalism as a political identity, a discourse interpreted by the PAP elite as ‘Chinese chauvinism’ and one that greatly conflicted with their practice of multi-ethnic nationalism. By skillfully connecting this discourse with the identity of its leftist political opponents, the PAP leadership was able to weaken the traditional power of the SCCC.<sup>127</sup> While also co-opting its support on several occasions to mobilize the Chinese electorate—such as during the merger campaign—the PAP was never in danger of becoming captive to this group, particularly following the shift to EOI, from which this group would be excluded.<sup>128</sup>

### *Emergence of an EOI Strategy*

When the PAP government looked to industrial development following the loss of the Malaysian hinterland, they saw a domestic bourgeoisie grouped within the SCCC, whose economic activities were grounded in the traditional sectors of merchant trading and domestic services. This class lacked experience in manufacturing and possessed neither the capital nor technological capacity required for a crash-industrialization program within the county’s minute domestic economy.<sup>129</sup> For either economic or political interests, or both, the PAP government sidelined this group of capitalists as it shifted to an EOI strategy following the end of the merger. Huff suggests that the PAP elites never even seriously considered any sort of development model which could be built around these smaller Chinese manufacturing enterprises—such as the route taken in Hong Kong.<sup>130</sup> In any case, with state power centralized around a coherent political leadership free of ties with powerful organized interest groups, the PAP elites’ solution to the industrialization project was to bagger foreign capital to come to Singapore to establish an industrial manufacturing base geared towards the international market. As a carry-over from its entrepôt status, Singapore already had favorable policies for attracting multi-national corporations (MNCs), which were to supply the basis of the manufacturing strategy. The domestic economy was free of exchange controls and restrictions on the repatriation of capital and profits, and import tariffs on goods and services were either absent or extremely low. Throughout 1967 and 1968 an array of additional fiscal incentives were added in order to make the country more competitive and attractive to export-oriented MNC manufacturers, including duty-free imports of production equipment and inputs, accelerated depreciation rates for production capital

and a new tax code insuring businesses manufacturing for export with only moderate tax rates.<sup>131</sup> The new incentives greatly favored larger international firms and set the stage for the forging of an alliance with foreign MNCs, which would flood into the country over the next decade.

Yet tax incentives and other favorable macro-economic incentives alone could not attract the foreign capital needed for the industrialization strategy. The PAP used the administrative capacity of the state to provide further incentives, including an infrastructure with modern industrial estates, competent bureaucracies to guide investment, industrial sectoral targeting and coordination, and the creation of a disciplined, docile, and hardworking labor movement. To do this, the PAP government again looked to the statutory boards, which it began to use in a big way to establish an industrial infrastructure. The success of the EDB and the HDB since the early 1960s reinforced this thinking.

In 1968 some of the EDB's activities were moved to other parts of the state bureaucracy. The EDB functions for constructing industrial estates were moved into the new Jurong Town Corporation (JTC), its investment functions were merged into the Development Bank of Singapore (DBS), and a state trading company was established to take over the Export Promotion Centre (EPC).<sup>132</sup> The EDB remained the core planner and coordinator of the industrialization strategy and began establishing foreign branch offices in the United States, Europe and Japan for the purpose of badgering foreign entrepreneurs and investors to channel capital and manufacturing production into Singapore while also securing profitable export markets for the country's manufactured exports. The EDB enjoyed a high level of independence and policy autonomy and was well positioned to plan industrial sectoral policy through its provision of loans and technical assistance to private manufacturing investment and its monopoly on the issuance of industrial permits, both of which could be strategically used to develop the industrial structure.<sup>133</sup> As the government revamped numerous existing statutory boards and created new ones, personnel in these state corporations increased rapidly, rising from 27,000 in 1969 to 48,000 by 1974.<sup>134</sup> The statutory boards quickly built an enticing infrastructure for MNC capital to flow into Singapore—including modern industrial estates and public infrastructure with a modern harbor, city transportation networks, utilities, housing, and education institutions. Particularly the PAP's social development projects in the areas of housing and education helped cement the developmental program to the political program. Low-cost housing for a large work force provided stability for

the labor market while also extending the PAP government's social base to the working class.<sup>135</sup>

The last piece of the developmental state to secure the strategy of export-oriented manufacturing by MNCs was the control over labor, which, as we have seen, was created to a great extent by default out of the earlier political conflict between the PAP moderate leadership and the leftist political unions. By 1968 labor subjugation became solidified as part of the new industrialization strategy through legislation securing a compliant labor force and industrial peace. Amendments to the Trade Unions Act in 1967 outlawed strikes in essential services, constrained them in other sectors and strengthened the government's control over union officials. Amendments to the Employment Act and the Industrial Relations Act in 1968 then reduced wages, weakened working conditions regulations and increased working hours while breaking collective bargaining rights and further reducing union capacity for industrial action.<sup>136</sup> Power at the workplace was now drastically shifted away from the unions and towards management: "Unions suddenly found themselves barred from negotiating issues like recruitment, work assignments, promotion, transfers, retrenchments, and dismissals."<sup>137</sup> The connection of this legislation to the government's new EOI strategy was made clear by the Minister of Labor: "This Bill [Industrial Relations Act], like the Employment Bill, is an attempt to rationalize employer-employee relationship with a view to attracting new investments and increasing the efficiency of our trading and industrial enterprises."<sup>138</sup>

### ***Consolidating the Political Regime and Reorganizing Society***

As the shift towards the EOI strategy took shape during the years following Singapore's expulsion from Malaysia it was accompanied by the consolidation of the new political regime that gave the PAP government a hegemonic position within politics and society. This was helped along greatly by a drastic decline in political competition that began with an across-the-board resignation of Barisan Sosialis MPs in protest of the lack of parliamentary discussion accompanying the separation from Malaysia and Singapore's independence. Their strategy was to take the struggle against the PAP to the streets, thereby landing them in the sights of the ISA. As US Ambassador Francis Galbraith wrote to Washington shortly afterwards, the Barisan's "program of street demonstrations . . . significantly failed to accomplish anything except add to Singapore's prison population."<sup>139</sup> The Barisan boycott also resulted in a series of by-elections during 1966

and 1967, in which the PAP took every open seat in walkovers, giving it a complete monopoly in parliament. When the government called early elections in 1968, the Barisan again instigated a boycott, leaving the PAP virtually unopposed and allowing it to retain its monopoly. As Galbraith stressed, “these developments left PAP power at [its] highest point ever and contributed to its objective of creating [a] ‘tightly knit’ and ‘rugged’ society that Lee sees as essential if Singapore is to survive [the] critical decade ahead. . . . The fate of Singapore, so far as anyone in Singapore can decide it, is very much in his hands.”<sup>140</sup>

The political regime by this time was arranged around the highly centralized state bureaucracy wielded by the PAP in a way that blurred any distinction between party, government and state.<sup>141</sup> From the beginning the government was characterized by a tight overlap with the Central Executive Committee (CEC) of the PAP. Party reforms in 1957 had structured the upper hierarchies along the lines of the Vatican model by creating an elite cadre system—the CEC would carefully select a small group of cadre members, which in turn would appoint the CEC—thereby excluding the possibility that ordinary party members could exercise power. This closed system ensured that the government cabinet was dominated by the party CEC. Thus, like the KMT on Taiwan, the party and government in Singapore overlapped at the highest levels of the state. But there were important differences in the configuration between party, government and state. Unlike the KMT, the PAP lacked both the penetration of the state with party cells and the penetration of society with mass party organizations—the latter had been lost during the party split in 1961 when the Barisan took the local branch organizations with them. The PAP did not seek to rebuild these party organizations and as a result, the party in Singapore came to play a much less important role in securing government domination over society than the KMT had done in Taiwan.

First, in the realm of the state the growth of government activities through the expansion of statutory boards greatly broadened the power of the civil servants and created of a core group of technocratic elites placed in central positions within these organizations and interlocked with the government cabinet. As the power of this administrative elite increased and party competition declined, the role of the elected politician in government became greatly reduced and representative politics became substituted with a belief and trust in the expertise of technocratic leadership. The result, as Chan dubbed it, was the emergence of the “administrative state,” in which the “the [party] mobilizer is far less esteemed than the technocrat.”<sup>142</sup> De-politization within the

ruling party was accompanied by strong party discipline as the party hierarchy came to overlap with the government structures. As Chan further clarifies, the PAP parliamentarians made up the core of the party and were controlled indirectly by the party leadership in the cabinet, whereby the former performed loyal in the hopes of pleasing the latter and gaining meritocratic promotion into positions within the public boards.<sup>143</sup> Thus, with the technocratic core tied to the power center of political leadership through the ministries, these two groups merged in “a near-synthesis in outlook and approach” to create a coherent collective at the center of state power.<sup>144</sup> Like the political insulation of technocrats in Korea and Taiwan, this core technocratic elite in Singapore was not accountable to parliament, but only to their ministers in charge.

Second, lacking the party channels into society the PAP government turned to the state bureaucracy to consolidate its political organizational monopoly in society. To penetrate downwards into the grassroots level of political organization the PAP government constructed an array of parapolitical organizations under the umbrella of the People’s Association (PA). The PA was a state bureaucracy run from the prime minister’s office that connected the government directly with communities, thereby giving the political center a transmission belt into the grassroots. The People’s Association structure was centered on numerous Community Centers (CCs) established by the PAP in the first half of the 1960s, which gave the government a node of organizational power in every community with which it could co-opt, control and reshape local preferences. The PA organizations, in effect, were a substitute for the lack of effective local party structures that disappeared with the party split.

The CC had several important functions.<sup>145</sup> First, run by local Management Committees (MCs) consisting of local elites and volunteer teams, the CC served the basic purpose as implied by its name. Community Centers were simple buildings that offered an infrastructure for an array of community activities such as sports and playground facilities, kindergartens, books and newspapers, classes in home economics and other subjects. Second, as the center of the community, they became the center of grassroots political activity in the neighborhoods. Each CC headquartered the local political committee, known as the Citizens’ Consultative Committee (CCC) which were established throughout all electoral districts after 1964. The CCC leadership was recruited from the localities and appointed by the local PAP Member of Parliament (MP) on approval by the Prime Minister’s office. The typical leadership represented “a cross between ward heeler, opinion sampler, and local leaders, with a little of the

neighborhood cop thrown in for good measure.”<sup>146</sup> These organizers made sure the community centers had a steady supply of government-produced political publications, news and editorial programs which could be read in the centers or watched on the their television sets. They facilitated the local PAP MP in using the community centers as a “platform from which to cajole, praise, or inform his constituents” with speeches, or party-sponsored dinners. Most importantly, by acting as the “eyes, ears, and sounding board” for the local MP the CCCs served as a perfect two-way channel for communication between the government and party center at the top and the grassroots at the bottom.<sup>147</sup> Third, the CC came to serve an important function in dispensing government services, including everything from welfare payments and basic health services to neighborhood security services—neighborhood vigilante organizations were trained and funded by the government to provide policing functions.

As a consequence of these numerous functions and organizational activities of the CCs, the role of the party, government and state became blurred: “The people of the neighborhood look on the center as the chief point of contact between themselves and the government, and the ruling party reaps the benefits.”<sup>148</sup> Not only did the CC structure give the PAP government perfect channels to co-opt local elites into the political periphery and mobilize grassroots around government policy, but also the practice quickly began to supplant the existing community structures and organizations, including those where Barisan leadership had previously dominated. By 1968 the PAP had roughly 200 Community Centers scattered throughout the city, each headquartering the local CCC and neighborhood vigilante organizations. As Visscher suggests, “the rise of the modern state in Singapore signified the decline of the communally-based system.”<sup>149</sup>

The canvassing of the city with these parapolitical organizations greatly symbolized the new relationship between state and society built by the PAP: the state supplied and controlled the main channels between the government and the governed. To keep these channels dominant within the political space at the grassroots level, the PAP government reeled in, dismantled and/or co-opted secondary organizations through the Societies Act 1967, which allowed for bureaucratic control over the registration of civic organizations through membership requirements and control of their agendas through tight restrictions on associational activities.<sup>150</sup> Other legislation like the Vandalism Act, the Sedition Act and the feared ISA served to insure tight limits on political discourse within the now depoliticized civic arena controlled by the PAP government. Thus, where political parties and civic associations could be formed, they were proscribed into the

public areas where the government-sponsored organizational apparatus enjoyed hegemony.

In the sensitive areas of ethnic and religious organization, state corporatist intermediaries were constructed to regulate and control cultural and religious activity. In the case of Singapore's Malay minority, the PAP government organized this group into the Singapore National Malays Organization (PEKEMAS) to break its ties with Malaysian politics. In 1968, the government established the Islamic Religious Council of Singapore (MUIS) for the purpose of reeling in religious organizations and establishing a channel with these groups which the government could control through leadership selection and appointments.<sup>151</sup> These actions were then followed up by the establishment in 1969 of the Central Council of Malay Cultural Organizations Singapore as a "non-political body committed to organizing Malay resources and advancing the economic and educational program of the Malays by co-operating with the government."<sup>152</sup> This pattern of state interaction with ethnic groups would be expanded with time to the Indian and Chinese communities under the government's co-optation strategies.

In sum, by the time the critical juncture in Singapore came to an end, state power had become inseparable from the PAP as party and the PAP as government. This blurring of the party, government and the state within the organizational sphere reflected the technocratic corporatist ideology of the PAP elite. The state, dominated by the PAP government, became "exclusively responsible for legitimating and enfranchising group and individual participation in public affairs, while also being responsible for managing the harmonious interaction among these groups and individuals."<sup>153</sup> PAP state power, Trocki explains, was extended across the board:

The party-state now took full responsibility for almost complete management and surveillance of society. Its power was reflected in every agency, from housing, to education, to economic development, to labor organization, to traffic control, to control of fertility, to cultural expression, to religion. In every aspect of life, government regulation became paramount.<sup>154</sup>

The justification given by the PAP elites for these structural relationships was Singapore's uneasy ethnic make-up within an immediate geopolitical context of insecurity and the overriding necessity of national survival. But more importantly, these organizational structures provided the PAP government with powerful channels to control, co-opt, and mobilize social groups towards its national, industrial developmental ends.

## 2.4 Conclusion

The narrative accounts of the critical juncture have sought to capture the processes leading to the establishment of developmental states and shifts towards national EOI strategies in Korea, Taiwan and Singapore. These paths were not given as defaults, but opened only within a conjunction of unique antecedent conditions and contingent events, which together provided room for these shifts to take place while also prodding the process. As changing transnational economic structures and the international positioning of these countries combined with favorable configurations of domestic social and state structures, a collective of political elites secured their power within strong state organizations and undertook a reorganization of society, politics and administration to secure an environment for rapid industrial and economic development. Yet as evident in the above narratives, these processes unfolded in quite different ways which reflected variations in those particular antecedent conditions and contingent events found in each case. Likewise, the immediate outcomes of these critical junctures—developmental states and the reorganization of relationships with society for rapid EOI—also display much cross-case variance. These variations in the structure and action of the state vis-à-vis its reorganized social sectors would greatly shape the cross-case variations in class and social structural development that would take place throughout the ensuing decades of rapid development. These differing experiences of social sectoral developments, as will be argued in Part III of this work, would have strong consequences for processes of political change in these countries. However, the analysis will first turn to Part II of the study, which undertakes a comparative historical analysis of the structural and organizational relations of these developmental states vis-à-vis social sectors with a focus on how variances found across the institutional configurations linking state and society in South Korea, Taiwan, and Singapore impacted different trajectories of social sectoral development set loose by processes of rapid industrial development.

## Part II

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### The Developmental State, Organized Society, and Rapid Industrialization

#### Introduction

The immediate outcomes of the critical juncture discussed in the last chapter subjected the South Korean, Taiwan and Singapore polities to radical changes as the social, political and economic orders of these countries were reorganized by the developmental state to affect rapid industrial development. Transformations in the organizational structures and actions of the state were encompassing: newly erected state-corporatist channels sought to mobilize and control collective action among the reorganized social sectors; new configurations of political institutions and political patterns aimed at securing and reproducing centralized executive power and insulating the economic planning technocrats within the elite economic bureaucracies; a battery of auxiliary and parastatal political structures—from national police, intelligence and security agencies to state-sponsored community organizations and mass party organizations—aimed to penetrate, co-opt and control civil society more generally for industrialization. The exact institutional configurations standing between the developmental state and society differed across these cases, but they had one feature in common: they were geared towards effecting rapid national industrial development—the new *raison d'état* of state elites—by securing the social discipline and political stability needed for these national projects. It is within these historical configurations that the dynamics of the social change unleashed by subsequent rapid economic development must be understood.

Skocpol emphasizes how states can have different organizational structures and undertake different actions as state officials attempt to achieve collective goals, both of which serve to pattern relationships with social groups in unique ways. These structures and actions “affect political culture, encourage some kinds of group formation and collective political actions (but not others), and make possible the raising of certain

political issues (but not others).”<sup>1</sup> Both the organizational structures and action patterns of these developmental states, geared as they were towards the control and mobilization of society and the market for effecting rapid national industrial development, would greatly shape the formation and development of social sectors throughout rapid industrialization—intentionally or unintentionally—by accelerating particular social developments while also staling, dampening or obstructing others. These historical processes, however, took place differently across these developmental states in ways related to the variations found in their institutional configurations. Institutional and organizational differences produced variations in structural patterns between the state and social sectors, variations in industrial policy and the resulting structure of the developing economy and variations within the political arena—structures which would constrain the formation of sectoral identities and social understandings, the availability of organizational resources for collective mobilization and, ultimately, the rise and fall of collective actors throughout rapid development.

At the same time, as we shall see, these institutional configurations and patterned structural relations were not static. Neither were they unchallengeable nor were they unchangeable. “Political balances and bargains among states and between a state and social classes,” Skocpol suggests, are “structurally conditioned” and subject to shift or breakdown.<sup>2</sup> Thus, as the process of industrial development proceeds and social orders are reshaped, the emergence of new social forces and structural dynamics may feedback to affect the structural patterns and actions of the state vis-à-vis society. Likewise, the state may attempt to restructure its relationships with parts of society in order to facilitate further tasks of development such as industrial deepening or the upgrading of export manufacturing platforms. More particularly, the developmental state’s institutional connections with social groups, geared as they are towards command and control of collective action, may produce counter-effects by creating unintended relationships with particular groups, which may then shift the structural basis of its patterned relationships. At the worst—from the point of view of state officials—such shifts may activate a collective social group to challenge the very nature of the institutions or structures within which it finds itself. Such challenges may then push state elites to react with institutional reconfiguration in order to adapt to the new dynamics, setting loose a “reactive sequence,” or a process of reactions and counteractions between groups contesting power relations within a path dependent process.<sup>3</sup>

The following four chapters are focused on these historical dynamics of social change and the collective activation and mobilization of social groups within the process of rapid development in Korea, Taiwan and Singapore. Each chapter deals with one of four main social-class sectors at which state structures and actions were generally directed to mobilize these groups for rapid development: Private capital groups, industrial working classes, rural society, and the middle classes. Each comparative analysis shows how the different ways in which these developmental states structured institutional relations with these social sectors to control, co-opt and mobilize for the developmental project, filtered and constrained the social changes unleashed by rapid development in ways that resulted in diverging trajectories of socioeconomic and class structural developments across cases. We can begin with the key resource group for industrial development—industrial capital.

## Chapter 3

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### Developmental Alliances: The State and Capital

A key to the successful and rapid industrial development achieved by these developmental states lies in the ability of state planners to mobilize resources and channel investment into industrial sectors targeted for development or upgrading. Guiding this process are the dual goals of exploiting comparative advantages within the international division of labor for export manufacturing, while also constructing a broad national industrial structure upon which further economic development may proceed. Particularly in the later case, in sectors where comparative advantages are lacking and market incentives not forthcoming, the state must either enter with state-owned enterprises or manipulate market mechanisms to create incentives for private capital to enter these areas and use controls to protect and promote these firms. The achievement of these goals, Öniş suggests, has been “supported by specific political, institutional, and organizational arrangements pertaining to both the state apparatus and private business as well as their mutual interaction.”<sup>1</sup>

The previous chapter showed that the construction of developmental states in South Korea, Taiwan and Singapore entailed a reorganization of the state administrative apparatus, by which the central economic bureaucracy could be given policy-making autonomy through insulation from demands and preferences emanating from the political and socioeconomic realms and, at the same time, exploit connections with groups of industrialists in order to pursue the project of rapid industrial development. This latter function entailed the reorganization of private capital into new relations with the state and the creation of ‘developmental alliances,’ or working coalitions between the state and industrial capital built for the purpose of effecting the project of economic transformation: “A robust and coherent state apparatus facilitates the organization of industrial capital; an organized class of industrialists facilitates a joint project of industrialization.”<sup>2</sup> This joint project pursued by developmental alliances is enabled by the state’s use of strategic industrial policy and its exploitation of organizational

networks connecting industrial capital with technocrats in the economic bureaucracy. Where the tools of strategic industrial policy provide the state with the ability to manipulate market forces in order to create incentives for collective action among the capital sector, the developmental state's organizational channels with capital—whether formal corporatist business organizations and regular policy forums or informal networks—allow the state to mobilize and direct this collective action towards its desired patterns of investment and production activities across the developing economy. Not only do these structures and actions of the developmental state “coax into being a set of entrepreneurial groups that can serve as the societal side of the joint project of industrial transformation,” as Evans emphasizes,<sup>3</sup> but the chosen instruments used to reproduce these alliances also strongly shape the evolution of these groups throughout the process of development.

As this chapter shows, the developmental states in Korea, Taiwan and Singapore embedded themselves with diverse types of capital to forge different developmental alliances for rapid industrial development: state elites in Korea chose a small group of private industrialists to drive development, with which the state developed a tight relationship; industrial planners in Taiwan focused much of their efforts on the large state-owned enterprises (SOEs) within the commanding heights, generally keeping a more distant relationship with private capital groups; the Singapore state excluded private domestic capital from the alliance and focused its efforts on multi-national corporations (MNCs) and its large state sector. As shown in the preceding chapter, these different developmental alliances were products of varying antecedent conditions and contingent circumstances during the critical juncture. Furthermore, these states used different combinations of policy instruments within strategic industrial policy to solidify and reproduce these developmental alliances which worked to constrain or promote the growth of the private capital sector. Together, these structures and actions of the developmental state would greatly determine the trajectory of the sector of private industrial and financial capital throughout the process of development, shaping both its economic and political power vis-à-vis the state in different ways.

Focusing on the development of economic and political power among private capital groups vis-à-vis the developmental state over the long-term of development raises questions of the mutually reinforcing aspects of the state autonomy and capacity undergirding these developmental alliances and the realization of the joint project of industrial development. As Evans, Rueschemeyer and Skocpol hypothesize, “although

strong, effective state interventions in economic processes may grow initially out of coherent bureaucracies relatively autonomous from dominant social interests, those very interventions are likely to lead in time to diminished state autonomy and capacities for further interventions, because affected groups will mobilize to pressure state authorities or penetrate relevant parts of the state apparatus.”<sup>4</sup> Indeed, Evans suggests that the very success of the developmental state’s joint project threatens the stability of its developmental alliance by empowering industrial capital—the very group it created—and inviting challenges from this group against the structural relations of this alliance. In this gravedigger scenario, “successful industrial transformation makes industrial capital less dependent on the state and opens up options for alternative alliances.”<sup>5</sup> As we shall see below, however, where successful industrial development in both Korea and Taiwan not only jostled private capital into a structural position of gravedigger, but also created a new breed of economic technocrats who likewise turned their shovel on these developmental states, the developmental state in Singapore has remained immune to such challenges. These divergent outcomes, I argue, are due to important differences in the developmental alliances forged by these states and the means used to reproduce them overtime, which would highly influence the trajectory of private capital as development proceeded.

This chapter will first look at the formation and organizational structuring of these developmental alliances and the impact of these dynamics on the growth of the sector of private capital. In a second part the analysis traces the effects of these structural dynamics on the politization of this sector and the process by which this sector would come to penetrate parts of the state and challenge the latter’s autonomy over state policies.

### **3.1 Forging Developmental Alliances**

#### ***South Korea: The Developmental State and Chaebol Conglomerate Capital***

The Korean developmental state constructed by Park Chung-hee embraced a group of private entrepreneurs in a tight relationship for the purpose of driving industrial development and built their business enterprises into large conglomerates in the process. Throughout the labor-intensive, light export manufacturing in the 1960s, the country’s ‘big push’ into heavy and chemical industries during the 1970s, and the shift to capital-intensive, high-value added technological production in the 1980s, the state fed this

small group of entrepreneurs with cheap state credit while directing their investment and production activities into targeted industrial projects across the board, with the result that they came to dominate the Korean economy. Known as the *chaebol*, these family-owned and -managed business organizations were built into enormous, diversified business groups, integrated both horizontally and vertically within a conglomerate structure through which they came to acquire monopolistic or oligopolistic positions in product lines and industrial sectors within the Korean economy.<sup>6</sup> By the 1980s these business groups had developed an “octopus-like spread,” their “tentacles gripped not only the economy but the state as well.”<sup>7</sup> The story of Korean economic development is inseparable from the *chaebol*, the developmental state and the political economy which came to tie these two powerful entities together in the ebb and flow of political regimes.

Although many of the larger *chaebol* emerged in the 1960s and grew massively during the 1970s, their origins pre-date the emergence of the developmental state in Korea. Under the Japanese colonial regime large infrastructure projects beginning in the 1920s laid a basis for an industrial push which came in the 1930s as Japan geared up for its war effort in the Asian Pacific. Although industrial development on Korea was dominated by the Japanese *zaibatsu* under guidance of the colonial bureaucracy “a nascent bourgeoisie, a number of whose members . . . went on to become major business figures in South Korea,” had emerged by the end of the colonial period.<sup>8</sup> As many members of the former landed class transformed themselves into industrialists following the land reforms in the late 1940s and 1950s the role of this incipient bourgeoisie was enhanced in both the economic and political realms under the government of Syngman Rhee during the First Republic. As previously described, Rhee had established a patronage network greased by the massive inflows of US aid which tied together both the old and new business classes into a group of political capitalists dependent on his continued political rule. It was within this network that the *chaebol* first began to emerge. Public loans and contracts were channeled to these business elites who channeled money back into the financial coffers of Rhee’s ruling party. State properties and industrial enterprises consisting of confiscated Japanese properties were auctioned off at bargain prices to his cronies. When banks were privatized at the end of the 1950s, these also fell into the hands of a few *chaebol*.<sup>9</sup> They were “small-time businessmen who cultivated government connections” through which they came to own large factories nestled behind protective barriers for import-substituting industrialization (ISI) and accumulate small fortunes via credit lines from the state in the process.<sup>10</sup> This was the class of ‘illicit

profiteers' with which Park Chung-hee struck a deal following the 1961 coup, requiring them to pay fines and donate shares of their business to the state for their illegal accumulation of wealth and undertake industrial projects planned by the state. Once Park had subjugated this landlord-turned-industrial capitalist elite to the whims of the developmental state, however, the destiny of both became cemented together in a new developmental alliance in which the state drove the chaebol into strategic industries and cultivated their political support while plowing over the interests of other social groups such as industrial workers and small and medium sized entrepreneurs.

Two keys to the functioning of the Korean state's developmental alliance with the chaebol were state finance and the practice of attaching credit lines and subsidies to performance criteria.<sup>11</sup> From the time the junta seized private commercial banks in 1961 the Korean state exercised complete control over a financial system built around state banks and fed by massive inflows of foreign loans. Underwritten by the state, the developmental technocrats in the Economic Planning Board (EPB) filtered these financial flows to the chaebol in the form of low-interest, long-term loans for undertaking targeted industrial projects.<sup>12</sup> A favorite were the so-called 'policy loans,' which came with interest rates even lower than the already subsidized bank loans—at least one-half to one-third lower and often offered at negative rates—making this policy instrument extremely profitable for the chaebol.<sup>13</sup> Because national bank lending policies were subordinated to the EPB, which controlled the Minister of Finance (MOF), the state enjoyed high leverage in using its credit policies to guide private investment patterns and affect the sectoral structure of the economy. It was the large chaebol with their organizational potential for economies of scale to which the state directed this financial capital. Protected behind selective tariff walls, an array of subsidies, tax-exemptions and administrative guidance from state technocrats—the later reaching down into product design and marketing—the chaebol gobbled up state loans in large quantity.

Directing the activities of the chaebol were the upper-level technocrats in the EPB and MOF who were embedded with chaebol capital within various centralized channels. The state-corporatist industrial and business associations, most of them having been created on government initiative, were regularly used as channels to gather information, control business interests and mobilize support for government policies, coordinate planning and supervise implementation of industrial projects. The most exclusive and prestigious association was the Federation of Korean Industry (FKI), established on initiative of the state in 1961 as an organizational house for the chaebol.

State control over FKI leadership proved essential. Business leaders who dragged their feet or did not follow through on commands from above could be summoned to a FKI meeting and simply ordered to build a factory or conclude a foreign loan: "No business leaders dared to resist directly the directives that emanated from the . . . industrial planning committees."<sup>14</sup> For other business intermediaries such as the Korean Traders' Association or the Korean Federation of Textile Industries, the situation was similar:

All of the business associations, including FKI, are extremely susceptible to government manipulation, and spend most of their energies reacting to various drafts prepared by the government rather than initiating policies. Association leaders are occasionally consulted in the decision phase of the policy process, but their effective ability to initiate rational policy is viewed somewhat contemptuously by government policy makers. Moreover, the state can and does intervene in the leadership selection of the business associations. At least it possesses *de facto* veto power on leaders chosen by the associations. Often the state arranges to give leadership posts to retired government officials as rewards for past services, and the associations usually accept these recommendations as they need leaders with access to the inner circle of policy making.<sup>15</sup>

In addition to the forums provided by the state corporatist organizations, regular channels were also created at the highest level of political power. Park established early on an economics situation room in the Blue House where he could monitor the progress of industrial development, meeting with EPB technocrats and businessmen on a weekly basis to discuss ongoing projects and the development of new ones.<sup>16</sup> While these forums kept state technocrats close to private capital, the corporate coherence among this group and their identification with the center of political power (i.e. the president) kept them simultaneously at arm's length from private capital, preventing piece-meal capture of the former by the later.

Throughout the early phase of light manufacturing export production during the 1960s this alliance flowed smoothly. Between 1962 and 1971 manufacturing growth averaged annual rates of 24.2% and total value added of Korean manufacturing shot up from US\$ 8.4 million to US\$ 5.5 billion.<sup>17</sup> By the time the Korean developmental state began its program of industrial deepening into capital-intensive heavy and chemical industries in the early 1970s, the alliance between the state and chaebol had begun to function like clockwork. Known as the 'big push,' the Heavy and Chemical Industries (HCI) program targeted capital intensive sectors including iron and steel, nefarious metal, machine and machine tools, electrical production and electronics, ship building and petro-chemical processing and others. President Park and his entourage of technocrats selected a small group of chaebol and divided up these sectors among them. For each targeted industry the state constructed a modern production facility for the designated firm:

This was done in the easiest and fastest way that the authoritarian regime knew: the state would procure these industrial bases from farmers, bulldoze the land, install infrastructure (roads, harbors, water and electricity, etc.), and force-draft relevant industries with fiscal/financial sweeteners and exemptions on commodity and customs taxes on imported capital goods . . . . Once ensconced in these complexes, the enterprises were the first to receive available foreign capital (and the last to pay it back), with low interest to boot; first to receive financial help from the government when purchasing raw materials and machinery; first to be directed through administrative guidance; and first to receive discounts on freight rates, harbor use fees, water, electricity and gas costs. Heavy and chemical industries, like gadarene swine, swiftly waddled into these complexes.<sup>18</sup>

During the big push the state shoved all capital it could scrounge up into these industrial sectors, with annual investment rates running an average of 25% of gross domestic product (GDP), in some years reaching above 30%. Manufacturing in heavy industry jumped from roughly 40% of all manufacturing in 1972 to 55% by the end of the decade. Exports from these sectors increased from roughly 15% to 40% of all exports during the same time.<sup>19</sup> Many other economic figures grew larger as well, particularly inflation and the national external debt, which rose drastically during the decade. The chaebol enlarged their business organizations immensely during the HCI program, expanding both horizontally and vertically as their subsidiaries grew an average of roughly 60% during this time.<sup>20</sup> The HCI drive greatly concentrated wealth and economic power in the hands of a select group of chaebol who received preferential treatment from the state. The promotion of General Trading Companies (GTCs) for the biggest chaebol further concentrated this economic power as they came to handle about half of all exports by the 1980s. Between 1974 and 1980 the combined sales of the top five chaebol increased from 11.6% to 35.0% of gross national product (GNP); those of the top 10 chaebol rose from 15.1% to 48.1%.<sup>21</sup>

The result of Korea's system of industrial finance was the development of extremely high debt to equity ratios of the chaebol, making the later dependent on continuous sources of credit from the state. This also meant that they had incentives to conform to the state's macroeconomic policy goals.<sup>22</sup> The relationship was solidified by tying the generous state subsidies to performance criteria, usually in the form of yearly export targets. This practice resulted in a relationship whereby the state, as discipliner, could make or break private enterprise: poor performers were punished and good performers were rewarded.<sup>23</sup> Where rewards came in the form of continued lines of cheap credit and the rollover of bad debt, punishment was meted out with a severance of credit, an extremely detrimental sanction for these highly leveraged firms which generally meant bankruptcy. As a consequence, long-term good performance made essential for big business close contacts with state agents. Obtaining policy loans, low-

interest bank loans and state projects often involved a commission to be paid by the borrowers into the financial coffers of the ruling party and the various pet-projects of President Park and later President Chun Doo-hwan.<sup>24</sup> Park's ruling Democratic Republican Party (DRP) ran annual costs as large as US\$ 350 million in the 1960s, much of which presumably came from the chaebol through the fund raising arm of the DRP and the Korean Central Intelligence Agency (KCIA).<sup>25</sup> The *Saemaul Undang* (New Community Movement), an ideological program aimed at mobilizing the rural sector during the 1970s, was a political project the chaebol could ill afford to not donate to. Indeed, the largest chaebol at the beginning of the 1990s had been the largest political donors during the preceding decades: Hyundai, Samsung, Lucky Goldstar, Daewoo and the SK group together donated roughly US\$ 270 million. To the political parties and political foundations of both presidents, such as Park's *Sae Sedae Simjang* (New Generation Heart) Foundation and Chun's *Ilhae* (Sun and Sea) Foundation, these top five chaebol had spent together roughly US\$ 540 million.<sup>26</sup>

As with performance in the area of production activities, those chaebol whose political performance was deemed poor came to suffer the consequences. Shortly after presidential elections in 1971 the Samhak chaebol was bankrupted following charges of tax evasion—a practice not abnormal for big business at that time. Samhak's owner had backed the campaign of opposition candidate Kim Dae-jung.<sup>27</sup> In the mid-1980s Chun Doo-hwan smashed Kukje, the sixth largest chaebol at the time, as punishment for political non-compliance. Kukje owner Yang Chung-mo, a known supporter and financier of the opposition party, had failed to make donations to the *Ilhae* Foundation and the Saemaul Movement. When the firm was unable to meet its short-term debt obligations—again, not uncommon for a chaebol—the state called in its loans and the company was bankrupted, dismembered, and its pieces then distributed to other chaebol.<sup>28</sup> As Amsden suggests, “no business in Korea could survive the last forty years if it challenged the government politically. None could make it big if it did not support the government financially.”<sup>29</sup>

As the discussion above makes clear, the developmental state in Korea built a relationship with private capital that aimed at industrialization at all costs. The developmental alliance, while driving the rapid accumulation of industrial capital, generated recurring high inflation and national debt. As the chaebol gobbled up cheap financing and credit from the state and used it to expand their business organizations, they became dangerously leveraged with debt financing. Remaining dependent on

continued state credit while controlling increasingly large chunks of the Korean economy they mutated into moral hazards for the Korean economy. By becoming too big to fail they would also become political players, a development which shall be discussed later in this chapter.

### ***Taiwan: The Principle of People's Welfare and Development of Private Capital***

Where the Korean military flattened history and looked to the Japanese Meiji model for emulation, the ruling Kuomintang (KMT) on Taiwan constructed the dynamics of its developmental state alliance in importantly different ways. While the Nationalists were fixated on the goal of rapid industrial development it was not to be achieved at all costs. Instead, the developmental state would align the goal of rapid growth with the dual goals of monetary stability and the circumvention of private capital concentration. These last goals arose out of the KMT's attuned sense of historical experience and well-articulated ideology in Sun Yat-sen's Three Principles of the People.<sup>30</sup> Monetary inflation was perceived as the great villain in the drama of Chinese history, causing the downfall of great dynasties, fueling chaos during the immediate post-war years and ultimately dooming the nationalists' war effort on the mainland. That the activities of Chinese financial capitalists during the last years of the civil war had greatly contributed to rampant inflation, this also left the KMT with a strong distaste of concentrated private financial wealth. Undergirding this latter aversion was Sun Yat-sen's principle of People's Livelihood, which mandated state ownership and operation of monopoly enterprises within the key sectors of the national economy, particularly those natural monopolies essential to the basic needs of a people. With the reversion of Taiwan to the Republic of China (ROC) the KMT came to inherit a sizeable sector of Japanese industries. Unlike South Korea, however, these would not be privatized. Thus, fearing the destabilizing effects of inflation and the translation of concentrated economic and financial power into political power, the KMT developmental state would back conservative financial policies with strong controls on private capital to keep its growth constrained within the competitive sectors of the economy, while the large monopoly enterprises in the commanding heights stayed in the hands of the state. These structures would supply the basis for the state's relationship to private capital as rapid industrialization got underway, creating quite a different industrial structure and private

business organization from that in Korea and shaping the growth and organization of private capital sector and its relations with the state in distinctively different ways.

As in colonial Korea, Japanese rule on Taiwan subordinated the colony's economy to the homeland for the purpose of extracting agricultural surplus and securing a market for Japanese manufacturing. The colonial government undertook an array of extensive infrastructure projects and established monopolies in important raw materials and basic goods. A few select influential Taiwanese collaborators—a group of roughly five major landed families—were successful in entering the peripheries of the industrial structure otherwise monopolized by Japan's zaibatsu. When the Japanese began introducing heavy industry into Taiwan to gear up for war in China and Southeast Asia, however, the majority of this nascent Taiwanese industrial capital was expropriated and merged into Japanese capital, more or less destroying this bourgeois class—as was also the case in Korea.<sup>31</sup> The remnants of this class were then wiped-out during the chaotic interregnum of early KMT rule. In addition, the chaos of civil war also served to drive many leading mainland capitalists to more secure climates in Hong Kong and the United States. Thus, as the KMT geared up for its developmental effort on Taiwan, Gold writes, “it fell to the state to foster the emergence of a bourgeoisie.” During the 1950s such a group began to emerge within the light-manufacturing sector, protected behind ISI walls and fed with large inflows of US aid on the one side, and constrained by the KMT's dominant SOE sector and conservative monetary and financial policies on the other.<sup>32</sup>

The origins of Taiwan's private capitalists varied between three trajectories.<sup>33</sup> The first group consisted of Chinese Mainlanders, some who arrived on the island with existing capital and production equipment and others who entered industry for the first time on Taiwan. Using their connections with the party and state bureaucracy to gain access to US aid funds and raw material allocation, these well-connected individuals faced low risks and high returns in the protected domestic market. In addition to these well-connected Mainlanders, some Taiwanese were successful in extracting their start capital out of US aid or entering the industrial arena as landlord-turned-industrialists following the land reforms in the early 1950s—compensated with stock in four state-owned enterprises which were subsequently privatized. Lastly, a third group of entrepreneurs would emerge with the opportunities opened up by the shift to export-oriented policies in the late 1950s and early 1960s. These small-timers rounded up venture capital either through the US aid mission's Small Industry Loan Fund or, as was more often the case, from family, friends and community loan clubs. Following the shift

to EOI this last group of entrepreneurs greatly enlarged as numerous small and medium-sized enterprises entered the light-manufacturing export platform within production linkages with bigger firms connected to international markets or subcontracting networks with foreign corporations and joint ventures. Throughout the 1960s manufactured export growth averaged 23.7% annually, making up 80% of total manufacturing growth by 1970.<sup>34</sup> And as the export manufacturing sector took off, Gold explains, “people of all walks of life sought opportunities to get in on the boom. . . . Not only did more people enter the ranks of the bourgeoisie, but that class began to stratify as well.”<sup>35</sup>

These groupings of private capital quickly consolidated at different levels of a tiered industrial structure during Taiwan’s industrial development. At the top of the hierarchy sat the large SOE sector in the commanding heights that dominated domestic monopoly industries such as mining, transportation and communications, farming inputs, public utilities, finance and banking. The space left for private business in these sectors was small, but the EOI drive provided former ISI manufactures with room to grow into medium- and larger-sized enterprises as they entered new niches of the domestic economy left open by the SOE sector. This layer of business was made up of both Mainlander and Taiwanese ownership and generally had some form of connection to the party-state—at the least through the state-corporatist organizations for bigger industries. Situated at the bottom of the hierarchy was an army of small and medium-sized enterprises (SMEs) connected to private upstream and mid-stream manufacturing companies through a vast array of subcontracting networks that formed a type of ‘satellite factory system.’ They came to play the dominant role within the niche of light manufacturing for export, shifting their production activities fluidly with changing competitive advantages. These smaller firms, often operating in tiny, make-shift factories built on the backs of houses or set up in living rooms throughout the rural areas, would “emerge and die in response to fluctuating market demand,” to reemerge later—sometimes overnight—in new production activities quite different from their previous activities.<sup>36</sup> This group of SMEs was dominated by ethnic Taiwanese of rural and petty bourgeois backgrounds, a characteristic which further reinforced the ethnic divide with Mainlanders—the latter who generally used the state and party bureaucracies for upward mobility. Owner–operators of these small, low-capital firms quickly became a class of self-exploiting petty bourgeoisie characterized by intensive work habits in order to generate enough income to support the family; the “lifetime spent in arduous labor” and

the demands made upon family members were generally more extreme than those of proletarian families—not to mention the emerging middle classes.<sup>37</sup>

Reproducing this business hierarchy were the state's monetary and financial policies. A conservative loan policy and high-interest rates kept prices stabilized and encouraged a high level of domestic savings that the state shoved into industrial projects via its SOEs. The Central Bank of China controlled loan and deposit rates with an eye on monetary stability and was not interested in throwing highly subsidized loans to the private sector as was the practice of technocrats in Korea, and therefore set limits on the use of credit policy for industrial targeting.<sup>38</sup> In spite of this difference, however, a tiered structure of lower-interest loan conditions emerged which favored the bigger exporters and those firms large enough to provide sufficient collateral. Generally unable to offer the collateral required, the mass of Taiwan's SMEs "faced chronic shortages of credit" within the system.<sup>39</sup> Yet with time the larger politically connected firms, having more access to credit, began functioning as intermediary lenders to smaller firms within their subcontracting networks.<sup>40</sup> Although constrained by the state's conservative finance policies, the SME sector in Taiwan was not discriminated against as was the case with SMEs in Korea—where state financing and credit practices feeding the *chaebol* allowed the latter to trample over smaller enterprises. In Taiwan the state maintained the macro-economic policies to which the SME sector responded and drove export development. While the state did not obstruct this sector, it did not directly assist it either.<sup>41</sup>

By the early 1970s Taiwan's larger private enterprises began establishing the Taiwanese version of the diversified business group, known as the *guanxiqiye*.<sup>42</sup> These organizations were based around select groups of entrepreneurs who were tied together through personal connections and family networks—relations that Chinese call *guanxi*. Diversification of business activities within *guanxiqiye* allowed entrepreneurs to spread risks and maneuver around some of the constraints placed on the private sector by the state. This development was also helped by the late-1970s protectionist wave in the West, to which Taiwan's economic planners responded by easing restrictions on cross-firm investment, business mergers, and ownership ceilings in secondary money markets, further facilitating diversification strategies among private enterprises and opening up alternative sources of finance for them. By the mid-1970s there were roughly 100 *guanxiqiye* in existence, with the majority of these centered on the more successful entrepreneurs who emerged during the 1960s.<sup>43</sup> In time, the growth of private enterprise greatly changed the ethnic dynamics on the island. In a social order where the state and

politics was dominated by Mainlanders, ethnic Taiwanese, given their numbers alone, had come to dominate the private sectors of the economy and controlled many of the biggest guanxiqiye. By 1976 ethnic Taiwanese owned 70% of the 300 largest domestic private firms; and by 1988 six of the seven largest guanxiqiye business groups were owned by ethnic Taiwanese.<sup>44</sup>

As business organizations, however, the guanxiqiye were much smaller than their Korean counterparts. Unlike the monstrous chaebol, the top five business groups in Taiwan were producing only 10% of the country's GNP in the 1990s (compared to 52.4% for the top five chaebol), they employed only about one-fourth of the workers found in chaebol enterprises, and they owned a much smaller number of affiliate businesses.<sup>45</sup> The guanxiqiye had neither the GTCs that the Korean state had subsidized for the chaebol—and therefore they handled less trade—nor did they dominate the heavy industrial sectors where the KMT-state maintained its SOE monopolies.<sup>46</sup> In fact, during the 1970s, the scope of the SOE sector was expanded with a program of ISI deepening into heavy, capital-intensive industries such as steel and metals, shipbuilding, automobiles, heavy machinery and machine tools, petro-chemicals, nuclear power, and a wide-reaching program of infrastructure upgrading to boot. Whereas the Korean developmental state charged the chaebol to lead the HCI program, through which the conglomerates rapidly expanded, the KMT charged this task to its public sector enterprises, effectively shutting the private sector out of the program.

In light of these developmental policies and political dominance of the Mainlander KMT-state it is not surprising that the embeddedness of Taiwan's economic technocrats with private capital was qualitatively different from that in Korea's developmental state. Industrial planners in Taiwan were averse to the Korean strategy of picking winners and losers, meaning that private enterprises, particularly the masses of Taiwanese SMEs, did not have tight, direct connections to economic bureaucrats.<sup>47</sup> Taiwan's economic bureaucracy generally kept a distance from private business. Industrial planning and coordination was conducted by a small coalition of Industrial Development Board (IDB) technocrats, ministers from the central economic bureaucracy and upper-level managers from the SOE sector, reflecting the general preference of planners to look to SOEs for developing new industrial sectors—although on occasion with the participation of private firms. And while the technocrats at the IDB were not absent connections with the private sector, the networks were much less dense than the Korean case. In addition, intimate links between chosen industrial 'winners' and the

highest level of industrial planning—such as Park’s regular meetings with chaebol leaders at the Blue House—were not the case. Formal channels into private business were provided to IDB planners by the hierarchy of state-corporatist business and industrial associations over which the party-state dominated:

Memberships are compulsory; associations are comprehensive, covering every product line, every aspect of business activities, and every step of production process. Each association enjoyed exclusive representation and is endowed with certain regulatory authority. At the crest of the hierarchy are three national peak associations . . . these business organizations were formally supervised by the Ministry of Interior Affairs, but functioned as an arm of both the state economic bureaucracy and the authoritarian party [which] extended into the private sector . . . The Social Affairs Department of the KMT arranged the nomination and guided the election of association leadership, as well as recommended the retired state officials, military officials, and party bureaucrats to staff the secretariat.<sup>48</sup>

Although the associations functioned mostly as organizational houses for guanxiqiye elites seeking contact with the party and state bureaucrats for both political and economic purposes, the latter used these generally as a one-way street in gathering and disseminating information and relaying sectoral policies. Outside these forums, informal contact between IDB officials and the bigger private firms also took place; the former were known to occasionally turn up in enterprises close to the SOE sector and/or party to discuss particular substantive goals, offer help, or solicit for participants in joint ventures.

In sum, the developmental alliance forged by the KMT-state on Taiwan was of a different variety than the collusive alliance with private capital established in Korea. The state maintained its dominance in the commanding heights of the economy through its vast sector of SOEs, allowing only few private industrial enterprises loyal to the party-state to enter this sector. State planners used the nationalized banks to secure monetary stability, earmarking precious national capital for the SOE sector and those few private firms with inside connections to the KMT or with sufficient upfront collateral. At the same time, however, macro-economic policies supplied a favorable environment for the emergence of a large sector of SMEs to drive export-oriented manufacturing within a decentralized and flexible system of production networks. Conservative state financial policy constrained the growth of larger private capital and the bureaucracy’s selective and thin ties with private capital kept this sector scattered in relation to the central state apparatus while also thwarting private economic concentration.

***Singapore: The PAP–MNC Alliance***

Singapore's rapid industrialization is neither a story of political slush funds and networks linking state elites with a domestic class of concentrated private industrialists as in Korea, nor is it the story of state policies providing a sufficient macro-economic environment for a large number of SMEs to emerge within export manufacturing. Rather, the People's Action Party (PAP) government sidelined the traditional class of domestic Chinese bourgeoisie upon independence and pursued an industrialization strategy driven by an increasingly economically active state that joined hands in a developmental alliance with MNCs. Within this alliance, the state entrenched itself in business activities and geared government policy towards the extraction of domestic savings for investment into a modern infrastructure that could create the business environment for a rapid expansion of the manufacturing sector via MNC production. In doing so, it became the leading entrepreneur in the country.<sup>49</sup>

As described previously, Singapore's small domestic economy did not experience any sort of longer ISI phase such as that in Korea and Taiwan, in which an industrial manufacturing base could be green-housed to empower a base of domestic manufacturing power. The traditional Chinese business class, grouped within the Singapore Chinese Chamber of Commerce (SCCC) had provided the mainstay of the *entrepôt* economy during colonial times and was made up of hundreds of small family businesses active in commerce and financing within the primary product markets attached to colonial extraction in Malaysia and Indonesia.<sup>50</sup> In terms of their size, capacity and financing, the PAP viewed this class as unsuited for driving a rapid process of industrialization; in terms of their business activities, centered mainly on trade and commerce, finance and real estate, the PAP saw "unproductive rentier activities."<sup>51</sup> As a result of this historical configuration, when the PAP government shifted its developmental strategy towards EOI it looked not to this class of domestic bourgeoisie, but to foreign capital and MNCs for the establishment of a manufacturing sector. To secure this strategy, the state was activated and used to establish the necessary environment for foreign capital, forging a developmental alliance between the PAP-state and MNCs in the process.

Already after arriving in power, the PAP government had mobilized statutory boards—revamping and reorienting existing ones and creating new ones where needed—to drive production of the socioeconomic goods the party had promised its electorate. The state harnessed the Central Provident Fund (CPF)—a program of forced savings

from workers' wages—and channeled massive amounts of credit to the Economic Development Board (EDB) to construct industrial estates and coordinate the various socioeconomic projects in the areas of housing, schools, utilities and other public infrastructure and services carried out by the Housing Development Board (HDB) and the Public Utilities Board (PUB). By 1965 the HDB had constructed over 40,000 flats and brought more than 20% of the population into public housing while the EDB had built a state-of-the-art industrial estate at Jurong and transformed Singapore's harbor into a modern facility for moving large industrial goods and streams of manufactured goods in and out of the country.<sup>52</sup>

With the shift to EOI after 1965 these infrastructural projects, together with the array of macro-economic inducements and tight labor controls established by the government, opened the way for massive inflows of international investment and export-oriented MNC production. Foreign direct investment into manufacturing rose rapidly, mainly in textiles, electronics, machinery, transportation and petroleum products. From 1966 to 1973 investment increased from little more than S\$ 200 million to S\$ 2.6 billion. In tandem, the percentage of manufacturing within the country's GDP shot up from 15% to 22% and overseas sales of manufactured exports increased 20 times during this period, with two-thirds of these goods supplied by foreign firms.<sup>53</sup> By the end of the 1970s foreign investment made up roughly 80% of total fixed assets in Singapore's manufacturing sector, with wholly owned MNCs producing well over half of all manufactured export output (including companies with at least 51% majority foreign ownership, this figure was just short of 90%).<sup>54</sup> In sum, the EOI strategy “gave rise to almost complete foreign [MNC] dominance of the manufacturing export sector.” By the mid-1990s the country hosted roughly 4,000 MNCs, including over 50% of Fortune 100 companies.<sup>55</sup>

The EOI strategy also involved greater state participation in the economy as state enterprises moved aggressively into non-traditional public sectors of production and services to become a “dominant, propelling force in economic growth.”<sup>56</sup> Using its army of statutory boards and government-linked companies (GLCs) as the preferable instrument for intervention, the increased economic activities of the state created in the process a class of bureaucratic–state capitalists within the upper-levels of the state bureaucracy who were put in charge of running the large public sector. This strategy allowed the PAP government to co-opt individuals from the traditional capitalist class into parts of the growing state bureaucracy such as the EDB and other important

statutory boards as well as the GLCs and their large holding companies: “Chamber [SCCC] leaders were appointed or co-opted to fill positions in these corporatist structures, and served in institutions such as the Board of Commissioners of Currency, the Trade Development Board, the National Wages Council (NWC), the Board of the National University of Singapore, the Port of Singapore Authority, the National Productivity Council and the Vocational and Industrial Training boards, to name just a few.”<sup>57</sup> Others from the colonial class of private capital, most notably the construction industry, were able to profit through the PAP’s housing and infrastructure projects.<sup>58</sup> Outside of these channels the domestic capital sector was excluded from the state–MNC developmental alliance and their former “power and status” in the economy and society was “sharply curtailed” as a result.<sup>59</sup> The developmental alliance would constrain these groups of smaller enterprises within the sectors of their traditional activities of commerce and finance: “There was little involvement in industry, and a marked preference for very speculative operations.”<sup>60</sup> As increasingly became the case, the growth of state business activity would crowd-out or subordinate this group of private businesses to the necessities of the PAP–MNC alliance.

As statutory boards continued to be erected in every sector they gave the state increasing dominance within the domestic economy, particularly in the areas of industry and trade, finance and banking, infrastructure and utilities, higher and technical education, research and development.<sup>61</sup> Where the activities of the statutory boards end, those of the GLCs begin. These enterprises were set up with the Singapore government generally, but not always, owning a controlling share and managed by the state’s major public holding companies—the latter set up as state statutory boards. The GLCs tend to be large business organizations connected with numerous subsidiary companies and run like private corporations. Within Singapore’s industrial drive the GLCs spread out across diverse economic sectors in manufacturing, shipbuilding, air and sea transportation, banking, trading, retailing, construction and properties. In the process they have often come into direct competition with private domestic enterprises and even the production activities of the MNCs.<sup>62</sup> Along with the statutory boards, GLCs were used to fill holes in the industrial structure, undertake activities in sectors where private capital was either not forthcoming or which were seen as too strategic to hand over to private enterprises, or push into new activities around which the private sector could follow. By the 1980s Singapore’s public sector had grown tremendously. Through its statutory boards and GLCs, the public sector came to employ roughly 20% of the labor force.<sup>63</sup> A Singapore

Ministry of Finance report from 1993 put the total output of the public sector at 69% of GDP.<sup>64</sup>

The financing of the PAP's developmental state, similar to the trend in Taiwan, came from government efforts to force domestic savings for the purpose of capital formation and accumulation that could be used to finance developmental efforts. Rather than taxing the MNCs, which would have been detrimental to the state's developmental alliance, the state pushed taxation on the masses to keep down consumption and channel savings into domestic institutions.<sup>65</sup> One of the major institutions in this regard has been the CPF, a personal retirement program that extracts compulsory holdings from workers wages—sometimes as high as 20%—and added to with employer contributions. CPF capital allows the government to obtain domestic loans at below-market interest rates and shove them into national industrial projects while also controlling the consumption levels of workers. In addition to the forced-fed CPF savings, the Post Office Savings Bank, made a statutory board in 1971, came to capture a large chunk of domestic savings. Together, these institutions made the state the chief mobilizer of social surplus with more than 50% of domestic income passing through its hands.<sup>66</sup> Further channels of investment capital, of course, were provided by the large surpluses generated by the statutory boards and GLCs.<sup>67</sup> These huge domestic savings and incomes flowing through the state quickly freed it from a strategy of borrowing abroad, such as the Korean developmental state had done, while undergirding its capacity to dominate the domestic economy.

The Singapore state is the exclusive or major provider of infrastructure (utilities, communications, media, industrial estates, port and airport services) and of social services (housing, health and education). It is the country's largest employer, it sets wage levels, regulates labour supply and controls all unions. It holds approximately 75 per cent of the land and has the power to take the rest. It is the major actor in the domestic capital market, runs giant state enterprises, a trading company and joint ventures with foreign capital.<sup>68</sup>

Like the developmental states in Korea and Taiwan, the Singapore developmental state displayed its own unique patterns of embeddedness with capital, which have continued into the present day. The heavy lifting of industrial planning and guidance has been situated within formal and informal networks in the bureaucracy that connect the central government and planning bureaucracy with upper-level bureaucrats running the statutory boards and GLCs. At the center of these networks stands the Directorship and Consultancy Appointments Council, which serves as a “nerve center” through its power to appoint the boards of directors in the statutory boards and GLCs, the members of which come overwhelmingly from the upper-levels of the civil service, but also include

recruits from the private sector.<sup>69</sup> This has resulted in the creation of tight, “cross-interlocking directorships among a few top, trusted bureaucrats who are in the inner circle of decision-makers” among the government and party executive.<sup>70</sup> Not only has this practice allowed the state a powerful influence over macroeconomic policy coordination and industrial sectoral targeting via state businesses, but these tight networks and the large amount of economic and financial resources this elite group control and channel—perhaps one-third of the domestic economy—provide the organizational infrastructure for a “virtual class of state capitalists” made up of these high-level civil servants within the heights of the Singapore developmental state.<sup>71</sup> These “nomenklatura capitalists . . . exercise immense control over the enterprises they manage” and remain directly “dependent on the PAP [power center] for their position.”<sup>72</sup>

To guide the developmental alliance with foreign capital the central economic bureaucracy also became embedded with the MNC sector through networks emanating from the EDB.<sup>73</sup> One of the EDB’s main functions with international capital has been to function much like a service provider for the MNCs, approaching them to find out what they require from the city-state, using this information to then fine-tune development plans and seek endorsement of their policy strategies. Several official consultative networks created by the state exist alongside more informal channels which connect the government technocrats in the planning apparatus with foreign capital. During the 1960s the Pyramid Club served this purpose, allowing coordination between ministers and high-level civil servants in the statutory boards with business and academics through regular discussion forums that help keep “the country’s various leadership groups . . . moving in tandem in terms of setting and implementing goals.”<sup>74</sup> During the mid-1980s, channels between the state and transnational business increased to include ‘high profile’ forums such as the EDB’s International Advisory Council (IAC). Chaired by the Deputy Prime Minister on a permanent basis, the IAC consists of a dozen MNC top executives who advise the EDB on a regular basis. In addition, local business associations close to the PAP-state are also harnessed by EDB officials as channels into the business community. Representing memberships with MNCs and local SMEs across industrial sectors, these associations are held close to government through appointments of civil servants with experience in the GLCs into the organizational executives, thereby giving the EDB important organizational channels with bigger capital. The inclusion of private domestic and foreign capital, however, does not mean dependency on the side of the state, but on the side of business.

Dependence on the state by domestic business has . . . fostered cooption instead of aggressive interest representation to government. International capital has also been increasingly brought into institutionalised forms of interaction with state instrumentalities . . . This form of co-option is but one means by which the Singapore government attempts to strengthen its capacity to ascertain the thinking of international companies and to engender a sense of partnership in the development process. Opportunities exist to influence policymakers in Singapore, but again this is largely a state-controlled process rather than an exercise in political pluralism.<sup>75</sup>

The developmental alliance between the PAP-state and foreign capital meant that the local business elites could simply be excluded from industrial planning and strategic policy-making. Quite unlike Korea, but similar to the situation in Taiwan, the EDB technocrats have remained aloof of domestic entrepreneurs. While the government has often given them directives, local capital has generally spent its time reacting to these commands and is not needed for the former's plans.<sup>76</sup>

In contrast to the growth of private capital in Korea and Taiwan, the trajectory of Singapore's domestic private capitalists stagnated throughout development. The PAP-MNC developmental alliance has effectively kept this group constrained to the peripheries of the domestic market and outside the planning apparatus of the PAP-state bureaucracy. Unlike Taiwan, where state policy provided a favorable macro-economic context for the flourishing of the large SME sector without directly assisting it, industrial policies in Singapore have worked against the local SME sector over the long term.<sup>77</sup> The government's economic policies so favor MNC exporters and GLCs that local enterprises are squeezed and crowded out of the market in the absence of government support.<sup>78</sup> The squeeze on domestic capital further tightened with the push into the Second Industrial Revolution (SIR) in 1979 as the government sought to upgrade the manufacturing export platform into higher value-added production. The government's strategy of using the NWC to raise wages roughly 20% so as to push producers into higher value-added activities, greatly favored MNCs and GLCs to the detriment of local enterprises. With the SIR, the charge of government bias towards MNCs, long alleged by the local business collective in the SCCCI, was only confirmed.<sup>79</sup> By the end of the 1980s local SMEs made up roughly 90% of all enterprises in manufacturing, commerce and services, yet produced only 25% of total value-added output in these sectors.<sup>80</sup>

### **3.2 Shifting Power Balances and the Politization of Alliance Partners**

As discussed above, developmental states in Korea, Taiwan and Singapore forged quite different structural alliances with capital and interacted with these various groups in

different ways. These differing structural relationships had consequences for industrial structure, business organization and the position of private capital vis-à-vis the institutions of political power. In Korea, state control of finance and the provision of cheap loans to select chaebol brought about their concentration across the economy and their highly leveraged financial status, making the chaebol, in turn, dependent on continued state credit. This gave the state leverage for control over the chaebol by giving the latter cause to conform to the directives of the state. In Taiwan, state control of finance and the use of conservative loan policy kept private sector growth constrained while still providing enterprise with mobility outside the commanding heights. In Singapore, the state–MNC alliance plowed over domestic capital and the dominant role of the state as entrepreneur gave it large economic and financial power in the domestic market.

These variations in the structure and actions of the state vis-à-vis private capital would greatly affect further trajectories of both the developmental state and capital as industrialization proceeded and reshaped the features of both in the process. With the growth of larger private capital in Taiwan and Korea, business elites would begin seeking to translate growing economic power into political power as they sought out channels of political influence over state policy. This process entailed penetrating into parts of the state, which would have detrimental effects on the state’s autonomy vis-à-vis the private sector and its capacity to continue directing and controlling this group. As we shall see, however, this process proceeded differently within these two cases in ways that reflected the particular institutional configurations upon which these developmental alliances were situated.

### ***Emerging Conflicts in Korea’s Developmental Alliance***

Scholars are in agreement that the developmental alliance constructed by Park Chung-hee effectively subjected the class of chaebol to the whims of the state within a relationship where the “state had access to capital in a capital scarce environment.”<sup>81</sup> The relationship was at first patriarchal, with the state wielding its power over the private sector in a top-down command fashion, but became more consensual and cooperative as industrial development progressed.<sup>82</sup> This interdependency would become particularly evident in the summer of 1972 when a crisis of capital accumulation—characterized by massive external debt, falling investment and export growth—left numerous chaebol on

the brink of insolvency as they became unable to pay their debt obligations. When the president of the FKI pleaded to President Park for a bailout, it was delivered in August 1972 with a decree mandating the freezing of all high-interest loans on the unregulated curb market and their conversion into long-term government loans with grace periods for the chaebol. The political underpinnings of this bailout should not be underestimated as it coincided with Park's shift to the repressive, dictatorial Yushin regime in October 1972, which concentrated immense political power into Park's person. Not only was this regime shift necessitated in part by the "imperious demands of business" to be bailed out and have the burden carried by regular savers, but as a political gesture on the part of Park it solidified state-ties to big business and guaranteed the political support of the latter throughout the HCI program during the 1970s.<sup>83</sup> By the end of the HCI program—effectively stopped in October 1979 when KCIA director Kim Chae-gyu assassinated Park at a small dinner gathering—the collusive state–chaebol alliance had effectively created "mutual hostages," whereby neither party was able to "take excessive advantage of the other" although they sought to as much as possible.<sup>84</sup> Indeed, as the highly leveraged chaebol became moral hazards for the national economy, they become too big to fail. And the recognition of this on both sides made it state doctrine. This structural relation, however, began to tilt the power balance between the chaebol and the state towards to former's advantage. Where the high leverage of the chaebol had earlier functioned as a weakness, allowing the state strong control, it now became a source of chaebol strength vis-à-vis the latter.<sup>85</sup>

The political economy that bound the chaebol and state together during Korea's big push increasing led to an overlap between the business sector and parts of the state apparatus as a revolving door opened up connecting the big business community with military elites and state bureaucrats. As a US intelligence estimate highlighted in the late 1970s:

The Korean business leadership corps is steadily being reinforced by a new cadre with a stake in the system . . . As a case in point, many military officers have made the transition to the business world . . . Numerous government officials have also shifted to key positions in the private sector. Ministers and vice-ministers typically become chief executives of companies; one year, the Ministry of Commerce and Industry lost four division chiefs to the electronics and oil refining industries.<sup>86</sup>

Following the assassination of Park in 1979 this new class of business elite was on display within the interim government headed by former Premier Choi Kyu-ha, whose cabinet consisted of several retired military officers who had made the transition into the business world during the 1970s and now filtered back into the state. Heading the cabinet

was retired major general Park Choong-hoon, who had previously served as Economic Planning Minister in the late 1960s before becoming “a respected business leader” in Seoul and chairman of the Korean Trader’s Association, as a western correspondent explained at the time.<sup>87</sup> When General Chun Doo-hwan seized political power during the social unrest in the spring of 1980, this new business elite supported the reactivation of authoritarian rule, if due to nothing else than because “the last thing they wanted was more labor unrest.”<sup>88</sup> (Ultimate political power continued to be held in the military security organizations and the KCIA, within which Chun was able to consolidate his power and over which the business elite had no control.) But this new class of business–state elite was connected by something more as Chun Doo-hwan stepped into political power. At its core they were tied together as cohorts of the elitist 11th class of the Korean Military Academy that had graduated in 1955, with Chun in its ranks. Many from this group had transitioned into executive positions in the chaebol during the 1970s upon military retirement, as vice-chairman of the Samsung Group, Lee Kon-hee, related:

Seven or eight years ago, when I needed talented managers, I found the available pool was tiny. I started looking around for suitable people, and if I was told they came from the 11<sup>th</sup> class, they were accepted without question. They proved to be superb. Hyundai followed my example and also hired army officers. Now, under Chun, the Government took some of my executives back, one as a vice minister.<sup>89</sup>

These cohorts held a clear view, as Chun’s first Prime Minister explained, that “without the political stability and discipline that the military brought to the country, our modernization would not have occurred.”<sup>90</sup>

Accompanying this blurring of state–chaebol personnel were increasing shifts in the developmental alliance away from its former ‘amicable’ relationship towards patterns of increasing conflict as dissatisfaction on the side of business rose. Military discipline for rapid development was one thing, but “Korea’s business elite,” the CIA pointed out at this juncture, was “beginning to chafe under the government’s guidelines.” The apex of the organized business community, so long subject to the strong hand of the developmental state, had begun expressing publicly concerns of this “excessive involvement” in the economy and business operations, as Hyundai owner and FKI president, Chung Ju-yung, stated in 1979.<sup>91</sup>

However, the immediate policies of the new Chun government towards the economy and big business sought to address the most excessive outcomes of the big push: overcapacity and duplication within the HCI sectors, rampant inflation and national debt—deep-structural problems which would require excessive state intervention if the Korean industrial economy was to continue expanding into higher-

technological production sectors. To add to this, Chun's public rhetoric reflected an agenda to curtail the economic power and concentration of big business and begin measures to liberalize the economy. For the job he brought a new breed of technocrats into the EPB who were ideologically quite different than the traditional economic staff during the Park years. Where the latter were often engineers who looked to the Japanese model of industrialization, the core of the new team held PhDs in conservative monetary economics from US universities and, unsurprisingly, looked towards the emerging neoliberal model of finance and economics for policy formulation.<sup>92</sup> This structural quagmire set the stage for increasing conflicts between the state and big business which would take place throughout the 1980s as a policy shift unleashed a process marked by a declining capacity of the Korean developmental state to control the industrial economy and the chaebol, while the power of the latter vis-à-vis the state increased.

#### *Decline of the Developmental State*

As Chun's interim government took aim at the rationalization of the HCI sectors with a plan to extract chaebol firms from certain sectors and merge their affiliates in others, it met strong resistance from the chaebol. While some firms acquiesced, leaving overcrowded sectors and merging smaller subsidiaries, a number of measures simply fell by the wayside, resulting in an outcome that affected few industries permanently. Moreover, the chaebol were able to force the costs of rationalization on the government, which ended up paying for the restructuring by refinancing and, in some cases, canceling bad chaebol debt. In dealing with the other two immediate problems of inflation and national debt, the state had more success. A macro-economic stabilization program constrained fiscal budgets, pushed up interest rates and held wages static to deflate the currency.<sup>93</sup>

The larger contours of Chun's economic reforms, however, would effectively begin digging a grave for the Korean developmental state. The plan to begin economic liberalization and move towards more market-oriented economic management was prodded from the outside as US President Ronald Reagan, seeking to correct the United State's negative trade deficit with Korea, began applying protectionist threats to pressure the Chun government to liberalize import restrictions and open Korea's closed agricultural and financial markets to US businesses.<sup>94</sup> Beginning in 1981 reforms came one after the other with a liberalization program that encompassed many policy areas, but the thrust of which was focused on financial and trade liberalization, and more half-

heartedly on controlling chaebol growth and bringing in more market forces to help the position of SMEs.<sup>95</sup>

In attempt to control chaebol concentration and bring in market forces, the state raised interest rates and began phasing out concessional rates for export loans beginning in 1982.<sup>96</sup> In 1984, bank loans to the biggest five chaebol were frozen and the borrowings of the next twenty-five largest chaebol were held to their 1983 levels. In addition, the state continued to press the chaebol to divest themselves of unproductive sectors and minor subsidiaries, and begin offering stock shares to the public. In 1980, an anti-trust law was pushed through the National Assembly which sought to control existing chaebol concentration. The law was even strengthened in 1986 but ultimately the whole process, along with further attempts to force restructuring, met with little success in curbing chaebol power. As Minister of Finance Kim Manh-je conceded in 1985, “the degree of concentration is increasing rather rapidly.”<sup>97</sup> Indeed, the state was either uninterested in rigorously enforcing the anti-trust law or hindered from doing so because “the Korean economy had grown so dependent on the chaebol that it was becoming almost impossible to curb their activities without doing irreparable harm to the economy.”<sup>98</sup>

As these attempts to reduce chaebol concentration fell by the wayside they conjoined with the larger contours of the state’s liberalization drive, aimed at bringing in market forces in the hopes of controlling the chaebol and allowing more breathing room for SMEs. Economic liberalization, however, came to have the opposite effect by allowing the chaebol to grow even mightier while increasing their operational autonomy from the state. Chun’s concessions of trade liberalization to the United States came in the form of large reductions in average industrial and agricultural tariffs as well as import restrictions in the period 1982–1987.<sup>99</sup> Accompanying these openings was the liberalization of the financial market. Between 1981 and 1983 the state divested its shares in Korea’s five large commercial banks and allowed two new private banks to be chartered—although the state continued financial oversight through appointments of bank presidents, top directors and management. Under this system, regular loan policy began to be deregulated and interest rates were brought into line with market prices.<sup>100</sup> In order to keep the chaebol from encapsulating the privatized commercial banks, single shareholders of the banks were confined to 9% of the divested government stocks. Ever hungry for investment sources, however, the chaebol turned their tentacles on the secondary financial markets which were being liberalized and deregulated, buying up

non-banking financial institutions such as insurance companies, securities companies, investment trust companies and credit-card companies. These were brought in as subsidiaries, giving the chaebol 'private piggy banks' of liquid credit largely outside the hands of state control.<sup>101</sup> They then began buying up state enterprises that were divesting shares and taking over smaller and financially troubled private enterprises. This drove a further concentration of the biggest chaebol, which greatly increased their share of manufacturing output. Total output of the top five chaebol in 1984 made up 52.4% of GNP; the top 50 chaebol took unabashedly 93.8%. The affiliates of the top five made up 124 firms; for the top 50 this number was 552.<sup>102</sup>

The results of Chun's economic liberalization program had far-reaching consequences on the state-chaebol alliance. The economic and financial liberalization, however incomplete and ambiguous it may have been, cut deeply into the traditional capacity of the developmental state as it divested itself of the potent instruments for strategic industrial policy and control over the private sector. With that, the state underwent a qualitative shift during the 1980s from a 'comprehensive' developmental state to a 'limited' developmental state; effectively "the end of the leviathan state," as Woo puts it.<sup>103</sup> In particular, bank privatization, financial liberalization and the phasing-out of policy loans cut the main cord allowing state-control over the chaebol, instigating "the coming of age for entrepreneurs and the close of the era of the developmental state [and] consequently contributed to the power shift between government and business."<sup>104</sup>

These qualitative changes in the state's capacity to control and direct business were accompanied by declining state autonomy as intermarriage between the business elite and state officials began reinforcing the revolving door between state office and positions in industry.<sup>105</sup> As the chaebol profited from the liberalization program by capturing new sources of financing and credit they were able to continue expanding while also becoming less dependent of the financial whims of the state, a factor which "really over-determined the political disposition of the chaebol" as they "no longer had much need for the state to run interference on their behalf."<sup>106</sup> With growing economic and financial power, the chaebol began vying for political influence.

At first, there were rumours of deals behind closed doors between the state and chaebol. Later, as it became evident that many policies simply could not be developed and implemented without cooperation from the chaebol, the state invited leading chaebol owners to solicit their input on important policies. Despite these gestures by the state, several large chaebol openly defied state policies. Furthermore, instead of assuming a reactive position to the state's policies, the chaebol as a group began to proactively demand important policy changes and reform.<sup>107</sup>

Their grievances and demands towards the state increasingly began flowing out of the business associations and state officials could no longer afford to turn a blind eye. When the FKI-financed and chaebol-dominated Korean Employers Federation lobbied the Chun government on the issue of labor control, for example, most all of the policy suggestions flowed into the repressive labor laws of the 1980s.<sup>108</sup> As the FKI increasingly became the vehicle for business to voice demands it made clear its distaste for continued state intervention and, as its 1981 report to the government makes clear, its desire for “a civilian-led economic management and control system which will enable us to utilize the rules of the market economy most efficiently . . . [and] improve the total efficiency of our total economic and social activities.”<sup>109</sup> Throughout the 1980s the “bigwigs” of FKI regularly expressed disapproval at the restrictions and regulations imposed on business by the state:

Korea’s richest industrialist accused the government of a multitude of sins: not providing sufficient business financing while frequently ordering corporate restructuring; causing industrial downturns through mismanagement of finance; placing an albatross around the nation’s industrial neck through maintaining a mediocre financial system; creating instability and corporate default through arbitrary standards and whimsical decrees; and refusing to privatize banks, in the true sense of the word.<sup>110</sup>

By June 1987, as Chun’s authoritarian regime was brought to the bargaining table in the face of growing popular pressure for political reform, Korea’s class of large industrialists indeed had interests “for wanting to get the state out of its hair.”<sup>111</sup> Just that year the FKI had lobbied for fewer government controls, expressing grievances over the lengthy time it took to get through the state’s red tape when establishing a business, the high ‘secondary’ corporate taxes imposed on it by the state, and its regulatory activities ranging from prices, to production volumes, to inventories.<sup>112</sup> Furthermore, the political costs of doing business continued to remain high.<sup>113</sup> And if the state still wanted to pick winners and losers—as demonstrated by the dismembering of the Kukje chaebol in 1985—it was a game the chaebol no longer desired nor needed. This would show itself as the chaebol elite sat on the sidelines as Chun came under pressure from mass mobilization and subsequently undertook collective mobilization to shape the substance of the democratic transition that followed.

### ***The Politics of Guanxiqiye Growth in Taiwan***

Similar to these developments in Korea, the growth of private capital in Taiwan led to a process in which the growing economic power of private capital began to be translated

into political power. However, due to the KMT-state's different organizational and institutional relationships with the private sector and its broader availability of party and political institutions to include and co-opt social groups, this process proceeded in a somewhat different manner. In Taiwan, business interests would be slowly incorporated into the political periphery through several institutional channels in combination with Chiang Ching-kuo's policy of Taiwanization in the 1970s, which brought more Taiwanese into the party and state administration.

The developmental alliance established in Taiwan had cast a broad net over the growing business class. By providing the numerous SMEs in the private sector with real upward mobility, the EOI program greatly helped dampen political opposition within this social sector and brought about indirect acquiescence of KMT rule.<sup>114</sup> Moreover, the KMT's longer-term performance in sustaining EOI growth and providing the stability it required even won it solid political support among this group. Indeed, the growing sector of private capital had overlapping interests with the Mainlander developmental state, as Gold explains:

Though chafing at the mass of regulation, the bourgeoisie did not resort to politics to push for change—they feared instability above all. The state acted in their interests but usually without consulting them. The bourgeoisie supported [the] repression of labor and [the] squeezing of agriculture. The workers and peasants, eager themselves to invest in Taiwan's seemingly unstoppable growth, did not challenge this alliance; on the contrary, they aspired to join it.<sup>115</sup>

Yet joining the alliance did not mean that private capital did not seek-out political influence where it could. Indeed, with the arrival of the *guanxiqiye* business enterprises in the later 1970s, this group of larger entrepreneurs increasingly sought to move into positions within the political realm in order to capture benefits and influence policy. As discussed previously, the political regime established on Taiwan gave the KMT strong institutional channels through which they could co-opt social sectors into the peripheries of the political order—particularly through its corporatist organizational machinery and local electoral contests. Both the party and the group of private capital around the *guanxiqiye* would begin exploiting these channels as the later grew their economic power.

When Chiang Ching-kuo succeeded his father as ROC Premier in the early 1970s, he began a policy of Taiwanization within the party and the state bureaucracy as part of a general effort to reinvigorate the domestic situation to deal with the increasingly deteriorating international position of the ROC. This process set loose a slow trend of native Taiwanese, including members from the private capital sector, being pulled into

official positions within the state and party, and was accompanied by an increasing blur among business, military and party officials as the economic power of the *guanxiqiye* grew. Links with public sector enterprises increased *guanxiqiye* contacts with state officials and, as was the case in Korea, military officers were increasingly recruited into private business upon retirement for the purpose of increasing these contacts with state agencies.<sup>116</sup> Within the corporatist big-business associations successful businessmen were vying for KMT support in their efforts to capture organizational leadership positions to channel their political and economic ambitions, using the associations as a springboard into political office with KMT sponsorship or to increase contacts with the economic bureaucracy.<sup>117</sup>

The movement of this growing business class into the political world was also being facilitated by KMT electoral politics at the local levels, where private business increasingly came into contact with the party and the lower levels of state as they were coopted into the KMT's electoral party-machines.<sup>118</sup> Prominent *guanxiqiye* elites, or even smaller local businessmen with influence in their localities or control over a local faction, would be rewarded for bringing block-votes to a particular KMT candidate with the perks that came with public office. Successful candidates, once in office, could provide their supporting factional leaders with local project contracts, assistance in cutting bureaucratic red-tape or securing preferential loans from state commercial banks, or the management of profitable local monopolies—such as the credit coops, Farmers' Associations, local bus companies, etc.—which came with further perks to be exploited. This political economy of local level politics brought private business close to KMT office holders, helping to cement a common interest between KMT politicians, the local factions and local business, blurring the divide between the business community and local factions in the process.<sup>119</sup> As the economy grew, so too did the economic power of local factions—needed for vote buying and electoral campaigns—and they accordingly sought to grow their influence. By the 1980s the bulk of political finances used to secure factional mobilization during elections increasingly began coming from local businessmen who developed coalitions with factional leaders, thereby securing a basis for their upward mobility into the political world. By the early 1980s business candidates to the Legislative Yuan made up roughly one-fourth of all electoral candidates and their electoral success rates increased throughout the decade so that by 1989 roughly 50% of the Legislative Yuan would be made up of politicians representing the commercial and financial classes, who came to dominate the body's economic finance committees.<sup>120</sup>

The same trend was taking place in the provincial assembly, where members with business-class backgrounds came to hold a large number of seats by the 1980s.

In sum, by the mid-1980s the inner circles of both Taiwanese and Mainlander Guanxiquye elites were well connected across businesses and with the state via regular contact in the trade associations and the directorships of their business organizations, bringing about “a socially, if not economically” coherent group of big business elites within a “tightly organized corporate community above the mass of small-scale enterprises.”<sup>121</sup> They had come to hold office at the provincial and national levels of the state as well as take up positions within the KMT party, becoming “well entrenched in the political world, as far as their official positions are concerned.”<sup>122</sup> As they were increasingly expanding their business empires, they were naturally “very much interested in influencing public policy on behalf of their private interests.”<sup>123</sup> This would take place through the increasing presence of members from the private entrepreneurial class in the Legislative Yuan and provincial government where this group began voicing opposition to a number of state policies which they saw to be interfering with business growth, such as conservative bank lending policies, the selective use of import duties and licensing, controls on outward investment, and generally the maze of bureaucratic red-tape placed by the state between the market and private enterprise. They resisted legislation geared towards stronger controls for consumer protection and environmental protection as well as other socioeconomic policies unfavorable to business growth. The group generally maneuvered in attempt “to either minimize its losses or maximize its possible gains” by demanding continued protection from the developmental state, while also calling for a dismantling of its massive public sector.<sup>124</sup> The latter came to be a central issue with the introduction of the Free Trade Law by the Ministry of Economic Affairs in the early 1980s, resulting in a decade-long battle with business interests regarding the position of the public sector monopolies vs. the private sector. (While the bill aimed at checking the expanding power of the guanxiquye business groups, business interests in the legislature argued that it was the SOE monopoly sector that should be subject to free trade laws.)<sup>125</sup>

What the KMT had feared most—the translation of private economic and financial power into political power—was underway. The ability of private business groups to capture secondary financial institutions, as the chaebol had done in Korea, helped push this trend. It can best be seen in the mid-1980s political-financial scandal involving the family owners of the Cathay Group, Taiwan’s second largest guanxiquye.<sup>126</sup> In February 1985, a government investigation audited the Cathay Group’s

Tenth Credit Cooperative, finding that the firm had extended roughly US\$ 325 million in illegal credit to Cathay Group affiliate, Cathay Plastics. Cai Chen-chou, the Cathay family heir, chairman of the Tenth Credit and Cathay Plastics, and KMT legislator, was found to have illegally diverted the bulk of Tenth Credit reserves (some US\$ 200 million) in credit to the ailing Cathay Plastics and other companies within the business group—none of which had the assets to cover the liability—as well as used it for his own personal use.<sup>127</sup> News of the scandal caused a run on Cathay's financial institutions causing the government to take them over and let the rest of the Cathay economic empire collapse. Cai had been elected as KMT nominee to the Legislative Yuan in 1983 on a campaign costing roughly US\$ 2.5 million. He had then used his political position to put together a group of 13 KMT-businessmen lawmakers to lobby for the benefit of Cathay interests and their business interests as a whole, the lobbying activities of which were supported by the business groups' financial concentration. It was a clear case of private big enterprise using economic and financial muscle to challenge the autonomy of government economic policy.

The Cathay scandal represented everything the KMT had always guarded against. The Cai family . . . broke every financial regulation in the books. They solicited deposits from their own employees and lent to their own group firms, engaged in massive speculation in stocks and real estate, and absconded with depositors' funds. Worse yet, they established intimate and reputedly corrupt relations with a whole range of party, military, and government officials. Cai . . . garnered a KMT nomination to the legislature, where he was dubbed 'the golden bull' and began building an independent power base.<sup>128</sup>

### *Decline of the Developmental State*

As Taiwan stood before programs of both economic and political liberalization in the mid-1980s—the first of which would begin dismantling the developmental state and the second of which would finish this job—the relationship between private capital and the state had changed greatly from its former pattern of distance. Chiang's Taiwanization policy, combined with local, and increasingly national, electoral political contests, had progressively brought the interests of private capital closer to the levers of political power. Taiwanization increased the amount of contacts and networks among the larger, predominantly Taiwanese business groups and a new public-sector elite.<sup>129</sup> The increased inclusion of the growing guanxiqiye business elite into the KMT party machines at the local and provincial electoral levels likewise brought these interests into the periphery of party and political institutions. As the incorporation of these new social

forces progressed, both the autonomy and coherence of the central party apparatus and state political institutions went into decline: in the face of an increasingly “independent-minded” KMT membership the KMT elite found it progressively difficult to maintain the party’s “centralist discipline.”<sup>130</sup>

Accompanying these declines in the autonomy and coherence of the KMT’s bureaucratic and political center, the beginnings of an economic liberalization program began chipping away at the capacities of the developmental state vis-à-vis the private business groups in similar ways as it did in the case in Korea—although the Taiwan case would be much more piecemeal than the latter. Beginning in the early 1980s, the developmental bureaucracy’s use of sectoral targeting began to decline as “political old guards with strong political will and intervention tendency gradually left the state” and a new tendencies emerged which groped towards market liberalization and deregulation.<sup>131</sup> Following the Cathay scandal, rhetoric on a clear program of liberalization and deregulation increased. The government put together an Economic Revitalization Committee consisting of selected government officials, private business and academia, which suggested a number of reforms including the liberalization of the foreign exchange system, the deregulation of interest rates, the enactment of the Fair Trade Law, a privatization of the commercial banking system, and a call for the elimination of SOE monopolies to increase domestic competition.<sup>132</sup> Like its Korean counterpart, prodding Taiwan’s project of economic liberalization was pressure from the United States as the Reagan Administration sought to correct mounting trade deficits and break open Taiwan’s agricultural and financial markets. Following US–ROC negotiations in 1986, the KMT government took steps to appreciate the currency roughly 20%, loosen controls on foreign exchange and trade, and open-up secondary financial markets. Like the chaebol in Korea, the guanxiqiye began capturing insurance and trust companies in the deregulated secondary financial markets and centering their affiliates on these. The commercial banks, still remaining in the hands of the state, now also took steps to liberalize interest rates and monetary policy.<sup>133</sup> Furthermore, a bank privatization law in 1989 prepared for the entrance of private commercial banks to be chartered beginning in 1991.

With the onset of these liberalization measures, Nordhaug writes, “the old-style policy instruments of the ‘developmental state,’ such as investment control, export requirements for producers, trade barriers and foreign exchange control were abolished or significantly enfeebled.”<sup>134</sup> These precious instruments which had allowed the state to

control and discipline private business throughout its industrial drive had now been cast aside. Similar to the earlier developments in Korea, economic liberalization during the late-1980s in Taiwan brought about a shift from a comprehensive developmental state to a limited developmental state. This institutional dismantling of the developmental state would accelerate as political liberalization was pushed further by Lee Teng-hui following the death of Chiang Ching-kuo. Thus, on the eve of both accelerating economic and political liberalization beginning in 1986, private business was well situated to penetrate further towards the echelons of power within the party, the state and the government. As Lee Teng-hui came into the center of political power, it was this group of elite *guanxiquye* entrepreneurs to which he looked when constructing a powerbase to balance his power against KMT hardliners in the upper echelons of the party and state, and ensure continued KMT political dominance, a process which will later be analyzed in Part III.

#### ***Declining State Autonomy and Empowered Local Capital in Singapore?***

Quite unlike these processes taking place in Korea and Taiwan, where private domestic capital began translating its economic power into political power, the trajectory of Singapore's domestic capitalists has stagnated, leaving this class with little economic power to wield for such purposes. Some scholars have pointed to shifts in the relationship of the PAP-state and the local capital sector during the mid-1980s—particularly as state managers came to recognize the squeezing of this sector by state enterprises and MNCs—and argued that a process of declining state autonomy and empowered private capital was in the works. In particular, Chalmers suggested that the troublesome recession in the mid-1980s, combined with a decline in PAP electoral support and the shift to a new generation of PAP leaders, was pushing the government to reform its one-sided technocratic planning process towards a consultative framework with the local private sector—seen as a transition to “inclusionary corporatism” which sought to open participatory channels in policy-formulation.<sup>135</sup>

The development supporting this hypothesis was the establishment by the PAP government of the Economic Committee in 1985, which was tasked with reviewing the state's economic policies. Headed by PAP Member of Parliament and soon to be Minister of Trade and Industry, Lee Hsien Loong, the committee opened channels for soliciting input from the private sector and providing for their participation in

consultations within a core committee involving business leaders, politicians and upper-level bureaucrats. Among the various sub-committees was strong representation of the local business community, whose views were often critical of government policies. The final reports of the Economic Committee gave official acknowledgment to the economic structural bias of state policy towards the public sector and foreign capital and admitted to its detrimental impact on local businesses—including recognition of the EDB's exclusion of private domestic capital.<sup>136</sup> Responding to the report, the EDB took steps to promote private business within the growing tertiary sector by establishing a Small Enterprise Bureau under its direction which would supply credit lines to SMEs and implement a Local Industry Upgrading Program to strengthen their production capacities through technology transfer from MNCs and GLCs to their local subcontractors. Following this move, the state again reached out to the private sector at the end of the 1980s to involve them in consultations within the Economic Planning Committee, established within the Ministry of Trade and Industry to formulate the Strategic Economic Plan for the 1990s.<sup>137</sup>

These developments appear at first sight to suggest a similar trend as that which took place in the developmental states of Korea and Taiwan, whereby private capital accordingly increased its political influence within parts of the state as the autonomy and capacity of the developmental state began to decline. Indeed, Chalmers interpreted this expansion of consultation by the PAP government as a forced response to appease the growing power of local capital, the latter having “made use of these consultative mechanisms to win political protection for their interests.”<sup>138</sup> The more detailed evidence, however, seems to point away from such a hypothesis. First, as will be discussed in more detail in Part III of this work, the political transition in Singapore to a second generation of PAP leaders coincided with a general shift towards opening representational channels and increasing consultation with social groups across the board. Less than being pushed on the government, the shift symbolized a strategic strengthening of PAP political control through new mechanisms of co-optation. Second, the shift coincided with the recognition by EDB planners during the mid-1980s economic recession that the country's economic base required diversification from its narrow manufacturing export-base. The subsequent Strategic Economic Plan (1991) to integrate Singapore's growing service sector further into the expanding economies of the region made this small group of domestic bourgeoisie a strategic resource to be exploited, as they had served a similar regional-entrepreneurial function during colonial

times.<sup>139</sup> Accordingly, the government established new forums such as the Regional Business Forum to bring together the leading local private and public sector actors to coordinate this regionalization drive. But again, the “genesis” of the Strategic Economic Plan was located inside the government and was a rational response to market developments: “Even input from the private sector was limited and localized, with few opportunities for business to set the agenda or capture policy.”<sup>140</sup>

In sum, the shift in PAP strategy towards private domestic capital during the mid-1980s suggests less the emergence of local private capital as a political force, and more the continued dominance of the state within its broader effort to co-opt the SMEs within state channels. As Haggard suggests, “despite the formation of a joint business-government Enterprise Committee . . . the second generation of PAP leaders appeared no more responsive to the local private sector and no more genuinely committed to a diminished state role.”<sup>141</sup> In fact, the shift to the new strategy of regionalization has “actually led to greater government involvement in and control of the economy” and demonstrates the PAP elite’s continued autonomy and insulation from local business.<sup>142</sup> Not only does the dominant role of the PAP-state in the domestic and international market keep the economic power of local capital constrained, and thereby politically weak, but it greatly helps reproduce the political dominance of the PAP. The nexus of statutory boards and GLCs serve a revolving door function, providing the PAP government and party with talented recruits while enabling it to reward loyal and well-performing elites with upper-level management jobs and directorships. As described earlier, it is within this upper-level bureaucratic realm where the collective of state bureaucrat-capitalists assembles as a relatively autonomous and cohesive power group. The continuance of this practice, Rodan suggests, merely prolongs state economic dominance while preventing the emergence of a reform coalition involving private capital.<sup>143</sup>

### **3.3 Conclusion**

This chapter has shown that the different ways in which the Korean, Taiwanese and Singaporean developmental states organized institutional relations for control and mobilization of their developmental alliances led to strong variations in the trajectory of private domestic capital throughout the process of rapid economic development. Furthermore, the cases demonstrate the structural limits of a state’s autonomy and capacity to manage these alliances over the long haul of industrial development. As

Rueschemeyer and Stephens have suggested, the increasing “penetration of civil society by the state activates political responses and increases the likelihood that societal interests will attempt to invade and divide the state . . . , potentially undermining both its coherence as a corporate actor and its autonomy.”<sup>144</sup> The cases of Taiwan and Korea both demonstrate that the embedded autonomy of the developmental state with private capital is a hard institutional maneuver to maintain. While this structural dynamic proved essential in facilitating the state’s industrialization project with capital, it came under attack as both the character of private capital and the state began changing during the process.

Comparing the processes of the politization of the business classes in Korea and Taiwan and the eroding capacity and autonomy of these developmental states vis-à-vis the private sector, accompanied the process, some similarities stand out. First and foremost is the role of this class in penetrating parts of the state apparatus. While the autonomy of the state vis-à-vis the growing economic and financial power of private business is not a zero-sum game, these cases show a situation where the developmental state’s autonomy began a decline with continuing expansion of the business class as revolving doors linking state elites from upper-echelons of the military and state bureaucracy with the private business sector opened up. As business searched out qualified recruits from the state for the upper-levels of its business enterprises, through which they could strengthen their connections to parts of the state, these recruits profited from lucrative job opportunities in the private sector. The natural outcome of this process was a slow blurring of an earlier division between the collective of private capital and economic managers within parts of the state. In Taiwan, this process was greatly pushed along by the proactive policies of the KMT itself, as the party began incorporating on a selective basis private capital interests into the peripheries of the political arena through the Taiwanization policy, and increased its reliance on the electoral mobilizational power of local factions which increasingly became dominated by businessmen. In both cases, these processes led to a decline in the autonomy and corporate coherence among state managers.

Accompanying this decline of corporate coherence in Korea and Taiwan was a relative decline in earlier state capacities to control and discipline the private sector. But this does not appear to be an automatic relationship. State capacity began to decline as private capital gathered recourses with which it could resist—or attempt to resist to one degree or another—undesired state interventions. In Korea, the development of mutual

hostages between the state and chaebol shifted with the further economic concentration of the latter, making the state alone increasingly hostage to these moral hazards whose failure would bring severe socioeconomic harm with it. In Taiwan, while the *guanxiqiye* did grow large, they were no chaebol, and no such development emerged. Yet in both cases, big private business was able to grab hold of secondary financial institutions and, then centering their business organizations around these credit unions, insurance and trust unions, they gained independent sources of finance and loan credit for investment, freeing them of dependency on state financial channels which had been constraints on further business growth. In both cases the strengthened economic power of the business class saw increasing steps by the latter to translate this power into political influence. Yet the routes to political influence were markedly different. Korea's chaebol focused their efforts against state mandates while using their associations to influence policy change. The fact that their economic concentration made top-down policy-making increasingly more difficult without their involvement brought them increased political influence. In Taiwan, the KMT party so tightly controlled the state-corporatist business organizations that *guanxiqiye* associational lobbying lacked such influence. Instead this group used their expanding position within the legislature to influence policy.

Although the declining capacity of the Korean and Taiwan developmental states to direct and control private capital was certainly prodded by the expansion of private business power and political influence in these cases, the policy programs of economic and financial liberalization during the 1980s were sufficient to accelerate these declines in capacity. With economic and financial liberalization, the developmental state begins divesting itself of the very tools that had given it the capacity to be so developmental in the first place. No longer enjoying robust financial and macro-economic instruments to direct and discipline private capital within the joint project of industrial transformation, the state becomes increasingly constrained to more limited regulatory activities of market management in marked contrast to its earlier activities of market manipulation. And in both Korea and Taiwan this process certainly opened the door to further changes in the structural positioning of private capital vis-à-vis the state.

To return to the question posed at the beginning of this chapter: do developmental states automatically create their own gravediggers? The case of Singapore suggests that they do so only if they choose. Similar to the nationalists in Taiwan, the PAP-state designed its developmental strategy in a way to avoid the growth of a domestic class of private entrepreneurs who might seek to convert increased economic

power into political power, and thereby undermine the state's structural power for successful intervention. Where the conservative policies of the Taiwanese developmental state failed to prevent this development over the long haul, the PAP-state in Singapore has proven quite robust in this task. The state's role as domestic entrepreneur, both in attracting MNCs and dominating the domestic economy, has proven essential to this process. The sidelining of domestic private capital and the concentration of the state's economic power within a tight group of upper-level bureaucrats and politicians—reproduced through continued successful state intervention, meritocratic recruitment and reward patterns—has tended to reinforce the corporate coherence and autonomy of this group over time and perpetuate this pattern.

The impact of these varying configurations between the state and private capital on the process of political change in these countries will be analyzed further in Part III. For now an analysis of what these developmental alliances meant for the trajectory of industrial labor, a social sector that grew rapidly in size with the swift pace of industrial development, is in order.

## Chapter 4

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### Labor Repression: The State and Industrial Workers

It is generally accepted that the repression of industrial labor in South Korea, Taiwan and Singapore was a necessary condition for the rapid and successful industrial development of these countries.<sup>1</sup> Low wages, high productivity and industrial peace were crucial to the success of the export strategy, not only in churning out vast amounts of cheap manufactured products for western markets but also in securing the inflows of foreign investment and, particularly in the case of Singapore, attracting production activities of multi-national corporations (MNCs). The architects of these developmental states took a keen awareness to these imperatives and built robust labor regimes through legislative, organizational and policing actions in an effort to control and mobilize industrial labor for the developmental project and secure the industrial peace needed for the task. The institutional configurations established by these developmental states for the control of labor, as we shall see, were not all able to secure these functions to the same degree.

The trajectory of industrial labor in these countries as it was pushed by rapid industrial development is telling. An obvious similarity which all three countries shared was the enlargement of a class of wage-workers employed in industrial production as the currents of industrialization increasingly pulled more and more people from their traditional agricultural existence into the emerging industries of the national economy. When South Korea turned towards export-oriented industrialization (EOI) in the early 1960s, for example, its industrial workforce comprised only 9% of all workers while 66% of the total labor force was still engaged in agricultural activities. By 1990, the Korean industrial workforce had peaked at roughly 35% of the total labor force while the agricultural workforce had dropped to 18%. In Taiwan, the shift was similar. Between 1960 and 1982 the industrial workforce rose from 11% to a high of 45% of total employment while the agricultural sector declined from 56% to 19% during this time. In Singapore, the absence of a hinterland meant that its minute agrarian sector employed

only 8% of the workforce in the early 1960s, with the industrial workforce having already reached 23% of the total labor force. By 1981, the later had risen to 37% of total labor force before declining slightly and then peaking at 39% in 1986. By this time, agriculture employment activities made up a mere 1% of employment.<sup>2</sup>

While the structural size of this social group followed similar growth patterns in these countries throughout rapid industrial development, the trajectories of working-class collective identities, organizations, and mobilization of collective actions—of an economic or political nature—displayed striking variation across cases. Whereas Korean industrial workers developed into a more coherent collective group and became radicalized throughout the process to mobilize strong pressures on the national socioeconomic and political orders, the sector of industrial labor in Singapore and Taiwan failed to develop strong collective identities and remained effectively co-opted into the organizations of the dominant political order throughout rapid development, lacking a strong mobilized presence within the socioeconomic and political realms.

A sufficient explanation to this puzzle can be found in important cross-case variations in the structures and actions of these developmental states within the institutional realms used to secure labor control. First, variations in industrial structure resulting from the chosen developmental alliances with capital would shape the process of proletarianization in different ways by grouping and dispersing workers geographically into different industrial environments which constrained or encouraged collective identities and resources for collective mobilization. Second, the forms and functions of the labor regimes erected by these developmental states displayed variations in their capacity to control and mobilize industrial labor through state-corporatist union structures and various enterprise-level controls. Variations in these institutional nodes gave industrial labor more or less inclusion into formal institutional channels that could be controlled by the state and/or employers, thereby effecting whether and how workers would seek to voice collective grievances and demands. These institutional and structural configurations, particular to each developmental state, were products of the reorganization of state-society relations during the critical juncture and would greatly shape the process through which the sector of industrial labor developed in these countries. Accordingly, this chapter begins with a broad overview of the proletarianization of industrial labor as it progressed during development in these countries and then moves to a comparative analysis of the institutions of labor control and mobilization in these countries.

#### **4.1 Proletarianization, Industrial Structures, and Labor Formation**

The previous chapter has shown that variations in developmental alliances between the state and capital brought about marked differences in the industrial structure of these industrializing countries, the most striking being the presence of a great number of decentralized, small- and medium-sized enterprises (SMEs) on Taiwan and the concentration of larger enterprises in Korea and Singapore. These differences in industrial structure greatly shaped the proletarianization processes in these countries as the manufacturing sector expanded and industrial development proceeded, providing constraints and opportunities for working-class formation along the way. Variations in developmental strategies impacted the size and geographic spread of factory production, patterns of urbanization and managerial tactics employed in the workshops—structures which impacted the type and degree of resources available to workers and the possibility of mobilizing collective actions of an economic or political nature.

##### ***Taiwan: The Satellite Factory System and ‘Part-time’ Proletarians***

Characterized by the massive sector of SMEs producing within the satellite factory system on the one hand, and the mass of state-owned enterprises (SOEs) in the commanding heights on the other, Taiwan’s industrial structure greatly shaped the process of proletarianization and formation of labor as this sector was filtered into these widely diverging production environments. As the industrialization program was set loose, the number of wage-workers increased 4.3 times, rising from 1.4 million in 1956 to 6 million by 1990, with increases in the total labor force rising 2.6 times during this period. Where wage-workers made up 41% of Taiwan’s total labor force in 1956, they increased to 55% by 1975 and 68% by 1990. Between 1964 and 1979 an average of 71,000 workers annually were entering Taiwan’s expanding industrial sectors, with the industrial work force growing from roughly 0.5 to 3.8 million by 1990. Within the manufacturing sector, labor rose from 12.7% to 22.3% of the total employed workforce between 1966 and 1975.<sup>3</sup>

The structural bias towards small firms within the manufacturing sector meant that a large part of Taiwan’s workforce came to be employed in this sector and their share grew as industrial development proceeded.<sup>4</sup> During the 1970s, for example, small firms with less than 30 workers employed roughly 20% of all manufacturing workers. In contrast, those large firms with more than 500 employees took 36% of the manufacturing

workforce. By the mid-1980s this distribution had changed to greatly favor smaller firms. By the mid-1980s, the percentage of manufacturing workers in firms with less than 30 employees had risen to 40.5%, almost half of all wage-workers in the manufacturing sector—firms employing less than 10 workers made up more than half of this group. The share of workers employed in large firms with more than 500 employees had by this time dropped by half, now making up only 18% of the manufacturing workforce.<sup>5</sup>

These small production enterprises within Taiwan's satellite factory system were family-owned and overwhelmingly employed direct and extended family members in everyday production activities. The owners enjoyed the regulatory space to organize and run their facilities as they saw fit, often exercising strong paternalistic control over employees.<sup>6</sup> Due to the highly volatile nature of their production activities the success of these small firms were dependent on the maximization of production during times of peak demand. This flexibility was generally achieved through oppressive managerial tactics and rigid labor controls which could maximize productivity and minimize worker discontent, creating highly "centralized and authoritarian" workplace relations between management and these predominantly nonunionized workers. Owners were "highly intolerant of different opinions" and showed "minimal concern for the employees' welfare." Their "authority and power are institutionalized and unchallengeable."<sup>7</sup> Working conditions in these factories, more so than the larger factories in the modern sector, were characterized by "low wages, long hours, bad living conditions, danger, noise, health-threatening pollution, and personal services exacted by the owner's families."<sup>8</sup> In fact, Taiwan reportedly had one of the highest rates of industrial accidents in the world, higher than in industrializing South Korea and much higher than Singapore.<sup>9</sup>

While the material and personal subjugation experienced by workers in this sector certainly gave cause for grievances, the structure of Taiwan's satellite factory system worked in several ways to discourage the construction of working-class identities and the development of collective organizations on the side of workers.<sup>10</sup> First, the spread of these flexible, small manufacturing enterprises throughout the rural areas were used by family households—many of which were still engaged in family agriculture—for part-time or short-term employment to pad family incomes. The mobility provided by this sector also meant that family households could establish their own simple production facilities to earn additional income after family members spent a period in wage-

employment in the factories to acquire the training and skills needed for starting their own independent business, thereby using wage-work as a “transitional stage in the pursuit of becoming their own boss.”<sup>11</sup> Young Taiwanese would migrate temporarily into the urban areas for wage-work in large factories to acquiring more skills for the family business or simply to earn wages to pad the family income in times of family-business down turns. The latter was particularly the case for young Taiwanese women, the so-called “filial proletarians,” who entered factories usually with parental support and encouragement as a family strategy to contribute to family income.<sup>12</sup> In affect, these patterns of wage-work helped foster docile, ‘part-time proletarians’ among a large part of the Taiwan’s workforce by creating a “supply of large but elastic numbers of laborers who will never demand pensions, seniority raises, substantial medical benefits, or even a wage which will support a family, because most will leave factory work to marry and enter their permanent occupations after a few years of ‘selling their youth to the company.’”<sup>13</sup> Even where more stable urban proletarian communities did emerge during the course of development, such as around the sizeable heavy industries within the larger private enterprises and the SOE sector, the satellite factory system provided manufacturing workers with opportunities to moonlight or simply leave to establish their own family business.

Second, workshop relations in the satellite factory system served to undermine the development of working-class consciousness and identity. The family nature of these firms and the use by owners of *guanxi* networks for hiring non-family labor led to highly personal relationships between owner and worker on the shop-floor of these enterprises, which served to discourage collective resolution of grievances at the shop level.<sup>14</sup> Conflicts between owner-managers and workers were resolved not through formal institutions of industrial relations—for there existed “neither institutional means of resistance nor political protection” for satellite factory workers—but through family-oriented forms of conflict resolution which could not “successfully challenge or alter the basic structure of the system.”<sup>15</sup> With this came the ethnic divide, whereby the small enterprises within the factory satellite system were dominated by ethnic Taiwanese ownership and overwhelmingly employed Taiwanese, a structure working “to keep Taiwanese and Mainlander workers separate and to cause each to identify with capitalists on their own side of the divide,” thereby dampening the construction of class identities.<sup>16</sup>

In sum, the decentralized, extensive subcontracting networks of the satellite factory system in Taiwan offered families an opportunity for upward mobility, skewing

the process of proletarianization by creating a large group of part-time proletarians connected to “semi-proletarian households” in rural Taiwan.<sup>17</sup> The effect of this upward mobility on the process of proletarianization was simple, writes Hsiung: “skilled workers open their own shops to escape their proletarian status.”<sup>18</sup> The obvious consequence of this peculiar phenomenon, Deyo argues, was to “reduce occupational and working-class identification . . . and encourage a positive reference-group orientation toward employers and managers, thus undercutting labor solidarity.”<sup>19</sup> Even by the late 1970s these structures were not only constraining the development of proletarian working-class communities, but they were hindering the reproduction of an urban proletarian working class. Only by the later 1980s did the pattern of weak working-class identification begin breaking and a stable proletariat was effectively reproducing itself.

### ***South Korea: Big Capital, Big Factories, and Proletarian Communities***

In contrast to Taiwan, Korea’s industrialization process was accompanied by a rapid and much more complete process of proletarianization. First in the low-skilled, light-manufacturing export sector during the 1960s and then during the big push of the 1970s into heavy industries, the process of proletarianization had massive structural effects on the labor force. Also different from Taiwan was how Korea’s industrial structure intermediated class-structural changes to create different dynamics within the emerging industrial working class—the main difference here being the impact of large industrial enterprises highly concentrated in dense urbanized areas.

Between 1962 and 1980, the national labor force in Korea rose from 2.3 to 6.5 million.<sup>20</sup> During the first phase of the EOI push, the number of wage-workers in industry doubled from 2.4 million in 1963 to 4.8 million in 1975. By the mid-1980s the number of wage-workers had almost doubled again, rising to 8.1 million. The concentration on export manufacturing pushed the percentage of manufacturing workers from 17.3% of all employment in 1960 to 38.9% by 1985.<sup>21</sup> With the introduction of the Heavy and Chemical Industries (HCI) program during the 1970s, both industrial labor and chaebol capital began consolidating their dominant positions. Thus, as the HCI program led to increased chaebol concentration in the economy, it also had the effect of concentrating industrial workers.

First, while thrusting a growing number of workers into industrial factories the HCI program also stimulated the growth in the size of these factories as well as their

geographic concentration. The increasing dominance of large firms over the labor force can be seen in a few numbers. During the 1960s, workers in factories with over 100 workers rose from 34.2% to 55.8% of all factory workers. By 1978 this figure had risen to 74%, with almost 50% of all factory workers being concentrated in the large factories of the behemoth-like chaebol such as Samsung, Lucky-Goldstar, Daewoo and Hyundai.<sup>22</sup> During the HCI drive, the employment levels in the twelve largest chaebol increased from 25,000 to 154,000; their share of the employed workforce grew from 8.1% to 14.3%.<sup>23</sup> Compared with Taiwan, these differences in the industrial structure are striking. In the ten years between 1966 and 1976, the number of Taiwanese factories increased by 150% with their average size in terms of employees increasing by 29%. In contrast, while the number of Korean factories during this time increased less than 10%, their average size in terms of employees increased by a mammoth 176%. By the mid-1970s the average-sized Taiwanese factory employed about half the amount of workers that an average-sized Korean factory did—35 compared to 69 employees respectively.<sup>24</sup>

Second, paralleling this concentration of large factories in Korea's industrial structure was their geographical concentration, which pushed the emergence of proletarian, working-class communities in large, densely populated, urban areas.<sup>25</sup> The bulk of manufacturing and industrial production was heavily concentrated in a few major industrial cities and packed into densely populated industrial parks that housed the large chaebol factories and their workers. The big push concentrated machine industries in industrial estates in Ulsan, Masan and Changwon and the heavy industries of Daewoo Industries in Keojae Island. Several densely populated industrial towns sprang-up along the major route between Seoul and Pusan. By the mid-1980s almost half of the manufacturing workforce was situated in the dense Seoul-Kyungin area which connects Seoul and Inchon, and roughly another 40% were in the Youngnam region in the Southeastern part of the peninsula in cities such as Masan, Taegu and Pusan.<sup>26</sup>

Unlike the dynamics of Taiwanese proletarianization, where workers often took jobs in the large urban industries on a contingent basis, the high urban concentration of industry in Korea pushed a large-scale, permanent migration of workers from rural to urban areas. Where young Taiwanese became 'part-time proletarians,' young Koreans who left their rural homes to take jobs in the growing industrial factories generally stayed. Migration to urban areas was rapid as approximately 11 million Koreans migrated into urban cities between the early 1960s and 1980.<sup>27</sup> During this period the urban population doubled from 30% to 60% of the total population and would reach 75%

by 1990.<sup>28</sup> Korean industrial development pushed a sharp gap between the rural and urban sectors and the masses of migrating Korean workers, particularly the males, were unlikely to return to their rural homes and were often regularly remitting part of their wages to their families in rural areas in order that rural incomes could meet ends.<sup>29</sup> Taiwanese workers, in comparison, lacked the rapidness and social dislocation experienced by the first generation of Korean workers in that they were cushioned by the higher level of mobility provided by the industrial sprawl of the satellite factory system. In Korea, due to the permanency of urban, industrial migration, an urban-proletariat was reproducing itself by the 1980s, a process which took perhaps a decade longer in Taiwan.<sup>30</sup>

As Korean workers migrated into the depths of the export-manufacturing sectors they met working conditions of an often horrific nature. Management, both in large and small manufacturing was “authoritarian, patriarchal, and despotic,” often using “their power in an arbitrary personalistic manner, with the frequent exercise of verbal and physical violence.”<sup>31</sup> Cumings has pointedly described the conditions suffered by garment workers in the Peace Market manufacturing complex, “a vast warren of sweetshops” settled into a single district of Seoul:

In three- and four-story warehouses small garment manufacturers would create platforms about four feet high, and in every available space put a table, a sewing machine, and a young woman. Dust, dirt, heat and cotton particles would blow through this small space, which had no proper ventilation . . . Put a thousand of these shops together and you have the Peace Market, employing about 20,000 workers in all . . . ‘The workers were entitled to two days off per month . . . When there was a great deal of work to do, they were forced to work throughout the night . . . [and] to stay awake . . . take stimulants [amphetamines] . . . Their daily wage was the equivalent of the price of a cup of coffee at a tea room . . . Laborers who worked in the Peace Market area for more than five years suffered, without exception, from such afflictions as anemia, poor digestion, bronchitis, T.B., eye problems, arthritis, neuralgia, and irregular menstruation.’<sup>32</sup>

In the large chaebol factories, management–worker relations took on a military-type command structure, hardly surprising in a society where the echelons of the state were occupied by ex-generals. Top-level industrial managers were often recruited from the military and factory foremen had learnt organizational relations through their compulsory military service.<sup>33</sup>

At morning meetings within the chaebol workplaces, workers were addressed by management, targets were set and the foremen behaved more or less as front-line non-commissioned officers. Once an order was given, it was expected to be implemented without question, even if it involved a difficult or hazardous task. The perception was promoted that the duty of all workers was to adhere to and execute an order given by a senior worker or management.<sup>34</sup>

As in Taiwan, but perhaps even more extreme in Korea, such material deprivation and degradation of manufacturing and industrial workers certainly supplied a latent basis for socioeconomic grievances and an stimulus for collective action. But it was the particular geographic and organization concentration of industry in Korea which would help facilitate the construction of working-class identity and organization: workers lived within tight proletarian communities around the factories, at work they were subject to similar production systems, similar employer-employee relations, and developed similar industrial grievances.<sup>35</sup> Indeed, in Korea the heavy industrial sector is where the labor movement was radicalized during the 1980s and emerged to challenge its employers as well as the state, a development discussed later in this chapter.

### ***Singapore: State-Regulated Proletarianization and Working-Class Communities***

Unlike the historical circumstances of Taiwan and Korea, Singapore did not have a large agricultural population to flood into its inner city for factory work. In fact, much of the population had become proletarianized under British colonial rule within the traditional entrepôt service sector. As we have seen, the basis of pre-independence Singaporean politics revolved around organized labor, as it was this group which supplied an organizational basis to the People's Action Party (PAP) for the mobilization of the electorate. Thus, when the PAP government began shifting towards EOI in the late-1960s, a proletarian labor movement was fresh in its memory as MNCs began expanding manufacturing production at a rapid pace. In the export industries of textiles, garments, electrical machinery and electronics, transport equipment, and fabricated metal goods, workers were pulled in from the pool of previously unemployed and the rest were siphoned out of the declining, traditional service sector.<sup>36</sup> Between 1965 and 1970 wage-workers in the manufacturing sector doubled from 9% to 18% of all workers and had tripled by 1980 to reach 27.1%.<sup>37</sup> By the mid-1980s, as previously pointed out, Singapore labor across the industrial sectors peaked at almost 40% of total employment.

With the increased presence of MNC production, larger factories came to dominate production and employment opportunities. While smaller-sized production units were dominant in their numbers, their share of employment and output—like that of the overshadowed SMEs in Korean industrial development—was minimal. By the end of 1978, for example, small-scale production units employing between 10 and 50 persons made up 72.4% of total firms, but were employing a mere 18.2% of all manufacturing

workers. Larger firms with over 100 employers were clearly dominant in industrial development. While making up only 14.5% of all manufacturing establishments by 1978, they employed 70.8% of all manufacturing workers and produced 81.8% of all economic output—a sizable proportion of 42% of this workforce was employed in establishments with over 500 workers.<sup>38</sup> Thus, similar to Korea, the policies of the Singaporean developmental state leaned toward the assistance and promotion of large manufacturing enterprises, which effectively consolidated their dominance within the industrial structure, both in terms of labor force employed and economic output. Furthermore, with basically all Singaporeans being concentrated in a dense, urban area, these workers were also highly concentrated geographically outside of the factories, particularly as the public housing program massed “large numbers of factory workers and their families in high-rise accommodations near factories.”<sup>39</sup> In addition, Singapore’s industrial workers faced similar working environments as in Korea and Taiwan. Working long hours, they were set out to strict regimentation and discipline in the factories, laboring under the “disciplining gaze” of factory security guards, supervisors, quality control operators, and management.<sup>40</sup>

In spite of this concentration of the industrial workforce both inside the workshops—where latent causes of collective grievances could be found—and outside within tightly-quartered housing communities, Singapore workers have not shown the extent of activation as was the case in Korean development. Part of the reason for this appears to lie in the careful orchestration of the proletarian process by the PAP government through its housing and savings policies early on, both of which bound workers to factory wage-work while shaping the cultural and class-make of their communities.<sup>41</sup> The process commenced when the Housing Development Board (HDB) began tearing down traditional housing in the urban slums and semi-rural squatter settlements in the early 1960s and resettling the lower classes into the expanding public housing. Carefully regulating new compositions of ethnicity and class within the public housing blocks, the government essentially altered the social, political, and economic demography of the city-state by breaking up existing working-class and ethnic communities along with the oppositional power bases within them. The immediate effect of the re-settlement program, suggests Tremewan, was a “forced proletarianization” as these groups were disorganized and their traditional communal and economic means of subsistence eliminated, making them available for industrial wage labor and dependent on the state for housing.<sup>42</sup>

Working-class families quickly became tied into the political economy of the HDB flats and the growing industrial wage economy via the government strategy of tying HDB flat-ownership to Central Provident Fund (CPF) accounts. During the 1970s, the government approved the use of CPF funds for down payments and repay installments on HDB flats and, as a result, occupant-ownership rates in the estates increased rapidly to encompass three-quarters of the population by the mid-1980s.<sup>43</sup> With concentrations of workers housed in the HDB estates, “huge industrial parks were located in the middle of working-class neighbourhoods like Toa Pavoh, Jurong, Ubi, and Nag Mo Kio,” which were also able to draw in working-class women on a part-time basis, alleviating reoccurring labor shortages while also helping family incomes meet rents and mortgages.<sup>44</sup> Within these concentrated communities the civic organizational space was filled by the government’s parastatal People’s Associations (PAs), through which it controlled and dominated grassroots associational activities. As new Residents Committees (RCs) and Neighbourhood Police Posts were established throughout the public housing estates during the early 1980s, the government’s capacity for surveillance, mobilization, and feedback at the community level increased, while the space for autonomous community organizing outside the factories became further constrained.<sup>45</sup>

Throughout Singapore’s rapid industrial development, recurring conjunctures of a rapidly expanding industrial economy and labor shortages have fueled the need for the importation of a large number of foreign, contingent workers, a factor which has led to wide differentiations within the workforce and further dampened working-class formation. By 1973, foreign workers accounted for one-eighth of the total Singaporean work force and this figure grew at the end of the 1970s as the state brought in another wave of foreign workers.<sup>46</sup> The pattern of foreign labor importation has been to settle them into the low-skilled, labor-intensive manufacturing sector, the construction industry, quarrying, and household services. Within the manufacturing sector they have come to be disproportionately represented—65% of non-resident workers and 46% of non-citizen resident workers are employed in manufacturing and related industries, compared with 38% of citizen workers.<sup>47</sup> The contingent resident status and temporary stay of this group—vigorously enforced by the government—gives them the mobility that the Taiwanese industrial workforce showed: they set up house in temporary industrial employment as a family strategy to pad incomes back home through remittances and can supplement wage-work through opportunities in the food-hawking or tourist industry.

Their temporary status of stay, their willingness to work long hours and overtime, and the presence of ‘exit’ options or moon-lighting opportunities, have made them into a docile group, further undercutting working-class community development and discouraging the development of a labor movement outside the state-controlled unions.<sup>48</sup>

In sum, the process of proletarianization and working-class development in Singapore was, like most else in Singapore, subject to a mix of powerful PAP-state control and contingent factors arising out of the city-state’s historical circumstances. Like the case of Korea, industrial workers in Singapore were highly concentrated in factories and urban working-class communities, yet these structures did not serve to promote the collective activation of labor as in the former. Additional reasons can be found in the institutional arrangements of the labor regimes constructed by these developmental states, to which the analysis now turns.

#### **4.2 Authoritarian Labor Regimes and Constraints on Collective Action**

Taiwan, South Korea and Singapore all began their drive into rapid industrialization under authoritarian regimes and developmental state institutions of a more or less repressive nature. Developmental elites recognized the necessity of cheap, productive, and docile labor for successful EOI in these resource-poor countries and undertook measures to keep labor suppressed and excluded in attempt to maintain industrial peace. State-corporatist structuring of the labor unions and incorporation of workers into institutional channels for control and mobilization within the factories was one way. Reactionary repression was another. Yet where repression may function to coerce desired behavior—at least in the short-term—institutional incorporation may bring about desired behavior over the longer-term. As Deyo argues, state-corporatist labor regimes may function to “contain, demobilize and restrict workers behavior” or they may function to “organize, channel, and encourage certain types of individual or collective behavior on behalf of elite-determined economic or political objectives.”<sup>49</sup> While the Korean, Taiwan and Singapore governments all used state-corporatist union structures to organize industrial labor for control, their capacities to bring about this second function varied greatly. In the presence of numerous hurdles to autonomous union organizing and tight constraints on collective action, institutions providing for a limited inclusion of workers—such as welfare measures at the enterprise and union levels or tripartite representation at the national political level—appear to have provided the state with

more capacity not only to control the workforce, but to channel individual and collective behavior in the desired direction and thereby help guarantee their exclusion.

As shown in the following part of this chapter, Taiwan was able to manage the inclusion of workers much better than Korea; Singapore, as we shall see, managed this inclusion much better than both. The failure of the Korean state to bring about a sufficient degree of inclusion of workers into effective state-corporatist structures left open channels for worker mobilization, which subsequently pushed both the state and management to rely increasingly on physical repression in attempt to keep workers excluded and secure labor control. These differing dynamics would have a great effect on the collective development of industrial workers in these countries as industrialization progressed.

### ***Leninist-Control of the Commanding Heights in Taiwan***

As previously discussed, the particular form in which proletarianization progressed in Taiwan served to keep labor disorganized and docile within the factory satellite system of SMEs, greatly discouraging collective organizing. Within the sector of larger private and state-owned enterprises, workers were set out to the Kuomintang's (KMT) state-corporatist labor regime, which achieved through more politically oriented means a result quite comparable to that of the small-enterprise manufacturing workforce. This was taken care of mostly by the KMT party apparatus, whose organizational activities in the unions and factories were geared towards firm control and mobilization of workers.

The KMT-state laid a legislative basis for the subjugation of labor early on and used its state-corporatist unions to penetrate into the larger private and state-owned enterprises. State-mandated unions in enterprises with more than 30 workers were given exclusive monopolies of representation at the enterprise level and forced to affiliate with the Chinese Federation of Labor (CFL) at the regional and national level.<sup>50</sup> Penetrated by party cadres at all levels, prohibited from entering into collective bargaining over wages, and constrained from strike actions under martial law, the CFL unions were used to preempt autonomous organizing among workers and effect control at the enterprise level. The Factories Act of 1935 required large enterprises to erect representative councils for labor and management at the factory level and provide minimal welfare such as housing and educational assistance to employees, adding a paternalistic dimension to the state's relation with labor. In addition, the Taiwan Garrison Command kept a tight watch on any

political activity, print media, and subversion coming from all citizens, and had caught many labor activists in its net during the years of the White Terror in the 1950s. Unlike the case of South Korea, as we shall see later, this coercive level of the labor regime would remain a back-line of defense for the state which would not have to be mobilized to secure compliance. The main work of control was achieved through the union structure and practices of enterprise corporatism, the latter consisting both of negative and positive measures of incorporation.<sup>51</sup>

The KMT party apparatus was able to establish an omnipresent position in the larger private and state-owned factories in the early 1950s, setting up a bulwark of mechanisms to control and mobilize workers in this sector. The local party organizations took an active role in establishing unions, manning their posts and supervising their activities. Union officials were almost without exception party members handpicked by the local party branch and often intermeshed with factory management through party connections. At the enterprise level, the large union bureaucracies offered a means to co-opt workers and broaden the pool of KMT members as the numerous positions, committees and activities of the unions needed regular recruits. The system allowed union workers periodical escape from monotonous daily work on the shop floor and offered them material rewards with the chance of moving up the job ladder and improving their status and wages—helped by the close connections with management. At the same time, however, these structures also meant a “high level of subjugation” of workers to the party and management.<sup>52</sup> ROC legislation mandated the establishment of employer-employee factory councils in larger firms to deal with non-wage disputes, which, like the unions, were controlled by the web of KMT membership and sympathy. Employers were regularly encouraged to support the formation of enterprise unions and the state supplied the required financial subsidies for this purpose. The CFL unionization drives proved to be extremely successful as the percent of unionized labor doubled during the 1970s and reached high levels by the 1980s. By 1986, unionization rates in Taiwan came to match those in Singapore, both countries, “with their parallel government support for unions,” having the “the highest rates in Asia.”<sup>53</sup>

The party came to play a key role in the daily life of workers in the SOEs and other unionized enterprises in its attempts not only to control but also to mobilize the workforce.<sup>54</sup> Special security units in every SOE factory kept regular tabs on the day-to-day activities of workers both inside and outside the workshops and enjoyed virtually unstrained authority over the workforce, at times “terrorizing and harassing” workers and

their families, particularly in the days of political terror throughout the 1950s. Although the KMT witch-hunts for communist agents had greatly decreased by the middle of the 1960s, the party's surveillance of workers continued well into the 1980s under the martial law regime. Accompanying these security functions, the party also aimed at mobilizing the workforce in large firms through an array of socialization campaigns and factory-affiliated community organizations for employees and their families—who often lived on the job site in firm housing. Party cells established and ran recreational clubs, women's associations and youth groups, organized educational and training programs—ranging from classes on good hygiene, thrift and frugality, to monthly meetings on the ideas of Sun Yat-sen—and arranged for holiday celebrations on Chiang Kai-shek's birthday, National Day, Presidential Inauguration Day, and other festivities. As Ho describes, party mobilization in the large state factories was generally a “well-planned organizational and ritualized” effort to ensure “state workers' loyalty.”<sup>55</sup>

In sum, the KMT party apparatus penetrated deep into the large factors of SOEs and bigger private firms. Its labor unions, party-sponsored community organizations, security and informant-networks were, taken together, quite effective in preempting autonomous organizations from below. Flanked with its additional activities aimed at the political mobilization of labor to serve the state's national defined agenda of rapid development through propaganda campaigns to instill values of ‘self-sacrifice for the national interest’ and displays of ‘idealistic patriotism,’ the state was well positioned not only for control, but also for mobilization of workers from above: “National goals were not a remote ideology, but an everyday reality” for workers.<sup>56</sup> With these stringent party controls at the enterprise level, the need for direct state intervention into industrial relations was greatly reduced, seen foremost in the lack of legislative changes to the labor regime throughout development.<sup>57</sup>

The strong party and union control of the workplace was reinforced by an array of state-mandated, welfare measures at the enterprise level. The Employee Welfare Fund, for example, mandated employer contributions of 15% of all profits for welfare committees in the large enterprises to finance “housing, education, clothing, transportation, training, recreational and health services for workers.”<sup>58</sup> The benefits enjoyed by workers in the sugar refineries of the state-owned Taiwanese Sugar Corporation (TSC), for example, were quite extensive:

A typical TSC plant operated a primary school for employees' children . . . [and] comprehensive high school with both liberal arts and vocational courses . . . The TSC's workers' children obtained free-of-charge schooling and more importantly, the valuable

opportunity to earn a high school degree . . . Furthermore, company housing included a variety of facilities for bathing, hair-dressing, laundry, book-lending, movie-screenings, and sports—all a rarity in the outside world . . . Employment in the TSC assumed a quasi-hereditary character as workers' children grew up in company housing, attending company-funded schools, and afterward obtained a TSC job on their fathers' introduction . . . The TSC never failed to provide a passable safety net for those who failed to climb above their fathers' social status [i.e. college education and professional career]. In other words, there was practically no chance of downward mobility for the descendants of TSC workers.<sup>59</sup>

Such enterprise welfare provisions were further deepened in the 1970s and expanded during the 1980s in the areas of pensions and lay-off settlements, which, in the absence of national welfare measures, worked to “enhance worker loyalty to and dependence on employers.”<sup>60</sup> The cost of these benefits, of course, implied the acceptance of subordination and constant surveillance.

While enterprise level mechanisms went far in keeping labor effectively docile over the long-term and discouraged efforts at autonomous collective organization, it did not necessarily follow that these institutions were successful in instilling compliance across the board. KMT measures of subordination and mobilization were sometimes resisted by workers through strategies of moonlighting during off-hours aimed at improving their material positions and escaping complete subordination in the large factories.<sup>61</sup> The dynamic, small-enterprise satellite factory system was the given choice for this strategy and, due to the possibility of upper mobility that it offered, also provided an exit option for workers to leave the large factory for good and become their own boss.

In the small-factories of the satellite factory system employing less than 30 workers, there was no legal basis for workers to form unions. Also, these small businessmen were highly resistant to any interference of the party in their shops. It was therefore, “only state workers [who] experienced the complete life-cycle of political mobilization,” Ho emphasizes.<sup>62</sup> It should be pointed out, however, that while party interference within the workshops of small enterprises was minimal, if at all present, this was not the case for these employees outside the workshops. The KMT actively penetrated these communities with state-sponsored developmental projects and campaigns well into the early 1980s, the political and ideological effects of which should not be underestimated.<sup>63</sup> They ranged from collective construction projects for local community development and social welfare infrastructure to ideological campaigns seeking to raise the overall productivity of families and instill targeted ethical and moral practices. National campaigns mobilized by the party-state such as “Living Rooms as Factories” and “Mothers' Workshops” sought “to incorporate women into productive

labor while instructing them to fulfill their moral obligation to promote Taiwan's economic development through their traditional roles in the family as wives, mothers, and care-takers."<sup>64</sup> The Mothers' Workshops offered females training in areas such as family relations, public health, homemaking, home economics, recreation, and social services. The Living Rooms as Factories focused on engaging 'idle women' in community efforts to increase production and accelerate economic growth.

Taken together, the state-mandated corporatist-welfare measures in the larger factories, coupled with tight party control of labor at the enterprise level and ideological penetration at the community level, as well as the structural dynamics of the small-enterprises discussed earlier, combined to reinforce the development of a docile labor force during the country's rapid industrialization. These structures served to block the emergence of working-class identity and consciousness and hinder attempts at independent organizing. Most scholars peg the beginning of a push towards the development of an independent labor movement as beginning modestly only in the 1980s.<sup>65</sup> And this began taking place only after the KMT-state began dismantling its workshop controls and extracting the party apparatus from the factories, a process set-lose by reforms from above and accompanied by the Labor Standards Act in 1984, a rather liberal piece of legislation which offered a high degree of protection to workers. Regularly ignored by private-sector employers, the resulting gap between legislation and practice set the stage for a sharp rise in the number of industrial disputes beginning in 1987, but only after martial law was lifted and the costs of collective action were greatly lowered. Indeed, it was at this time, a director at the Chinese Labor Administration later remarked, that expressions such as "the rise of labor consciousness" or even the word "strike" came into the vocabulary of industrial workers.<sup>66</sup> The collective actions of labor at this juncture, as will be discussed later, were clearly the result, rather than the cause of KMT political liberalization. Yet these developments do not necessarily imply the development of a strong labor movement among Taiwan's working class—by this time other factors such as capital relocation over-seas, automation of production, and labor market flexibility were working to keep labor weak.

### ***State-Corporatist Tripartism and Union Representation in Singapore***

The development of Singapore's labor regime has been much different than the cases of both Taiwan and Korea. Throughout the country's industrial development collective

industrial actions such as strikes have been a rare event, and since the early 1970s have been almost completely absent. Furthermore, the state-corporatist labor unions have regularly consented to damaging socioeconomic policies of the government such as wage decreases by as much as 15% and steep reductions of employer contributions into the CPF—first in the mid-1980s and again following the Asian financial crises in the late-1990s. The PAP strategy of relying on large amounts of foreign investment and the presence of numerous MNCs for manufacturing made the creation and maintenance of a docile, stable, and productive working class a strategic necessity.<sup>67</sup> The PAP government took a similar approach to that of the KMT in Taiwan in that it pushed a state-corporatist, welfare-oriented approach on industrial workers in order to preempt the emergence of an autonomous and politically activated labor movement arising out of rapid industrialization, while also mobilizing this sector to the imperatives of rapid development. It also follows closely the Taiwanese trajectory in that the PAP government effectively depoliticized and established a firm control over the labor movement quite early on, before the policies of EOI began in the late 1960s.<sup>68</sup> Unlike Taiwan, however, the PAP government did not rely on the enterprise level for the regulation of industrial relations and the preemption of an oppositional labor movement. Rather, the PAP approach entailed a much greater involvement of the state than was the case in Taiwan by incorporating the state-corporatist unions into tripartite institutions, giving it representation in government—albeit elite, PAP representation. Barring the initial phase of state repression against the labor movement before EOI began, the Singapore state was able to achieve the subjugation and incorporation of labor in the absence of physical repression, and develop a system quite dynamic and resilient in constraining autonomous collective action and harnessing labor to the imperatives of a structurally changing economy right into the twenty-first century.

As discussed previously, by the time the PAP government shifted towards the EOI strategy the radical unions within the Barisan-dominated Singapore Trade Unions Congress (STUC) had been crushed and Singapore's industrial scene purged of an autonomous, politicized labor movement. On top of the debris the PAP-dominated National Trade Unions Congress (NTUC) consolidated its power over the unions, making this union structure more or less unchallengeable by the late-1960s. The NTUC became dependent upon the government in matters of finance and leadership, the latter which quickly came to overlap with the PAP, and came to dominate the agendas and activities of its affiliate unions through its Labor Research Unit, which in turn, was

guided by the PAP government.<sup>69</sup> Coinciding with the shift towards EOI, the government amended the Employment Act 1968 and the Industrial Relations Act 1968, which reduced wages, weakened regulations on working conditions and tightly constrained collective bargaining on the part of labor while granting wide-reaching competencies to management in matters of worker-employer relations.<sup>70</sup> By constraining the capacity for collective bargaining and industrial action the measures effectively rid the PAP government of a labor movement that could have discouraged the heavy inflows of foreign capital and MNCs so essential to its developmental strategy.

The PAP's commitment to securing industrial peace for foreign capital was made clear at an NTUC seminar on trade union modernization in 1968, where Minister of Labor and Foreign Affairs, Sinnathambly Rajaratnam, made clear to union officials their role in the development strategy: "the old style trade unionist who [fights] to promote the interests of the workers without the regard to the national interest . . . is a menace to the future of Singapore."<sup>71</sup> Backing up Rajaratnam was Prime Minister Lee Kuan Yew:

"If [a strike] ever happens here at our harbor I will declare this high treason. I will move against the strike leaders. Charges can be brought in court later. I would get the port going straightaway."<sup>72</sup>

The government remained active in managing relations with labor, establishing a tight alliance with the NTUC through an array of tripartite institutional relations helping secure industrial peace. Throughout the 1970s the NTUC was pulled into over a dozen statutory boards and government committees such as the National Wages Council (NWC, est. 1972 to set wages and CPF contribution rates), the Economic Development Board (EDB), and the National Productivity Board (NPB). NTUC officials were brought into the boards of management of numerous statutory boards and government-linked companies, and given positions in numerous advisory committees and associations in public service provision.<sup>73</sup> As the NTUC became a 'partner in government' the unions paid the price by forfeiting their claim to traditional union activities vis-à-vis the rank-and-file and accepting the constraint of acting only in ways that furthered national economic development.<sup>74</sup> As a consequence, union activities turned towards mobilizing workplace productivity and providing social, educational, and recreational services to union members. The latter included education and skills training in the areas of health, sports, and culture, and an array of welfare-oriented business services to entice union membership, including cooperatives in "life insurance, dental services, supermarkets, broadcasting, childcare, healthcare, food centres, housing, aged care and savings," a union taxi service, book retailer, and travel agency.<sup>75</sup>

To mobilize productivity and harmony in the factories the NTUC worked close with the government and management in a number of work committees and workshop forums for joint-consultation.<sup>76</sup> The Productivity Committees—later renamed Work Excellence Committees—were established to deal with daily problems surrounding production, safety, absentee rates and the like, with its members trained by the Ministry of Labor's NPB. While allowing worker participation, albeit on issues extremely limited, these workshop institutions served the government and management well by allowing the NPB, managers, and the NTUC to co-opt workers while keeping a tight watch on workshops.

By the end of the 1970s union density in Singapore had reached 25%, with over 95% of unionized workers under the NTUC structure.<sup>77</sup> The PAP had thus achieved a strong incorporation of a large sector of workers within its state-corporatist labor regime. Those who escaped were caught in the structures of the parapolitical PA organizations outside the factories, where workers were often co-opted into leadership or management positions. During the 1970s, blue- and white-collar workers made up roughly 30% of membership in the Citizens' Consultative Committees (CCCs). As PA organizations were revamped and extended beginning in the 1980s much of this membership was transferred into the new Residents' Committees (RCs) established throughout the public housing blocks, which came to host memberships of blue- and white-collar workers of roughly 45%.<sup>78</sup> It is through these channels that the PAP was able to co-opt a significant part of the sector of better-educated workforce at the community level.

This effective subordination of labor through the PAP's inclusive state-corporatist structure appears to provide the main explanation for the peaceful industrial relations and lack of autonomous collective industrial actions by Singapore's workers—compare the average of 62 strikes per year between 1958 and 1962 with the average of 4 strikes per year between 1968 and 1980.<sup>79</sup> In 1977 a failed strike carried out by a non-NTUC union at the Metal Box plant was the last strike Singapore would see for nine years, and “the last attempt at industrial action by workers who had not been completely socialized into the corporatist national scheme of things.”<sup>80</sup> Since a government-approved strike in 1986 by a NTUC affiliate, Singapore has been again strike free. Thus, in the 17 years between 1978 and 1994 a mere 122 worker-days were lost to strike actions.<sup>81</sup>

With the imperatives of upgrading the industrial export-platform towards higher value-added production during the Second Industrial Revolution beginning in the late

1970s, the PAP sought to increasingly push organized labor further into the depths of state domination in order to mobilize this group for the strategic shift. Building on its strong state-corporatist structures, the state began injecting more paternalistic forms of control into industrial relations. This transformation was pushed most notably by government infiltration of PAP technocrats into the unions and an ideological, legislative campaign to redefine trade unionism towards strictly productionist ends.<sup>82</sup>

First, the Trade Unions Act was amended in 1982 to define a trade union as “associations or combination of workmen or employers” which works “to promote good industrial relations . . . improve . . . working conditions” and “achieve the raising of productivity for the benefit of workmen, employers and the economy of Singapore.”<sup>83</sup> Accordingly, the PAP began restructuring the NTUC into a “vehicle for productivity campaigns, training programs, and other efforts to further enhance labor’s contribution to development.”<sup>84</sup> The two large, industry-wide unions were reformed into house unions and several worker welfare programs were pushed onto the unions and employers through increased CPF contributions and the establishment of a Skills Development Fund (SDF). In addition, bipartite committees at the shop-level were expanded to increase worker–management cooperation, and campaigns promoting productivity prizes and other rewards to industrious workers were encouraged to increase worker identification and loyalty to the employer and firm.<sup>85</sup> As Hong and May explain, the new “nationalistic ideology of industrial harmony,” legislated into the Trade Unions Act, was now “reinforced at [the] workplace level by the Japanese-inspired house union that fosters a familial climate, while ‘kinship’ support and supervision [of workers] are ensured by the network of employer associations and the NTUC to which every work organization is somehow linked.”<sup>86</sup>

Second, the deepening of the state’s ideological hegemony over trade unions and the increased role of the NTUC in the workplaces necessitated the infiltration of PAP technocrats into the trade union structure. Developments in the later 1970s saw an increasing strengthening of the alliance between the PAP government and the NTUC as personnel-overlaps increased. During the 1980s the government began coopting worthy NTUC leaders as members of parliament while implanting PAP parliamentarians and loyal bureaucrats into the NTUC central committee.<sup>87</sup> Within elite PAP discourse, Barr explains, this processes is referred to as “secondment,” whereby state representatives are appointed to manage civic organizations and charged primarily with “representing the views of the government to their non-elite constituency.”<sup>88</sup> The use of secondment to fill

the upper-echelons of the NTUC with state technocrats further strengthened the PAP–NTUC linkage and cemented the control of the state over the unions, in terms of personnel, policy, and ideology. It now became standard policy that the NTUC is represented in the tripartite institutions by a PAP Member of Parliament (MP) with a cabinet position and NTUC activities are effectively run by active PAP officials. Union officials who fail to show sympathy and political support for the government have no chance to hold a union office, a structure that was strengthened by a 1989 law disqualifying members of opposition parties from holding union office.<sup>89</sup> The result has been an interweaving of sectoral actors within the tripartite system of bargaining into a hegemonic block dominated by the PAP government and its loyal bureaucrats:

Union leaders sit on boards of public institutions along with civil servants and management executives. Fifty-nine unionists represent the labour movement in 29 public institutions . . . the NTUC has no inhibition in tapping the expertise of civil servants and executives in the private sector. Twenty civil servants and 63 private sector executives sit on boards of ten labour organizations. Eight out of twenty members constituting the Executive Committee of the NTUC are PAP Members of Parliament. This figure does not include MPs from NTUC affiliates.<sup>90</sup>

This PAP–NTUC alliance—what Lee Kuan Yew referred to as the ‘symbiotic relations’ between the PAP and the trade unions—should make clear that the party has penetrated the labor movement and directs it from the top-down in a paternalistic fashion. The purpose of this structure, the prime minister explained, was to avoid “unnecessary misunderstanding and the risk of collision” between the PAP and the NTUC.<sup>91</sup> The result, of course, is that the “opportunity for anyone to establish a power base in the union movement independent of the technocratic state policy makers” was removed.<sup>92</sup>

One of the primary functions of the NTUC is to serve as a transmission belt for government policies downwards to the unions and rank-and-file members, whereby the primary role of the union-MP leadership is to convince the rank-and-file members of their best interests and to shape the demands they may and may not make in regards to these interests.<sup>93</sup> The system, found throughout all organized social sectors in Singapore, seeks to ensure that sectoral interest will not interfere with the national interest, the latter which, within PAP ideology, is decided by and secured by those who know best—i.e. PAP-expert technocrats: “Since the masses are viewed [by the PAP elite] as incapable of defining their own interest or those of the nation, their main role is to follow the dictates of the political and technocratic elites. Seen more as human capital that can be made far more productive, the masses must be educated to free them from backward thinking.”<sup>94</sup> Since the beginning of Singapore’s push into EOI the PAP elite has defined for workers

their position in the economy and the social characteristics and attitudes required by them individually and collectively, a discourse which is filtered through the NTUC leadership who make sure everyone is moving in the right direction. Accordingly, this hegemonic discourse must be understood as an “integral component of Singapore’s labour control regime.”<sup>95</sup>

In sum, the PAP government’s multi-front approach to labor control—its tight state-corporatist, industrial system and legitimating tripartitism, flanked by welfare-oriented measures and dominant ideological discourse—has played an important role in affecting the docility of labor and its willingness to regularly acquiescence to union support for short- and medium-term reductions in wellbeing for the long-term profitability of capitalist enterprises and the survival of the Singaporean economy. The NTUC and its activities serve as an arm of the government through which trade unions and workers have been effectively incorporated into the project of the developmental state through both negative and positive measures. Where the pattern of state-elite representation and anti-labor legislation constrain resources for autonomous organization and the ability to generate independent collective industrial action, PAP-state paternalism supplies positive measures to help workers deal with the calamities of capitalist development within the changing global economy such as education and skills training, subsidized child care, dental care, insurance, supermarkets, and taxi services. As Rosa puts it: “while incorporation provides the links between state and the masses it simultaneously guarantees their exclusion.”<sup>96</sup>

### ***The Anti-Labor Alliance and the Blunt Tool of Coercion in Korea***

The Korean labor regime went through periodic, punctuated phases of change throughout rapid industrialization. Like the situation in Singapore and Taiwan, labor was subordinated to the necessities of the developmental state’s industrialization agenda, but aspects of the Korean labor regime differed in important ways. Unlike Singapore and Taiwan, a tight state-corporatist structure mixed with enterprise or union welfare measures which could successfully co-opt large numbers of industrial workers never emerged in Korea, but this was not due to the lack of trying on the part of the political elite—measures during the 1970s met with only limited success. Like the labor regime in Singapore, the Korean system of labor control rested primarily with state intervention, but of a quite different nature than the former. In Korea, increasing repression by the

state served to create a much different labor movement than in both Singapore and Taiwan. Institutions were geared towards enforcing the state–chaebol alliance and were clearly of an unmistakable anti-labor and pro-capitalist nature, seen routinely in the increasing use of coercion and physical repression against workers in the 1970s and 1980s for the purpose of securing the continued capital accumulation of the chaebol.

When Park Chung-hee set up his competitive authoritarian regime following his successful election as president in 1963, labor legislation along with the political arena in general was comparatively liberalized—albeit within limited constraints.<sup>97</sup> While workers enjoyed the legal rights and freedoms to organize collectively and the right to strike, at least in the private sector, there existed a gap between legislation and administrative practice. Administrative control, generally charged to the city mayor or provincial governor—both appointed by the president—held regulatory oversight and veto power over the terms of union recognition, the composition of union leadership, its by-laws and adopted resolutions, and any collective bargaining agreements made with employers.<sup>98</sup> In addition, the reemerging trade unions during the 1960s were effectively brought under the state-corporatist structure of the Federation of Korean Trade Unions (FKTU), within which the affiliated national industrial unions enjoyed monopoly representation and “considerable power” over their union members.<sup>99</sup> Furthermore, the unions were lawfully prohibited from participating in party politics—banned from establishing political parties or assisting existing parties—which kept unions separated from political opposition groups for the purpose of preempting the development of cross-sectoral political alliances.<sup>100</sup>

Throughout the light-manufacturing export drive during the 1960s industrial conflict remained minimal and attempts at collective action both intermittent and unsuccessful, for it was only with a “surrender of its autonomy to management” that the creation or survival of a labor union was possible.<sup>101</sup> The hurdles obstructing autonomous unionization were numerous. As Choi explains, the process of forming unions entailed surviving a first counteroffensive from the employer, often carried out by hired thugs, which aimed at the individuals involved in the activities. Where this counteroffensive might fail, a second line of attack would generally come from the Korean Central Intelligence Agency (KCIA) and the local police who would seek to coerce an end to the activities. A third hurdle entailed surmounting the state’s administration discretion in granting the legal establishment of the union. If efforts succeeded this far, it meant one of two things: either the development of a docile,

management-infiltrated union leadership or an impending second counteroffensive by employers to co-opt union leadership and bring it into company sympathy.<sup>102</sup> The latter was helped by state intervention into FKTU leadership and policies, which helped moderate union demands at the enterprise level and discipline their activities to bolster the implementation of government policy and keep an eye on workers affairs.<sup>103</sup>

Only by the late 1960s did this scenario seem to be changing as some newly organized unions, although quite small in number, began overcoming the numerous hurdles for union formation at the enterprise level. Much of these early efforts were undertaken by the swelling ranks of the urban-migrant, female labor force in the textile sector. In addition, several larger-scale industrial disputes involving strikes broke out in larger foreign firms during 1968 and 1969.<sup>104</sup> The state reacted to these developments by incrementally pushing workers into tighter legislative and institutional constraints, a trend which culminated in a tense clampdown with the establishment of the Yushin regime in October 1972. Under Yushin, the state sought mainly two things, both of which were reactionary responses to the limits of the previous mechanisms of labor control. First, new legislation sought to stamp out and preempt a further increase in labor activities among both unionized and nonunionized workers. Second, Yushin policies sought to achieve a stronger incorporation and mobilization of the growing industrial workforce at the shop level for increased productivity drives, for which the federated unions were reoriented within a complex of new state-sponsored, enterprise-level institutions and a state-mandated ideological drive into the factories.<sup>105</sup> Third, under the Yushin system the state security apparatus greatly strengthened its presence within industrial relations.

At the legislative level, President Park responded to the outbreak of strikes in foreign-invested companies with the Temporary Special Act on Labor Unions and Disputes Involving Foreign Invested Firms 1970, making work stoppages and strikes in these enterprises illegal and subjecting any disputes to mandatory state arbitration. This measure was followed by the Act on Special Measures for Safeguarding National Security 1971, which pushed the state's mandatory arbitration policies in foreign-invested firms into all industrial sectors. Workers were required to file a settlement claim with state officials before being allowed to exercise their collective bargaining rights. If collective action was exercised before the settlement body issued its decision—generally favorable to employers—they were effectively illegal.<sup>106</sup>

To increase productivity and control over workers at the enterprise level, the state sought to co-opt and mobilize labor through new enterprise-level organizations that could be controlled by management and state officials. Joint Labor-Management Consultation Councils (JLMCCs) were mandated in all unionized firms as well as nonunionized firms with more than 50 employees, which co-opted workers into working groups with management to promote mutual cooperation, create enterprise identification among workers, and raise productivity.<sup>107</sup> By 1978, the JLMCCs were functioning in 97.8% of all targeted enterprises, where, in the absence of collective bargaining rights and management dominance, they “acted merely as gatherings of labor and management representatives” that discussed issues of productivity, working conditions and worker welfare, dispute prevention and resolution, and planned technical training and educational programs.<sup>108</sup> The thrust of the program to mobilize labor for increased productivity in the factories came with the Factory Saemaul Movement, the ideological counterpart to the rural Saemaul Movement. As Choi describes, the Factory Saemaul Movement was a “full-scale ideological indoctrination campaign through which the state authorities instilled [or at least attempted to instill] industrial workers and union leaders with the work ethic and virtue of submission to managerial authorities.”<sup>109</sup> The programmatic aspects were formulated by the Chamber of Commerce and Industry under the direction of the Ministry of Commerce and Industry, from where the substance of the campaign flowed downwards to local Saemaul councils and into the factories where the activities were implemented by management and the FKTU:

Small unit circles, each consisting of a leader and between 8 and 15 members, were the main organizational building blocks for the movement. By 1977 10,000 factories were participating, and the number of small unit circles reached 70,000 by the beginning of 1980. Activities of the circles were focused on matters of production and quality management, such as the improvement of production processes, quality control, the zero-defect movement, cost reductions in energy and materials, and technological innovation; in other words, a Korean-style quality control movement. Intent on maintaining the momentum of the movement, the Park Chung-hee government provided group education sessions to promote a diligent work ethic and to instill in all workers the spirit of loyalty and filial duty. Group education was provided mainly to New Community [Saemaul] Movement leaders, upper and middle management, and foremen class workers.<sup>110</sup>

As both the JLMCCs and the Saemaul work groups carried out numerous functions that overlapped with those of unions, they served as a type of counter-mechanism with which enterprise level unions could be co-opted into institutions controlled by the state and management, or simply broken up and scattered.<sup>111</sup> The FKTU, however, would not lose its functional role in the labor regime. It was involved in promoting the JLMCCs and the Saemaul councils, training its members, and organizing

productivity campaigns at the factory level. Its organization of “Enlightenment Circles” sought to educate workers on the “doctrines of the Yushin regime, the New Community Movement and trade union movement, and Korean-style industrial relations,” while denouncing the community work of independent church groups such as the Urban Industrial Mission and the Young Christian Workers—two grassroots organizations active during the 1970s that sought to educate manufacturing workers on their rights.<sup>112</sup> The results of the ideological campaigns during the 1970s are not wholly clear. Choi suggests that the movement failed in “achieving the psychological assimilation of the worker into the life of the nation,” as many workers saw it for what it was—a coercive mechanism of control—and reacted with apathy.<sup>113</sup> The Saemaul unit circles did, however, have success in deciding substantive employment issues which supported the productivity drive, such as unpaid vacations, reduced bonuses and the practice of early clock-in and late clock-out with no pay.<sup>114</sup>

Lastly, under the Yushin regime industrial relations became further militarized, particularly as local police and KCIA men increased their presence in everyday factory life. In the Peace District of Seoul, for example, one could regularly observe the presence of uniformed police and plainclothes KCIA men lurking outside the factory shops. In addition, they were also “stationed openly in every union office, and agents attend election meetings to dictate the results” and, if needed, to buy-off union leaders with government bribes. They would hang around the nearby offices of the Urban Industrial Mission, where they would tap its telephones and observe the comings and goings.<sup>115</sup> The increased presence of the state’s coercive apparatus sat well with management, who worked closely with the local police to weed-out and discipline mischief-makers in their factories and often joined in on violence against workers as it was ramped up during the latter 1970s. Such collaboration can be seen in an attack against an autonomous union organized by a group of young women in a Seoul textile company:

In February 1978 the women went to their union hall to prepare for elections and found everything covered with shit—literal, human excrement. Thugs who were hiding inside then smeared it all over the women, including their faces. As police now descended on the hall, about 70 women ‘stood nude, forming a human wall in front of riot police,’ as the thugs continued to throw shit at them, while pawing at their naked bodies. The company then fired 124 of the union women ‘for causing damage to company property.’<sup>116</sup>

In sum, the Yushin system of labor control during the 1970s, Launius argues, gave the state institutional channels into the enterprises that were geared towards the dual functions of controlling union activities while also “projecting an image of support for a modern, albeit paternal, system of labor organization.”<sup>117</sup> When these mechanisms

failed to push worker compliance, however, it was the job of company-hired thugs, KCIA agents, and the local police to maintain order and submission in the unions and the workshops. This coercive mechanism worked to undermine any otherwise positive projection of state support for labor while cementing in the minds of workers the existence of a state–employer alliance against their interests. As worker grievances intensified, industrial unrest began spreading during 1978 and 1979. And when it merged with mobilized pressures from political oppositional groups against Park’s Yushin regime, the system was torn apart.

Following the assassination of Park in 1979 and the subsequent outbreak of political and industrial unrest throughout the interim period, General Chun Doo-hwan responded to labor mobilization with a campaign of pure reactionary policies beginning under martial law in early 1980. After grabbing political power, Chun’s first act towards labor was to purge and blacklist thousands of activist workers from the unions and factories. About 200 labor leaders in all were sent to the military’s ‘purification camps’ where they received strong doses of social and ideological reform through military discipline and other means.<sup>118</sup> The FKTU organizations were subsequently restaffed with handpicked officials up to the vice president and ‘purified’ unions were now subjected to extensive state administrative oversight. The FKTU structure was decentralized in order to preempt any collective bargaining on the industry-wide level, resulting in the situation where each local union had to bargain separately with enterprise management and was therefore weaker in the face of management strength. With that, the state deepened its support for the existing JLMCCs and pushed an open-shop policy to keep union functions and activities constrained.<sup>119</sup>

A new legislative basis for continuing labor repression was pushed through the National Assembly in 1981.<sup>120</sup> Supplied by the chaebol-dominated Korean Employers Federation, the new laws were no more than a revised and strengthened version of the Yushin labor and union controls. While the labor unions did regain the constitutional right to strike, a new law mandated a cooling-off period before a strike could take place sought to preempt its legal use. The new laws also banned the participation of third parties in disputes and bargaining, seeking to sever the growing contacts of radical student groups and moderate church groups with production workers for the purpose of keeping the latter politically isolated. As was the norm under the Park regime, the state continued to intervene in industrial disputes through its administration arrangements for mandatory arbitration, and where this administrative mechanism failed, the state security

apparatus would be there to intimidate and coerce workers. For this purpose Chun erected an elite, auxiliary group of strikebreakers trained in the martial arts named the ‘White Skull,’ which in the years to come “would arrive at the scene [of industrial unrest] on motorcycles, padded and shielded head to foot, and wade into the workers, breaking heads.”<sup>121</sup>

Deyo has characterized the Chun policies as an all-out “political assault on trade unions.”<sup>122</sup> One result was a decline in union membership levels from the late 1970s. A more important result, however, was Chun’s indeterminate policy on how exactly to use the state-corporatist union structure effectively. As Launius explains, Chun ultimately left the FKTU-affiliated industrial unions “in limbo,” as he feared using them as a mechanism for co-opting industrial workers at the risk they could become a channel for worker dissatisfaction if captured by reform-minded leaders as had happened during the political interregnum following Park’s assassination.<sup>123</sup> This did not mean that the industrial labor force was left in limbo, however. Indeed, by continuing the blunt, repressive policies against labor disaffection and collective activation, Chun’s policies drove further labor mobilization, which burst asunder in the Great Labor Struggle of 1987–1988. Before taking a closer look at the dynamics of working-class activation and mobilization in Korea, however, a short comparative overview sums up the relationship between the variations in labor regimes and the variations in the development of industrial working classes in Taiwan, Singapore and Korea.

### ***A Comparison of Labor Regimes and Worker Mobilization***

The previous pages have shown that labor was incorporated into the project of the developmental state through different institutional configurations erected by the state, which sought to control and mobilize the workforce for the developmental project. The variations between these labor regimes in Korea, Taiwan and Singapore, in both form and function, greatly impacted the development of the working classes and constrained the extent and type of labor mobilization in these countries.

The labor regimes in Singapore and Taiwan stand out not only in their capacity to control the behavior of workers and constrain resources for the establishment of competing organizations, but also in their capacity to successfully co-opt and mobilize workers along the imperatives of export-oriented industrialization through mechanisms of an enterprise-welfare oriented and paternalistic nature. In Taiwan, the state was

relatively distant from the direct mechanisms of labor control, the duties of which fell on the organizational capacity of the KMT party cells in the larger factories and the paternalistic management tactics in the small workshops of the satellite factory system. In contrast, state involvement in Singapore and Korea was much more intense in providing labor control, but the structures and actions of these states differed greatly in the process. Where a web of tripartite organizations and elite union representation emerged in Singapore, heavy-handed intervention in industrial relations by the Korean state's security apparatus increasingly became the chief method of controlling industrial labor. Accordingly, both the form and function of the Korean labor regime came to contrast sharply with those institutionalized in Singapore and Taiwan, creating unintended outcomes in the process.

While all states took the necessary measures early on to demobilize and constrain labor before rapid EOI began, the Korean state failed to simultaneously mobilize labor by effectively using its state-corporatist labor regime to achieve some form of deeper inclusion, as was the case in Taiwan and Singapore. While organizational developments during the 1970s—such as the promotion of enterprise-level JLMCCs and the ideological Factory Saemaul Movement campaign—did push in this direction, it appears that these efforts on the part of the Korean state were too little, too late. The Korean experience lacked the broader worker-welfare measures evident in both Taiwan and Singapore and also the effective tripartite structures of the latter.<sup>124</sup> Strong evidence that the Park regime failed to successfully co-opt workers and unionists through the state-corporatist union structure, factory councils, and ideological drives can be seen in the extremely low unionization rates in Korea. Where unionization rates averaged 23.8% in Singapore and 14.0% in Taiwan for the period 1971-1980, they averaged a mere 6.4% in Korea during this period. Although unionization rates declined slightly in Singapore during the early 1980s they continued to rise in Taiwan, reaching 20.9% in 1985, while remaining low in Korea.<sup>125</sup> Further attesting to the Korean system's failure was the need for Chun Doo-hwan to purge the FKTU, undertake 'purification' measures against labor activists, and amend the labor laws in 1980 to re-stabilize labor control. The operation of the Korean labor regime, Koo explains, "was based on a crude repressive form of control rather than a sophisticated corporatist system."<sup>126</sup> Instead of concentrating on mobilizing the corporatist union structure to channel worker representation, the government was focused on keeping labor "unorganized and controlling them through security forces rather than through labor branches of the government."<sup>127</sup> In the process, Korean

industrial workers found several enemies, directing opposition towards the state and management as a consequence of the reactionary repression delivered by this alliance, and at the FKTU for its part in constraining autonomous unionization efforts.

The differing trajectories of industrial labor within its respective institutional constraints can be seen in the type and degree of collective action that emerged during the industrialization process in these countries (see table 5). The increasing mobilization of Korean workers throughout the 1970s and 1980s is quite evident as the number of work stoppages, particularly during conjunctures of political regime transitions in 1979–1980 and again in 1987–1988, increased immensely during this time. In Singapore the case is reversed: as the PAP increasingly rid itself of the remnants of the leftist trade union movement by 1968 and further penetrated the NTUC with PAP government control, collective action came to a halt. In Taiwan, labor mobilization is reflected not in the number of industrial actions, as the government stopped recording work stoppages in the early 1970s, but rather the number of worker disputes registered with the government for administrative settlement. As strikes were forbidden under martial law and collective actions that interrupted production were dealt with as criminal offenses, very little of these disputes reflect collective strike actions or lockouts. Outside a few scholars who emphasize the development of ‘labor militancy’ in Taiwan—and this is only for the post-martial law period—most scholars agree that workers in Taiwan under the KMT state-corporatist, martial law regime remained docile throughout.<sup>128</sup> As Chu writes, in martial law Taiwan, “workers . . . were hardly able to get organized or to stage collective actions of substantial scale” and “overt confrontation between the state, capital and labor could be avoided before the democratic transition.”<sup>129</sup> If the percentage of unresolved disputes, which was extremely low, is used to measure labor activation in Taiwan, then it began to emerge only during the 1980s.<sup>130</sup>

In regards to labor mobilization in Korea, scholars are in agreement that the coercive administrative constraints on collective organization and increasingly repressive actions of the Korean state towards industrial labor greatly contributed to the radicalization of this sector.<sup>131</sup> The structures and actions of the state pushed labor activists to find channels outside the formal institutions to voice grievances and organize attempts to achieve real gains. This was done through direct industrial actions such as strikes and other forms of protest activity. The state’s reaction to such outbursts was repression, which served to radicalize the labor movement and set loose a cycle of further mobilization and repression. Outside the factories, the Korean state—unlike the

Table 5. Industrialization and Labor Mobilization, 1965–1990

Period	South Korea		Taiwan		Singapore	
	Number of work stoppages	Number of workers	Number of work stoppages (disputes) <sup>a</sup>	Number of workers	Number of work stoppages	Number of workers
1965–1970	69	87,000	58	3,000	63	—
1971–1980	640	123,000	(4,048)	104,000	39	52,000
1981–1985	751	100,00	(6,060)	53,000	0	—
1986–1990	7,836	1,820,000	(8, 211)	85,740	1	61

Sources: Frederic C. Deyo, *Beneath the Miracle: Labor Subordination in the New Asian Industrialism* (Berkeley: University of California Press, 1989), 69–73; Jou-jou Chu, “Labor Militancy in Taiwan: Export Integration vs. Authoritarian Transition,” *Journal of Contemporary Asia* 31, no. 4 (2001): 454–455; International Labour Organization LABORSTA (Strikes and Lockouts, accessed July 1, 2013), <http://laborsta.ilo.org>.

a. Taiwan data after 1971 refer to disputes that do not necessarily involve work stoppages.

party regimes in Taiwan and Singapore—did not have the parapolitical or party mobilizing organizations to catch these excluded workers. Within this organizational power vacuum is where working-class identities and counter-ideologies could be produced as Korean workers came into contact with progressive Christian activists and radical student groups, both of which would prod along the development of the Korean labor movement.

#### *Churches, Students, and Korean Workers*

The formation of the Korean labor movement first began emerging during the 1970s as manufacturing workers, particularly young female workers within the light-manufacturing sector, came into contact with progressive Christian groups such as the Urban Industrial Mission and the Young Catholic Workers.<sup>132</sup> These groups undertook educational and cultural activities in the urban, industrial areas in an attempt to educate workers on their rights under the labor laws and help them in collective efforts to establish unions. They also worked to raise public awareness of industrial relations by addressing issues such as low wages, dangerous working conditions, and employer violations of the labor laws through public statements, prayer services, information pamphlets, and public demonstrations in solidarity of workers.<sup>133</sup> As incidences of

industrial unrest emerged within the labor-intensive manufacturing sectors during the late-1970s, leaders and organizers of these groups were branded communists agents by the government and were regularly rounded up by state security and jailed along with the main workers involved in the actions. In the last year before Park's death, the increasing activation of workers could be seen in rising strike actions and labor protest which began to conjunct with political unrest coming from anti-government student groups and activities of the political oppositional establishment—the latter taking up the cause of workers after riot police attacked a sit-in protest by textile workers at their party headquarters.<sup>134</sup> During the subsequent political transition throughout late-1979 and early-1980 increased labor mobilization resulted in a doubling of strike activity from 105 work stoppages in 1979 to 206 in 1980, and a drastic increase in the number of workers involved, from 14,258 participants in 1979 to 48,970 in 1980.<sup>135</sup> That the incoming Chun government saw the labor activities of the church groups as a source of unwanted disruption is attested to by his reactionary legislation prohibiting third party involvement in labor disputes.

The process of worker activation and labor movement formation continued during the 1980s as radical student groups, within which leftist and Marxist ideology was spreading, turned attention to the working class as “the principal agent of social change” and sought to strengthen the collective identity and organization of this group.<sup>136</sup> As part of their effort, radical students began leaving the universities to take up jobs in the industrial factories with the (extremely Gramscian) idea of educating and organizing workers to merge their more traditional socioeconomic demands into a general political struggle against the authoritarian regime.<sup>137</sup> As this group infiltrated heavy industries to become ‘labor activists,’ they began establishing connections between the labor movement and student dissident movements.

First, they entered factories and educated or motivated workers to develop their class consciousness as well as to organize labor unions, sometimes directly leading the labor movement. Second, they set up regional and national organizations and assisted the labor movement from the outside. Third, they provided the ideological base for both labor leaders and workers by writing and producing radical literature . . . The activities . . . in each company were similar; that is, after work, mainly at night, they held secret meetings to talk and think about their legal and human rights . . . [and] how to organize and run the unions. . . . The intellectual-workers were also supported in order to solidify their ideological base by other intellectuals who wrote and published radical literature outside the company.<sup>138</sup>

These activities and loose connections with the diverse activities of anti-government, political organizing were pulled together under the broad counter-cultural *Minjung* movement, propagated by radical student groups and dissident intellectuals

during the 1980s, a development, several scholars suggest, which served to supply the cultural and ideological substance to the formation of labor movement.<sup>139</sup> The term Minjung refers to the ‘people,’ or the ‘masses,’ understood in its ideological context as normal, every-day people who are subordinated and alienated within their positions by the exploitation and oppression practiced by the dominant classes. At the core of Minjung ideology is the idea that the Minjung, in its position of the oppressed, is the “real national identity and authentic culture of Korea,” and that its daily struggles against its exploiters make it the principal driver of history.<sup>140</sup> The consequence, therefore, was that only through a struggle against the dominant class could the ‘true culture’ of the Minjung be liberated. As Minjung discourse spread among student groups, dissident intellectuals, and within sectors of the Christian community, it supplied an alternative ideological framework to the hegemonic discourse of the authoritarian developmental state, thereby raising awareness among workers of their social position and their ability to change it collectively.

The ‘Minjung Cultural Movement’ . . . helped workers to foster increased self-esteem and class consciousness. Through activities with intellectuals, workers became aware of their contribution to the development of the national economy and were able to overcome the self-depreciating beliefs about manual labor handed down to them by the Confucian tradition and reinforced by bourgeois culture . . . [They came to] realize that a strong union was the most formidable means through which to attain their goals; they also realized that it was necessary to act beyond the legal structure to achieve their goals.<sup>141</sup>

As more workers in the heavy industries joined the labor movement, the intensity of collective labor actions increased greatly. The number of strike actions rose from 98 in 1983 to 265 in 1985 and 276 in 1986. In these last two years, the number of workers participating in these actions increased rapidly, rising from 28,700 in 1985 to 46,900 in 1986. Likewise the intensity of industrial actions grew as well, with the annual number of total days lost per worker shooting up from 19,900 in 1984 to 72,000 in 1986.<sup>142</sup> In sum, the connections between industrial workers with both the moderate church organizations and later the more radical student groups helped strengthen the labor movement by promoting “a high level of class solidarity and political consciousness” in their collective actions by the mid-1980s.<sup>143</sup>

### **4.3 Conclusion**

The process of rapid industrial development in these countries greatly transformed class structures by creating and expanding a class of industrial workers. It did so, however, in

quite different ways. Where rapid industrial development in Korea gave rise to the radicalization of the working class as a collective force, the process in Taiwan and Singapore progressed quite differently. Variations in the development of this social group show that the differing structures and actions of the developmental state vis-à-vis this group greatly mattered. As the industrial structure influenced the way workers were grouped into factory workshops and urban communities, and the judicial, organizational, and ideological basis of labor regimes placed constraints on collective action while prodding desired types of mobilization, these factors shaped the possibilities of collective action available to workers, in both its form and scope.

The development of the sector of industrial labor throughout Korea's rapid development stands as an exception in contrast to the developmental state experiences in Taiwan and Singapore, and can be traced back to the way critical juncture took place. As Deyo has argued, while Park Chung-hee took steps to smash labor before rapid development began, he failed to establish inclusive state-corporatist structures which could penetrate into the grassroots community level and control, if not preempt, the emergence of collective dissidence during rapid development—a move which the KMT party had undertaken in Taiwan and the PAP government in the case of Singapore.<sup>144</sup> Park's electoral authoritarian regime established in 1963 entailed less stringent labor controls and offered a comparatively more open organizational space than the one-party state in Taiwan and the hegemonic-party state in Singapore. The result of this more open institutional environment was the ratcheting up of state controls and increased security and police repression against the labor sector as it grew in size and began using industrial action to voice grievances. The latter, as we have seen, was taking place outside the weak formal institutional channels set up by the state to control and channel these grievances and demands. Increasing physical repression coming from the state and the chaebol, of course, served to radicalize the labor movement with time. For increased repression led to increased militancy among the growing labor movement, which led to more repression, creating a reactive sequence driving the radicalization of the labor movement. At the same time, the absence of effective political penetration of the grassroots level left open a void at the community level which was filled first by church organizations and later by the more radical anti-government student groups, which established alliances with workers that facilitated collective organization among industrial workers. Both Park Chung-hee and Chun Doo-hwan had sought to prevent the emergence of such alliances with legislation, but failing to co-opt this sector early on,

they ultimately failed. In Taiwan and Singapore, we simply find no equivalent of this process. The channels with industrial labor constructed by these developmental states had greater capacity to control and co-opt this sector, proving more stable and dynamic throughout rapid development.

These sectoral developments would have great impact on the process of political change in these countries, which shall be discussed in Part III. Korean labor would strongly shape the process and outcomes of political regime transitions in 1979–1980 and again in 1987–1988. While not bringing about the immediate opening of the democratic transition in 1987, the massive industrial strife caused by the Great Labor Uprising that followed, certainly set the social and political conflict lines around which the substance of political reform and institutional consolidation would be worked out. In contrast, political elites in Singapore and Taiwan would have much greater control over institutional restructuring during processes of political change from the mid-1980s onwards as labor failed to generate political pressures of an extent comparable to Korea. Thus, where scholars have causally linked capitalist development with the establishment of democracy through a process of expanding power of the working class,<sup>145</sup> these cases demonstrate that where the power of the latter may be a necessary condition for democracy, industrial development is not sufficient in bringing about this condition. Before moving on further with this argument in Part III, however, we shall turn to a comparative analysis of the social development of the rural sector throughout industrialization.

## Chapter 5

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### The Developmental State and the Rural Sector

When a state seeks to bring about rapid industrial development within a predominantly rural society, the organization and coordination of agrarian production may prove essential to this process. The rural sector is posed to play a key role in driving industrialization processes in several ways. By increasing agrarian production and productivity the rural economy generates resources and capital that can be transferred into industrial development, supplying surplus investment capital for the establishment of industries, a large pool of persons for wage-work in these industries, and cheap agricultural products to feed them.<sup>1</sup> As market forces may or may not provide the ready incentives to achieve these tasks, a crucial role may be taken up by the state during industrialization to provide the infrastructural and organizational resources to raise production and generate surplus, which it can capture and transfer into the developing industrial sectors of the economy. Accordingly, these developmental states constructed institutional relations with the rural sector geared towards such control and mobilization for the purpose of generating resource transfers needed for its project of rapid industrial development.

The case of Singapore stands out as an exception due to its historical absence of a rural hinterland with a large agrarian-producing population. The PAP-state quickly cleared away the island's semi-rural areas and pulled them into the modern urban industrial sector. The Taiwan and Korean developmental states, however, both possessing a vast sector of small, owner-operator family farms, constructed similar state structures and undertook comparable actions in their quest to control and mobilize the rural sector towards the end of industrialization. This entailed first, promoting agricultural extension programs to increase agricultural production while simultaneously squeezing this sector through taxes and price distortions to extract sufficient capital and labor to feed industrial expansion. Second, the political elites of these developmental states, dependent to one degree or another on elections in reproducing authoritarian rule

and determined to avert autonomous political challenges and social unrest in the highly populated countryside, used an array of organizational tactics to mobilize political support throughout rural society. The chosen institutional channel for these two goals was the use of parastatal agricultural cooperatives left behind by the Japanese colonial regime. Once reactivated by the KMT in Taiwan and reformed by the military junta in Korea, these parastatal organizations provided the state with effective intermediary conduits to channel developmental policies into the rural sector and extract surplus production, while also capturing solid political support among this sector throughout industrial development.

The political and social organization of rural society by the developmental state, therefore, was quite similar to the state's relationship with other social sectors. Peasants and farmers were organized into strong state-corporatist organizational nodes, through which directives flowed downwards into society from centralized power at the top of the administrative hierarchy. Reaching into the daily life of villages, these state structures were positioned for state elites to co-opt and control collective action. As noted by Burmeister, these institutional relations between the state and rural sector had strong impacts on the development of this social sector throughout the industrialization process:

In comparative terms, East Asian rural societies did not develop in pluralistic directions during the course of the twentieth-century agrarian transformation. That is, a diverse social landscape of autonomous occupations, religious, and civic associations did not augment community and kinship ties as alternative sources of social identification and group action in a degree comparable to the West. Special purpose organizations were imposed from the center to mobilize resource transfers and exchanges, rather than developed from below as collective, interest-aggregating responses to socioeconomic change.<sup>2</sup>

As shown in this chapter, the development of the rural sector in Korea and Taiwan do not show the degree of cross-case variance we have seen so far in other social sectors. Politically, the rural sector in both countries remained politically acquiescent and regularly supplied strong support to the ruling parties in these authoritarian regimes.<sup>3</sup> Burris suggests that the rural population in these countries, characterized by the structure of small, family-owned and -operated farms throughout industrial development, supplied “a pliant mass that could be manipulated for political support at the same time that it was squeezed for economic surplus.” This was due to its inherent conservatism—undergirded by property ownership—and its political demobilization—promoted by its “atomization into smallholdings.”<sup>4</sup> This conservatism, he argues, derives from the structural position of this group and the uncertainties attached to it: “Small farmers must contend with uncertainties of weather, of market prices for their products, and of governmental trade

policy. This exposure to uncertainty contributes to a desire for stability and a heightened sensitivity and caution toward social change.”<sup>5</sup> As shown throughout preceding chapters, however, class position is not political destiny. While Taiwanese and Korean rural society certainly displayed a conservative political stance that helped undergird authoritarian rule, a better explanation for this appears to lie more in the similar patterns of these developmental states’ organizational efforts than this sector’s mere class position. This chapter looks into these relations between the rural sector and the state and traces the general development of this sector throughout rapid industrial development. Emphasis is placed, in particular, on the socioeconomic and political organizational nodes used by state elites for both economic and political control and mobilization. Beginning with South Korea, the analysis then moves to Taiwan and Singapore respectively.

### **5.1 South Korea**

When the rapid drive into industrial development began in the early 1960s, the Korean agriculture sector had long been commercialized and attached to the industrial economy, a task that the Japanese had undertaken during colonial times. Maintaining the entrenchment of landlords as colonial liaisons to effect local control of the peasants, the situation had also produced ripe conditions for peasant revolts following the departure of the Japanese.<sup>6</sup> By the 1960s, however, the leftist peasant organizations which had mobilized massive peasant uprisings in the immediate post-independence years had been eradicated by the policing activities of the re-activated colonial state under the US occupation and subsequently during the Korean War.<sup>7</sup> The wide-reaching land reforms, first forced by the hand of the US in the late 1940s and later taken to their logical conclusion by the North Korean occupation in the summer of 1950, had created a rural farming sector in the south characterized by large numbers of small, owner-operator, family farms which made up the bulk of South Korea’s old middle class throughout the countryside thereafter. As the land reforms went far in placating the rural sector politically, the subsequent anti-communist campaigns during the First Republic under Syngman Rhee had left no autonomous peasant movements behind by the time Park’s military junta came to power in 1961.<sup>8</sup>

As previously discussed, when the junta began restructuring South Korean society between 1961 and 1963 it organized the rural farming sector into the National

Agricultural Cooperatives Federation (NACF), which stood under the direction of the Ministry of Agriculture and Forestry (MAF)—the latter responsible for implementing agricultural policy.<sup>9</sup> Under the new co-ops, former membership control of local-level leadership was abolished and the NACF organizational structure, paralleling the state administrative hierarchy, effectively subordinated the lower levels to centralized control and direction coming from the top. Penetrating down into every village, the NACF, along with the local administrative bureaucracy, came to dominate the rural sector.<sup>10</sup> It was mobilized as the choice state-corporatist channel through which the state could control and mobilize the agrarian sector for the industrial project. The NACF controlled all state agricultural credit and held the bulk of farmers' savings in its credit and banking facilities. It was given a monopoly on fertilizer distribution and sales as well as purchasing and marketing of agrarian products.<sup>11</sup> With the goal of extending agrarian production, the coops was tasked with an array of service provisions including deliveries of commercial inputs, training programs, storage, transportation and marketing of products, bank loans, and loan extensions.

Through the NACF structure the state was well positioned to harness the agrarian sector to the imperatives of rapid industrial development. It could push increases in production, influence the production of desired goods, and extract surpluses for transfer into the construction of urban industry. The state would begin by squeezing the sector in order to effect transfers of capital resources and peasants into the rural industrial program, after which it would follow-up during the 1970s, perhaps as a consequence of the squeeze strategy, with increased support and protection for the sector. Along the way the NACF would facilitate the construction of a political economy with farmers aimed at supplying the Park government and his ruling Democratic Republican Party (DRP) with strong support in the rural areas. As a corollary, state-sponsored ideological drives into the rural areas would seek to fuse this support with heavy doses of political socialization.

### ***Agriculture Extension and Surplus Extraction***

During the 1960s the NACF was used to mobilize increases in agrarian production through agricultural extension programs while also turning the terms of trade against the rural sector in order to squeeze resources out of it. While the amount of cultivated land rose only marginally during this time, its quality rose drastically as more fields were connected to proper irrigation systems. Total agricultural output growth averaged 5.5%

annually through the early and mid-1960s, before falling to annual growth averages of roughly 3% in the later part of the decade. While rice, the preferred food staple, increased only at modest levels of 2.6% annually throughout the 1960s, production in fruit, beef, pork, chicken and eggs grew rapidly, with annual averages of 11.3% during this time.<sup>12</sup> To squeeze these rural sector surpluses the state channeled fertilizer through the NACF at above market prices and purchased agrarian goods at below market prices, thereby extracting investment capital for industrial projects and keeping food prices and wages in the industrializing urban areas low, helping partially to dampen the inflationary outcomes of the government's foreign borrowing.<sup>13</sup>

The rural sector, of course, stood on the losing side of these terms of trade, a situation which made conditions in the countryside bad enough to effect rural flight to the expanding urban, industrial areas throughout the 1960s and 1970s. Thus, in spite of the modest growth in agricultural production during the 1960s, farm incomes dropped rapidly in comparison to non-farm household incomes. In 1965, average farm household incomes stood at 99.7% of non-farm incomes and dropped to 67.1% by 1970.<sup>14</sup> Unlike the situation in Taiwan, where the expanding satellite factory system provided rural families with numerous opportunities to pad their farming incomes with part-time or seasonal wage-work in rural factories, this upward mobility did not exist in rural Korea where farm-household incomes were much more dependent on the state's price policies. In 1971, full-time farm households made up 85% of all farm households, and 76% of their income was generated solely from agriculture—the rest coming from remittances and social assistance.<sup>15</sup> The rural squeeze had led to massive shifts of the rural population into the urban areas. While the rural population grew during the early 1960s, it began its decline in 1965, falling from 19 million to 18 million by 1970. As the urban population shot up from roughly 7 million in 1960 to 12 million by 1970, the rural sector began contributing great numbers to the urban workforce, providing three-fourths of this urban growth in the late 1960s. The total farming population fell at an annual average rate of roughly 2.5% between 1967 and 1975 as the rural population fell from 72% in 1960 to 59% by 1970. The decline in the agricultural labor force was even more drastic, sinking from 80% to 50% of total employment during the decade of the 1960s.<sup>16</sup> The bulk of this rural-urban migration, of course, were the sons and daughters of farming families who increasingly filtered into urban areas to enter factory work or, if their qualifications and means of financing were sufficient, entered the higher educational

institutions, where they would enter the industrial economy in white-collar middle positions and management upon completion of schooling.

As rural surplus extraction led to this growing gulf between urban and rural incomes—in spite of increased migration to urban areas—a policy shift towards agrarian support and rural development took place.<sup>17</sup> At this point the state began to remedy this inequality with rural developmental programs to modernize village infrastructure, raise agricultural productivity, and improve rural incomes through price supports. This drive was launched with the establishment of the *Saemaul Undong* (New Community Movement) in the early 1970s, which turned into an encompassing mobilization campaign in the rural areas. Through the Saemaul bureaucracy the state channeled massive amounts of subsidized resources into villages through ‘self-help’ programs to ‘beautify the villages,’ expand and improve infrastructure—from programs to improve irrigation and flood control facilities, electrification, rural roads, collective grain storehouses to the expansion of schools and promotion of individual home improvement—and increase production through collective production teams, the promotion of high-yield rice strands, and high-quality cattle bloodlines.<sup>18</sup> Accompanying these developmental programs the state began subsidizing both inputs and outputs through the NACF. Fertilizer sales were channeled into the agriculture sector at prices lower than market value as above-market prices were paid for agricultural goods, using the NACF distribution networks to continue subsidizing urban consumption.<sup>19</sup> While these double subsidies for both the rural and urban sectors were made possible by the state’s control of the banks, the policy led to inflation and large state deficits. But the desired material effects were achieved as average rural sector incomes were brought back up to their urban counterparts by the mid-1970s and the percentage of rural household expenditures on basic consumption had declined drastically.<sup>20</sup>

### ***Mobilizing Political Support in the Countryside***

The rural sector in Korea made up a large base of conservative support for the authoritarian regimes under both Park Chung-hee and Chun Doo-hwan.<sup>21</sup> Both presidents and their respective ruling parties enjoyed this political support during elections and during punctuated political crises of regime transitions. This support cannot be explained merely on the basis of arguments emphasizing the lingering of traditional values throughout rural Korea or the objective class position of small owner-operators.

Rather the active role of the developmental state to use its NACF intermediary and the state bureaucracy to penetrate the grass-roots at the village level not only made the organization of autonomous peasant movements arduous, but gave state elites a channel to mobilize rural society towards conservative political rule. The rural sector showed its support to the ruling party and government on several occasions throughout the authoritarian period and during the 1987 transition to democracy. Evidence shows that the role of the developmental state's rural institutions was not superfluous in accounting for this.

Political control and mobilization of rural life took place through the state's bureaucratic machinery. The Ministry of Home Affairs (MHA) penetrated downwards through the state administrative hierarchy to the village level on two flanks. First, the MHA's subordinate Bureaus' of Local Administration controlled and supervised the township levels, where appointed leadership was responsible for liaising with village leaders. This structure provided organizational resources to effectively co-opt the local leaders into the local bureaucracy, thereby giving the government a foot into the grassroots level, through which local elites could be used to rally for the president and his ruling party during election campaigns and referendums.<sup>22</sup> Second, the village level police stations underneath the MHA's Bureau of Public Safety served to keep rural areas within a tight security grip as they watched over local political opinions and activities, prepared to squash any autonomous organizational efforts and coerce political support when needed. Together, control of local administration and the police gave the central government considerable capacity to control the happenings in rural areas. The choice instrument for political mobilization of the rural population, however, was the NACF structure. With farmers dependent on this parastatal intermediary, the government could use the NACF in several ways to channel patronage into rural political support. This included providing farmers with subsidized loans and credit—the equivalent of industrial policy loans to the chaebol—in return for support at election time. Administrative discretion could be used to extend the period of loan repayments for those persons showing support for the ruling party, or, when needed, to suddenly call in loan repayments from those persons who were seen coming into contact with opposition politicians or expressing support for the political opposition. In addition, the local NACF officials, who were often stationed in their hometown where they remained embedded in village social networks, were regularly used as political operatives during election or referendum campaigns and other activities of state mobilization.

The rural sector was also not immune to programs of political socialization coming from above. Indeed, after the junta took power in 1961 it set up a “dense machinery for political propaganda in the countryside.”<sup>23</sup> Under the People’s Movement for National Reconstruction, parapolitical youth groups, women’s groups, and veterans groups were mobilized throughout the rural areas to rally for commitment and participation in national reconstruction. Radios and loud speakers were distributed into even the most distant villages to connect these areas to government-controlled broadcasting, which pumped out “propaganda songs, announced state policy guidelines, and disseminated Park’s public speeches every day to the villagers,” the latter who “had no choice in the selection of stations.”<sup>24</sup> When Park established the Yushin regime in the early 1970s, the Saemaul Movement came to acquire a special place in Park’s repertoire of political socialization.<sup>25</sup> In addition to shoving resources into the rural areas for development and subsidizing rice and grain sales through the NACF, the Saemaul Movement was decked out with wide-reaching programs of political socialization, the substance of which was transferred downwards to the local levels through the numerous Saemaul Leader Training centers set up throughout the country and controlled by the MHA. The training programs, described in a 1979 US intelligence estimate as the “moral-psychological component” of Saemaul, ran throughout the 1970s and featured “mass indoctrination campaigns promoting a mix of traditional and modern values” that emphasized the importance of “self-help, diligence, and cooperation” within a nationalist framework of South Koreans working together under Park’s leadership to achieve national prosperity and security.<sup>26</sup> This “updated Confucianism” of Saemaul, the report concluded, “seems to have acquired strong legitimacy in South Korea’s rural areas, in large part through its association with higher living standards and solutions to practical problems.” The campaign’s grassroots, participatory element came to function as “an especially successful mechanism of the Park government in strengthening [its political] support in the countryside.”<sup>27</sup> As Moore writes, “despite the exaggerations of official propaganda and the heavy bureaucratic push which lay behind Saemaul, the movement did indeed contain genuine elements of popular mobilization and enthusiasm,” the latter being largely the result of economic improvements.<sup>28</sup> Saemaul flags could be seen flying in almost every village well into the 1980s, even after the operative aspects of the program had become moribund.<sup>29</sup>

In sum, Park constructed a rural political machine that was driven by the MHA, MAF, NACF and other bureaucratic organs to mobilize political support for his

presidency and the ruling DRP. That the local bureaucracy had penetrated into closely-knit village life, individual political preferences were rendered translucent, and if they were the 'wrong' preferences, the state's bureaucratic tentacles could make life difficult for those individuals. Even at the height of the agricultural squeeze in the late 1960s, the government's political machine, helped by police coercion when needed, was able to capture strong voter majorities in the rural areas for the president and ruling DRP. The doses of political socialization, which reached their height with the Saemaul Movement, also had a role to play, particularly as they were accompanied by rising incomes through increased market intervention by the state. Away from the rough and tumble world of urban student and opposition politics, the countryside served as a strong conservative support base during Park's time.<sup>30</sup> When General Chun Doo-hwan grabbed political power in 1980 and reinvigorated authoritarian rule, he too would enjoy solid political support in the rural sector.<sup>31</sup>

### ***Structural Adjustment and NACF Patronage***

During the 1980s, the agriculture sector would be strongly affected by the Chun government's policies to stabilize the industrial economy and push forth trade liberalization. While the state continued to mediate through the parastatal NACF structure, the functional role of the cooperatives began to change. From the beginning, the Chun government kept increases of rice prices in check, an indication suggesting that the ruling party viewed its support in the rural areas as solid.<sup>32</sup> But the policy of fiscal restraint led to cuts in the grain management fund and fertilizer accounts in order to reduce state deficits, which put a squeeze on farm households, whose incomes began falling behind the rate of inflation and, again, declining relative to urban household incomes.<sup>33</sup> In addition, the measures taken by the Chun government to liberalize the economy led to selective decreases in agricultural tariffs after 1984, which began exposing the un-competitiveness of the sector within an international market and creating pressures on agricultural production, particularly as farmers were seeking to diversify products, becoming increasingly unable to meet domestic demand and compete with rising industrial wages. The rural sector, however, continued to maintain its structure of smaller owner-operator household producers.<sup>34</sup> To deal with these problems, the state sought to support rural incomes, again through higher buying prices for rice and barely, and increasingly began directing the NACF towards financial services, using it to

provide the infusions of capital to farmers needed to keep the sector afloat within the liberalizing agrarian markets.<sup>35</sup> As a result, rural debt began to soar by the mid-1980s, rising from an average of \$186 per household in 1975 to \$2,300 by 1985.<sup>36</sup>

The NACF came to be the key channel for mobilizing political support during the 1980s. The Saemaul Movement, directed by Chun's younger brother, continued to be touted by the government and used to frame nationalist discourses, but its use for developmental mobilization had become moribund. When villagers and farmers talked about Saemaul in the 1980s it was not in relation to running programs, but to evoke a lost "golden age" during the 1970s.<sup>37</sup> Now lacking this channel for political mobilization, the Chun government began relying more on the NACF alone to channel patronage between the state and the farmers. Cheap credit was channeled through the NACF to farmers with the expectation that the latter return support to the ruling party at election time. In fact, in attempt to deal with the sectoral adjustment of the agricultural sector the percentage of NACF policy loans as a percentage of its total loans increased more rapid during the 1980s than the NACF's regular commercial loans or expanding mutual savings loans.<sup>38</sup> Sharp increases in policy loans were particularly evident around election time. In the run up to the National Assembly elections in 1985 there was a small jump of 25% in the total amount of NACF subsidized policy loans. In 1987, a year of tremendous urban political unrest followed by the first democratic presidential election in December and National Assembly elections in early 1988, an extremely large jump of 56% can be observed in total NACF policy loans.<sup>39</sup> These attempts to solidify rural support at election time, of course, were also accompanied by government mobilization in the rural areas that was often "quite transparent at the village level."<sup>40</sup>

Some scholars have suggested that the fiscal restraint, combined with the first liberalization moves during the 1980s, strongly cut into the traditional government support in the rural areas.<sup>41</sup> In particular, they cite attempts by Christian activists and student groups at political organization in the rural areas during the 1980s—associations such as the Korea Catholic Peasant Association or the Christian Peasant Association—to suggest changing power relations and political alliances in the countryside. While these groups sought to represent farmers and politicize issues of NACF policy, such as growing rural debt and production problems caused by government intervention, they regularly faced strong government coercive measures seeking to prevent such activities.<sup>42</sup> Direct evidence of successful autonomous organization in the countryside is thin. It does not appear that these groups had a strong grassroots participation in the

countryside and the continued exclusion of the rural sector from urban political conflicts, the dependence of farmers on the NACF, and their continued electoral support for the government do not suggest otherwise. At the most, these activities increased the government's attention on supporting agricultural restructuring. Moreover, as the autonomy of the developmental state's bureaucratic insulation was in sharp decline by this time, shifting power balances within the state regarding agriculture came to the fore. In March 1987, for example, the state initiated a large-scale debt relief scheme for farmers that the Ministry of Agriculture and Fisheries, together with ruling party politicians in the National Assembly, had lobbied for in spite of strong opposition from both the elitist Economic Planning Board and the Ministry of Finance.<sup>43</sup>

The key to the changing political dynamics between the state and rural areas does not appear to lie with the autonomous organizing efforts of Christian and student activists or a possible mass electoral defection of rural voters from the government due to adverse government agricultural policies—Korean agriculture, although facing increasing competition, would continue to be protected by the state well into the 1990s.<sup>44</sup> Rather, the continuous decline of the rural population as industrialization increasingly pulled it into the growing urban areas appears to be what greatly cut into ruling party electoral support over time. By 1980, Korea's rural population had declined to roughly 43% of total population, and by 1987, the year large urban protests pressured a transition to democracy from below, it had fallen to 31%.<sup>45</sup> This would greatly impact the process of political change as this traditional bastion of ruling-party support grew structurally smaller, shifting the decisive balance of electoral politics towards Korea's urban areas, which provided a structural basis upon which the political opposition could challenge the ruling party. By 1985, for example, voters in the five largest cities accounted for 42% of the total national electorate.<sup>46</sup> During the 1985 National Assembly elections the oppositional New Korea Democratic Party greatly outperformed Chun's Democratic Justice Party in these urban areas, "while the rural hinterland [continued to provide] the pillar of support for the government party, regardless of its identity."<sup>47</sup> The role of the rural sector's involvement in the political regime transition of 1987 will be discussed further in Part III.

## **5.2 Taiwan**

Agricultural development in Taiwan proceeded along a path quite similar to Korea as the

nationalist developmental state used an organizational network of cooperatives to control and mobilize a rural sector made up of small, owner-operator, family farms. A squeeze would be affected during the beginnings of the industrialization drive to extract resources for transfer into industrialization and followed up during the 1970s with increased state support of the sector. However, important differences would characterize the development of the rural sector as the satellite factory system came to offer farm households a channel of upward mobility not enjoyed by the farming sector in Korea.

When the Kuomintang (KMT) dug into Taiwan in 1949, the party leadership had taken lessons from its experience on the Chinese mainland and the February 28 Incident in Taiwan and moved to pacify the rural population with wide-reaching land reforms. As former Japanese property and shares of larger private estates were carved up into small parcels and distributed at low prices to former tenants in the early 1950s, the redistribution program brought into being a large class of small, owner-operator family farms within a greatly equalized rural sector in terms of income and social status.<sup>48</sup> By 1952, owner-operators had increased from 36% to 65%, and the percentage of tenant families had dropped to roughly 10%.<sup>49</sup> Where tenant farmers had worked 42% of total farmland in 1949, they now worked only 16%.<sup>50</sup> As Kerr writes, in a rather lamenting language, the reforms brought a quick equalizing effect on the rural socioeconomic fabric:

Thousands of Formosans were grateful for the opportunity to become landowners or to add a little to their small holdings . . . But for thousands of Formosans the Land-to-the-Tiller program brought a sharp reduction in their modest standards of living. Many suspect that the program was designed as much to destroy the base of the emergent middle class (the class which produced the leaders of 1947 [February 28 Incident]) as it was to aid the landless peasant. Few Formosans . . . had great landholdings before 1945, but there were many who had enough income [generated from land] to support them in comfort at home, to invest in small shops or businesses in the towns, and to send bright sons and daughters on to higher schools and to the universities in Japan. Now they were forced to accept bonds and stocks which taken together could not produce income equal to the income lost when private land was taken up by the government.<sup>51</sup>

In numbers much greater than the thousands cited by Kerr above, roughly two million peasants gained small family plots from the land reform and their farming incomes would quickly double as the former landed class disappeared from the scene.<sup>52</sup> In effect, not only did the program transform rural power structures, but in doing so it created a large basin of political support for the KMT to draw on.

Like the pattern we saw in Korea, the KMT-state organized the rural sector into a network of parastatal Farmers' Associations (FAs) left from colonial times, which it would use for the control and mobilization of rural society.<sup>53</sup> The FAs were placed under

the administrative authority of the Department of Agriculture and Forestry and given a monopoly on sectoral representation. Structured hierarchically to parallel the state administrative and party structure, the FAs were responsible to the Ministry of Interior and penetrated down to the township level, where they were watched over by the Provincial Department of Agriculture and Forestry—which had local units working with the FAs—and the Provincial Food Bureau—which had intelligence operatives in all the township FAs. From this level they connected into the villages, where a village chairman would be chosen from local groups to act as a liaison with the township FA, the latter directing the activities of the village. Full FA members elected their local representatives at the township level, the latter which appointed the board of directors and managers responsible for daily affairs, while separate elections took place for representatives at the county and provincial level. The party exercised strong influence at every level of the associations to insure that the FA representatives and boards of directors strongly reflected the wishes of local and national KMT officials.<sup>54</sup>

The FAs became an institution of daily life in the rural areas as they provided farmers with an array of services such as agrarian inputs, sales and marketing of production, storage and transportation, credit and loans, and even the promotion of rural industry.<sup>55</sup> Its rural credit department and banking functions served as the main depository of farmers' savings and supplier of credit and loans, and its monopoly on fertilizer distribution and rice collection made membership essential to rural families. Even non-farming households could be associate members of the FA and profit from its services. In effect, they became the chief instrument for state intervention into the rural sector. And while "Taiwan's farmers undoubtedly benefited from the existence of the FAs, which enhanced the availability of, and relatively equal access to, the means to increase output and incomes, . . . the price they paid was political submission to the state's industrialization strategy."<sup>56</sup>

### ***Increasing Production and Squeezing Surplus***

The FAs came to serve as the main channel for the state to mobilize the agrarian sector and coordinate developmental policies to affect transfers of rural surplus into the industrial development program. As agricultural extension programs were channeled through the FAs in the early days and the state invested heavily in rural infrastructure and irrigation, agrarian production rose steadily, with output increasing on average 4.4%

between 1952 and 1970.<sup>57</sup> Between 1952 and 1963 overall production more than doubled, and by 1960 Taiwanese farmers were producing the highest rice yields per hectare in Asia outside of Japan, from which the exports produced generous foreign currency for investment into industry.<sup>58</sup> This early “green revolution,” Amsden writes, effectively “transformed the life of almost every peasant” with “large gains among the many.”<sup>59</sup> Growth continued during the 1960s with annual averages of 3.4% before slowing down to 1.8% during the decade of the 1970s.<sup>60</sup>

Similar to the process in Korea, the KMT-state would squeeze the agrarian sector during this early growth period to capture surplus and transfer it to the industrialization program. The FAs were given a monopoly on fertilizer sales and distribution networks as well as purchase and marketing of agricultural products. Through the fertilizer-for-rice barter program rice was captured at below market prices for the purpose of keeping food prices and industrial wages low. The state fertilizer industry, protected from cheaper imports, used barter ratios of fertilizer to rice that made the former extremely expensive in terms of rice, creating a price distortion which increased throughout the 1960s.<sup>61</sup> The same was done with sugarcane, whereby the large state-owned Taiwan Sugar Corporation sucked in the majority of farmers’ sugar crop at below-market prices and charged high processing fees. In addition, an array of land taxes and loan repayments served to extract additional resources for the industrialization program.<sup>62</sup> In effect, the outflow of capital and resources from the rural sector into the growing industrial economy during this period was substantial.<sup>63</sup> As this sector was pushed into self-exploitation during the squeeze, laboring long hours to maximize production, it could not escape the “super-exploitative state, ticking along effectively to exact the fruits of the peasantry’s labor.”<sup>64</sup> Yet the state was able to strike a balance, Wade argues, “giving farmers incentives to produce and remain politically quiescent, on the one hand, and squeezing out enough resources to support the urban population” and develop industrial sectors on the other.<sup>65</sup>

In spite of the highly unfavorable terms-of-trade for agriculture, rural household incomes improved steadily well into the early 1970s, at which point they began to stagnate in comparison to urban incomes. Almost as drastically as the rural-urban income divide had been turned against rural households in Korea, farm household income to non-farm household income in Taiwan had fallen from 94.8% in 1966 to 73.5% by 1973.<sup>66</sup> Yet a major difference affecting Taiwan’s farm household incomes in comparison to Korea was that the spread of industry throughout Taiwan’s rural areas and

the upward mobility provided by the satellite factory system gave rural households more opportunities to pad their declining farm incomes. In Taiwan, for example, full-time farm households made up only 31.2% of all farm households by 1970 (compared to 85% in Korea) and only 45% of part-time farm household income was generated solely from agricultural activity (compared to 76% in Korea).<sup>67</sup> The government response to declining rural household income, as was the case in Korea, was to shift towards support and protection of the agrarian sector.<sup>68</sup> Under the 1973 Agricultural Development Statute and Accelerated Rural Development Program the state targeted the sector with several policies. The tax burden on farm households was lowered and increased public expenditures were shoved into upgrading the rural infrastructure. Increased subsidies were made available for agrarian inputs that reduced production costs or raised production levels as import regulations on various agricultural products were tightened and tariff rates were raised. Most notably, the state shifted its purchasing price for rice to bring it above market rates. By the later 1970s farm household incomes had improved substantially, but continued to stagnate in proportion to non-farm household incomes.

While the structure of small owner-operators remained intact throughout the rural areas, the composition of household income had greatly changed by 1980. Part-time farming households had increased to 91% of all farm households, among which 55% were earning more income through non-farming activities than farming.<sup>69</sup> Thus, while the shift in state policy towards support and protection during the 1970s certainly helped sustain the rural sector, the survival of household farms was greatly buttressed by opportunities of industrial wage-work in the rural areas to pad incomes or the ability for households to establish make-shift production facilities on the family farm within the satellite factory system.<sup>70</sup> These patterns of rural industrial production also meant that the squeeze of agriculture during earlier periods had not resulted in the large wave of rural-urban migration that Korea experienced. In comparison, Taiwan had a “relatively low rate of outmigration” from rural areas as industrialization progressed.<sup>71</sup> Not only did this keep the rural social structure more intact and help keep rural-urban incomes more equitable, but it greatly relieved stress on the state to channel the masses of subsidized resources into the agrarian sector on the levels that the Korean state had done, where farming household income was dependent on farming alone. Thus, it provided the KMT with a stable rural sector for political mobilization within an equalized social fabric that had not been abruptly dislocated and scattered during the process of squeezing agriculture.

***Rural Politics: The Farmers' Associations and KMT Party Machines***

As previously discussed, the KMT party-state penetrated deep into Taiwanese society through the state bureaucracy and party organizations, positioning it for local level control and mobilization of associational life. One mechanism for this was the early establishment of public service centers at the lower levels of administration throughout the townships. The service centers were staffed by full-time KMT officials and tasked with surveillance of the township executive administration—the latter responsible to the provincial departments and government ministries at the higher levels—and the township FAs, while also advancing party interests at the local level.<sup>72</sup> The service centers housed the local KMT party secretary, who worked with full-time cadres and a staff of local part-time and volunteer personnel, and was responsible for leading the township KMT members. The latter were further organized into village and neighborhood party cells, which allowed the party to penetrate into the smallest community spaces. In addition, while martial law made autonomous organizing at any level off-limits, the omnipresence of the Taiwan Garrison Command and party intelligence organizations penetrated into every village where they were well positioned for controlling rural society. Together these structures made state administration at the local levels extremely comprehensive.

Fertiliser is allocated precisely to every small plot of land. Taxes and irrigation fees are collected on all land. All the population is registered; census data are complete. Virtually every male does service in the army. . . . Postal service goes to every household. Police officers have records of every household. In short, in a variety of ways, the administrative system reaches directly every individual, every house, every square meter of land.<sup>73</sup>

While these structures gave the party-state strong control throughout the rural areas, the mechanisms used to incorporate the rural farmers and families into the party-state were local elections and the KMT's factional party machines, for which the FAs, with their large memberships and control over vast resources, came to play an essential role. It was in the rural areas, Bosco argues, where factions were strongest due to the denser web of kinship and social ties, and through which the KMT could "control the countryside by inserting itself in the fissure between the [competing] factions."<sup>74</sup>

The FAs became the main rural institution targeted for capture by local factional leaders. FA township elections were hotly contested because the local elected representatives were responsible for electing the board of directors, who, in turn, elected the general manager. As the general manager controlled the day-to-day operations of the FA, and therefore oversaw a tremendous amount of resources, he was well positioned to deliver patronage back to factional supporters down the line. FA officials could "help

fellow faction members get jobs or transfer to a more desirable office,” or supply “licenses for export crops, subsidies and loans for new machinery, and information on new seeds and techniques.”<sup>75</sup> In addition, the massive amounts of FA funds earmarked for public projects served as a regular reward for the construction companies of local faction leaders.

Unsurprisingly, the hierarchical structure of the local factions came to parallel in a loose way the hierarchical structure of the FAs and local state administration. The majority of factions were settled on the township level, from where they connected into every village through a local faction head, who was responsible for organizing the lower-level factional leaders at the neighborhood level. The village faction heads, quite often a representative in the township FA or a government employee, generally enjoyed some sort of status and access to resources that could be used to solidify faction support at these lower levels.<sup>76</sup> Due to the dense ties of these village leaders within the community, they were well positioned to know how many votes could be mobilized for which candidate and channel patronage to the local electorate to mobilize these votes. In effect, the FAs became a key institution within the rural areas that the KMT could harness for the mobilization of rural votes: “Given their hierarchical organization and unique service and economic roles,” Rigger argues, the FAs were “well suited for organizing and channeling electoral support.”<sup>77</sup>

The FAs, therefore, became essential to KMT political dominance in the rural areas. They could be used to co-opt local factional elites with political ambitions by using FA office as recruiting and training grounds for rural politicians who could later move upwards into township, county, and provincial leadership positions under KMT party sponsorship. Additionally, as the FAs held large memberships among the rural population, they were effective vote coordinating machines at every level of electoral contests. Those factions holding the management position of a FA, for example, were well positioned to coordinate and deliver bloc votes to KMT factional candidates, making them an “iron ballet” constituency of the KMT next to civil servants and the military.<sup>78</sup> Here, the local faction dominating the local association would be trained and directed by local KMT officials in electoral strategies of “persuasion, persistence and vote buying,” as one KMT coordinator explained in a FA association meeting in the run up to National Assembly elections. This particular official, mobilizing the township FA to get KMT candidates elected, then assigned groups of association members to particular town wards and tasked them with “pulling votes,” “encouraging votes,” and

“checking up on votes.” They were to find out exactly “Who’s helping us in every ward? Every neighborhood? Did they get money? Did those who get money vote?”<sup>79</sup> Organizationally embedded in their local social networks and tasked with an array of activities ranging from the collection of rice, taxes, duties or payments of land purchased under the land reform, to granting extensions on credit and loans, FA officials could exercise discretion over these matters to reward and punish political behavior at election time.

Within this rural environment of factional political machines, the KMT did not lose its dominance over the local factions—at least not until well after political democratization began. The township KMT secretary, appointed from higher party levels, was tasked with managing the factions to the benefit of the party by deciding on factional nominees for office. Through this power to decide on KMT nominees, the party would regularly use strategies of divide and conquer to keep local factions—generally divided into two groups within smaller districts—from posing a threat to the party over the longer-term. Where local factions were of equal strength, the KMT would nominate the likely winner to have its man in office; where one faction clearly dominated, the KMT would support the weaker faction in order to bring about a balance of power and pit the two factions against one another.<sup>80</sup>

### ***Economic and Political Liberalization***

Taiwanese farmers were not spared the fate of their Korean counterparts as US pressure for trade liberalization and the opening of agricultural markets mounted in the mid-1980s. The circumstances and consequences, however, were a bit different than in Korea. First, the precarious international position of Taiwan in general, and the government’s bid for membership in the General Agreement on Tariffs and Trade in particular, made reliance on US diplomatic support great. This gave the United States more leverage over trade negotiations with Taiwan than it enjoyed with Korea, resulting in greater agricultural market openings in Taiwan as the KMT government traded more concessions in order to avoid conflicts with the US. Second, the further degree of diversification of agrarian production away from the rice staple in Taiwan, as compared to the situation in Korea, meant that traditional state policies of agrarian protection via rice-centered mechanisms of support were not as effective as they were in Korea. Thus,

by the late-1980s Taiwan's agrarian producers were facing a much smaller degree of protection than farmers in Korea as trade liberalization proceeded.<sup>81</sup>

As a result, where openings appeared in Taiwan's agricultural market, through which cheaper US products were being channeled, farmers in certain production sectors such as meats, peanuts, and garlic, faced drastic price declines for their products. As martial law had been lifted and political liberalization of the KMT regime was well underway during this time, farmer opposition to trade liberalization and demands for more protection emerged in a series of large street protests in Taipei during 1987–1988, and the establishment of autonomous agricultural associations within the newly liberalized civic organizational arena seeking to represent farmers' interests. Similar to the case of Korea, however, this mobilization was not a cause prompting political reform, but rather a result of it. While the KMT government was set out to pressures in the process it still enjoyed a high organizational capacity to mobilize rural political support through its factional politics and no strong alternative to the hegemony of the FAs in the rural sector emerged: "Farmers' protests in general focused only on the interests of particular groups and even the two broader farmers' organizations represented different types of farmers, so that united and organized interest-group pressure . . . has not emerged."<sup>82</sup> Thus, like democratizing Korea, agricultural interests would not turn into organizations of political power. In Taiwan, despite increasing political liberalization, the strong network of parastatal FAs remained dominant and subordinated to the state throughout the rural areas.

In sum, the rural sector provided the KMT with a basin of political support, which became increasingly important as party competition heated up following the political liberalization during the mid-1980s. The political connections through the FAs with the rural grassroots went unchallenged by any other organization. With the rural sector integrated into the FAs—and rural counterparts such as the Irrigation Associations—and these state-corporatist organizations integrated into the KMT's local factional political machines, the party was able to maintain its hegemony in rural areas throughout the process of political liberalization and democratization. Well into the late 1980s, Bosco writes, KMT nomination "virtually assured a [factional] candidate's election."<sup>83</sup> As the political opposition came to challenge the KMT in increasingly competitive political electoral arena after 1986, they generally lacked the connections to local factions as well as the resources to capture them and help coordinate elections

within the electoral system of multi-member districts with single non-transferable vote, a development which will be discussed in Part III.

### **5.3 Singapore**

As previously discussed, the lack of a rural hinterland within the small *entrepôt* economy of Singapore blocked a process of import substitution industrialization and pushed the PAP government towards a strategy of export-oriented industrial development. The city's agrarian sector was extremely small in comparison to Taiwan and Korea. Arable land on the island was only 6% of total land in 1960 and quickly fell to 3% by 1970.<sup>84</sup> When the People's Action Party (PAP) came to power, most rural self-employed were settled on small individual plots where they engaged in livestock, fishing, fruit and vegetable cultivation, and gardening, producing little, if any, surplus. Local production made up a miniscule amount of the country's total domestic food demand. As the PAP government began constructing its modern industrial infrastructure, these semi-rural areas were increasingly displaced and transformed by urban developmental projects, with most of the semi-rural population then being resettled into the public housing blocs in the newly urbanized districts and made available for industrial wage work. The small farming and fishing sectors that remained were then targeted by the Primary Production Department (PPD, est. 1959) with services to increase productivity. Producer intermediaries were established and penetrated by PAP bureaucrats and ministers, which worked closely with the PPD, the Economic Development Board and the Trade Development Board to channel agricultural extension policies. As the state's public projects had increasingly cut into smaller farmlands and the PPD began targeting larger commercial farms with hi-tech production activities, traditional subsistence production had already been replaced by the 1970s.<sup>85</sup> As rapid industrialization continued, both the percentage of land designated for agricultural production, as well as the population in these areas, declined dramatically. By the 1980s, less than 1% of land was set aside for agricultural activities with roughly 1% of workers engaged in production. Agriculture's contribution to the gross domestic product was less than 1%.<sup>86</sup>

Lacking the massive rural sectors found in Korea and Taiwan, the rural politics of the PAP varied accordingly. In the days of the Barisan-PAP political conflict, Singapore's semi-rural areas had "been the strongholds of major opposition to the PAP's goals and programs . . . [and] particularly receptive to [Barisan Sosialis] propaganda."<sup>87</sup>

In the 1963 election, for example, the Barisan won six of the nine semi-rural constituencies. The PAP strategy to broaden its hegemony and eliminate Barisan influence in these areas was to use the same methods that were proving successful in the city center. The government targeted rural areas with the network of Community Centres (CCs) to be used for political socialization and surveillance, as well as channels for the PPD's rural programs and services. Like the government's urban strategy, prominent but loyal community members were co-opted into CC management and sent through training courses. As discussed previously, the blurring of party, government and state within these parapolitical organizational structures greatly helped confuse citizens in identifying the service provider. As Giddons and Chan suggest, the co-optation of local leaders into these institutions not only preempted potential PAP opponents, but also created an indirect identification with the government and helped make PAP policies acceptable, if not appealing, to semi-rural voters, thereby greatly increasing the legitimacy of the PAP government at the grassroots level within each electoral district.<sup>88</sup>

After the Barisan disappeared from the political scene, so too did Singapore's semi-rural areas. As these parts of the city were rapidly scattered and pulled into the modern sectors of the economy, Singapore's politics was quickly rid of an agrarian sector. This left the PAP government to concentrate on controlling and mobilizing the expanding urban sector of industrial workers and middle classes towards the industrialization program, for which it proved extremely capable.

#### **5.4 Conclusion**

Set aside the case of Singapore, which lacked the large rural populations and agrarian economies of Korea and Taiwan, the process of industrial development in the latter two countries followed quite similar trajectories in regards to its impact on rural producers. The rural sector was shaped by these developmental states in quite similar ways, experiencing phases of exploitation as well as support and protection at various points in industrial development as the state sought to affect rural surpluses which could be captured and transferred into the industrial project. Throughout industrial development the rural sector was in constant decline as the workforce was shifted out of agriculture into the expanding industrial sectors. This process, however, was shaped in different ways by the industrialization strategies used by these states. The rapid proletarianization in Korea effected massive shifts in the population, uprooting traditional family life in the

countryside as industrial work pulled young peasants into the urban cities on a permanent basis. In Taiwan, the social fabric of the countryside was able to remain much more intact due to the presence of rural industrial production, which damped outward migration from the rural areas. In both cases, however, the structure of small, owner-operator family farms remained intact throughout rapid development, with only slight to modest shifts in their numbers and sizes.<sup>89</sup>

The authoritarian regimes in both countries were greatly able to draw on stable political support within the rural family-holding structures. This was due not only to substantial material improvements experienced by the rural sector, but to a great extent the state's institutional channels for co-optation, control, and mobilization of rural political support, which proved quite effective for authoritarian elites sitting atop these developmental states. In both cases, the emergence of political conflicts and anti-government mobilization which would push political reform or coincide with political regime changes was taking place in the urban areas, and these movements were coming from the urban, popular sector and the rising middle classes. Accordingly, it is to this latter group that the analysis now turns.

## Chapter 6

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### The Emergence of the Middle Classes

Like the rise and fall of other social groups analyzed in this study, the rise of the urban middle classes in South Korea, Taiwan and Singapore has been a product of successful state actions pushing forth and guiding industrialization. Rapid export-oriented industrial development necessitated not only a rapid expansion of a class of industrial workers, but also the creation of a social sector consisting of managers, technicians, and other professionals to oversee the increasing complexity of production activities, coordinate expanding business organizations, and service expanding consumption within the domestic market. The importance of, and investment into, education and technical training promoted by these developmental states was the springboard that brought about the formation of much of this sector and drove the process of industrial upgrading into technologically advanced production activities and service activities.

For the purpose of this chapter, the middle sectors of society, or simply the middle classes, is dealt with along an analytic division—as well as a real existing division in social positions—between what scholars refer to as the old middle class and the new middle class. Here, the old middle class is loosely conceived of as a social sector containing individuals who make their living as independent producers, owning only limited means of production within the rural or urban economies—the former consisting of independent, small farmers; the latter of urban, ‘petty bourgeoisie’ producers. The new middle class is conceived of as the group of salaried, professional classes consisting of managers, technicians, and administrators, which have emerged within the expanding public and private bureaucracies on the back of higher education and the social mobility it brings. Also included are groups within the lower levels of the middle sectors such as clerics, salespersons, and other white-collar groups scattered throughout the public and private commercial and business organizations.<sup>1</sup>

As a social structural product of industrial development, the middle classes have received much attention from scholars theorizing the consequences of economic

development for political change. As industrialization and increased education provide parts of society with socioeconomic mobility into this social sector and also enlarge and further differentiate groups within it, these increasing complex social structures are thought to bring about changes in political attitudes and behavior which impact or destabilize existing political orders. Mainstream modernization theory, for example, has come to eulogize the middle classes as champions of democracy, whereby their norm and value orientations and organizational activities within the civic and political arenas increasingly serve as a source of pressure for the expansion of political and civic freedoms.<sup>2</sup> Other studies, however, have emphasized the ‘ambiguous’ and contingent behavior characteristic of this social sector in regards to political change and questions of democracy.<sup>3</sup> Within the context of East and Southeast Asia, still others have emphasized the “illiberal” political orientation that characterizes the middle classes.<sup>4</sup> Hagan Koo suggests that the ambiguity found in the political behavior of this group is a reflection of the differences between the sectors of the old middle classes and the new middle classes, with the former being extremely more conservative in its political stance than the progressiveness shown by the latter in regards to its values and collective mobilization for increases in political freedoms.<sup>5</sup>

Like the structural development of the other social sectors analyzed in the preceding chapters, the formation and development of the middle classes in Korea, Taiwan and Singapore has been strongly shaped by the structures and actions of the developmental state. This process has resulted in diverse trajectories of social change and political outcomes across cases, which the above generalizations on the role of the middle class in political development cannot sufficiently account for in detail. Next to industrial workers this social sector came to dominate the social structure in these developing societies, but its rapid formation and the heavy state intervention into the process did not bring about an environment compatible with the emergence of an autonomous collectivity of middle-class groups vis-à-vis the state. First, state-led industrial development created differing degrees of dependency on the state among these groups regarding the achievement and maintenance of their socioeconomic status. Second, as Jones emphasizes, the middle classes—particularly the new middle-class groups—were the social sector most exposed to the ideological and value orientations propagated by developmental state elites and filtered into the educational system and bureaucratic job training—both of which propelled citizens into middle-class social positions—thereby socializing to differing degrees their attitudinal and value

orientations.<sup>6</sup> Third, within the collective organizational landscape structured by these development states, resources for autonomous organization were tight, greatly constraining the channels available to groups within this sector for voicing collective disaffection and demands.

As this chapter shows, these processes took shape in different ways across the cases of Korea, Taiwan, and Singapore that relate to variations found in the institutional configurations of these developmental states and the relations it patterned with groups in this social sector. Where political activation, dissent and collective political mobilization did emerge, it was subject to variations in the responses undertaken by state elites to control, co-opt, or crush it, thereby further shaping the development of this sector. Following a brief overview of the structural changes within the middle sector and the rapid expansion of new middle-class groups that followed on rapid industrial development, the chapter then turns to an analysis of the political dynamics that accompanied this process.

### **6.1 Structural Shifts and Growth of the Middle Sector**

Shifts in the structure of the middle sectors took two main trends in these countries. First, in Korea and Taiwan the old middle class began to shift away from independent farmers towards a group of urban-based, petty bourgeoisie with activities in either the formal or informal service and manufacturing sectors of the urban economy. Having only a small agrarian sector to begin with, Singapore was an exception to this trend in both ways: Not only did its small base of farmers quickly decline, but the urban-based, petty bourgeoisie would also decline throughout development. The second trend in the structural development of the middle sectors, and by far the most conspicuous, was the rapid development of professionals, administrators, and managers as well as lower-level, white-collar clerics and salespersons. In contrast to the more gradual changes which took place in the old middle class, these new middle classes developed rapidly in these countries as export sectors were upgraded towards capital-intensive, technically more advanced production activities, and business organizations and public bureaucracies expanded in these industrializing economies. The naturally corollary was, of course, rising educational levels which opened doors for entry into this growing social group.

### ***South Korea***

As industrial development progressed in Korea, the sectors of the old middle class shifted gradually in accordance with the shifts in the national economy as the activities of industry and services increasingly overtook agriculture. While the structure of Korea's owner-operator farmers remained intact throughout industrialization, the size of this sector progressively declined while the urban component of self-employed, commercial and service operators was moderately enlarged as an adjunct to urbanization and export manufacturing, feeding the expanding urban markets with services or providing cheap sub-contracting for chaebol production. Burriss gives figures showing a decline in the rural component of the old middle classes from 57.5% of the working population in the period 1956–1961 to 16.5% by 1988–1989, during which time the urban producing component of this group grew moderately from 17.3% of the working population to 20.3%.<sup>7</sup> Much of the urban component of this sector consisted of farmer-turned-entrepreneurs engaged in urban or semi-urban retail, shop-keeping, kiosks, and gastronomy, but also included small independent businessmen engaged in small-scale production in the former sector as well as urban self-employed entrepreneurs within the large urban markets blurring on the informal sector of the economy.

In contrast, the new middle classes in Korea grew rapidly as a corollary of the industrialization program. This group began to emerge with the state's shift to export-oriented production activities beginning in the 1960s, and continued to expand rapidly throughout the phase of industrial deepening and technological upgrading of the manufacturing sector in the 1970s and 1980s. Where the early labor-intensive phase of development pushed a sharp rise in lower-skilled, non-manual, white-collar occupations, particularly general clerical workers, the shift towards heavy industry and the upgrading of export during the 1970s rapidly brought forth a class of higher-skilled and better-paid managers and administrators as chaebol activities expanded and their inter-subsidary supply chains multiplied. Thus, along with the arrival of big capitalists and an enlarged industrial working class, this new group of administrators and managers was a natural result of Park Chung-hee's 'big push.' The expansion of both higher- and lower-level white-collar groups continued apace as the export platform began to shift towards more high-tech production, and rising domestic consumption drove the growth of the service sector during the 1980s. Estimates from Burriss show that the new middle class grew from 8.5% in the period 1956–1961 to 23.2% in 1988–1989.<sup>8</sup> Growth in the upper-levels of this white collared group was rapid. Koo figures that between 1960 and 1980 the

sector of managers, professionals, and clerics in both the private and public sectors went from 5.2% of the workforce to 13.8% by 1980, rising again to 17.1% by 1985.<sup>9</sup> While the public sector saw a sharp spike in administrative occupations during the big push into heavy and chemical industries, roughly 90% of the higher-level, white-collar professional growth during the 1970s was taking place in the private sector of the economy.<sup>10</sup>

As the developmental state's industrialization project created this new middle class within a relatively short time, the export-oriented system of capital accumulation also came to greatly favor the socioeconomic status of this expanding social group. With resources for consumption above and beyond essential living necessities, the presence of the urban middle classes could clearly be seen throughout Korea's cities by the late 1970s, a phenomenon regularly commented on by western news correspondents.

Social workers, educators, officials, diplomats and other foreign observers have noted an increasingly broader spread of modest affluence among South Korea's 37 million people, mainly in the cities and especially in the last two years. Department stores bustle daily with buyers picking over an increasing variety of goods, from hiking supplies and electric haircurlers to exercise cycles and television sets—though there still is television programming only a few hours each day.<sup>11</sup>

These middle-class consumers enjoyed a structural position which diverged greatly from the industrial working classes. They had higher social status, earning power, and consumption levels, and education provided the key to mobility, making university graduates well positioned to enter the ranks of the middle classes in white-collar and professional jobs. High achievers were recruited into the administrative and technical class in public and private bureaucracies on the basis of highly competitive examinations. The average university graduate or even successful high school student could enter the lower and middle levels of the white-collar work force, from where their job experience made moderate upward mobility possible.

While Korea's growing middle sector groups were positioned to reap the socioeconomic rewards of economic development, experiences within these groups differed greatly and tended to correlate tightly with education levels.<sup>12</sup> Wages among lower-level clerics and retail salespersons averaged about 60% more than average wages of blue-collar production workers during the 1980s—the latter often failing to meet general levels of subsistence. This gap then ascended upwards into higher-level occupations with professionals and technicians earning roughly 150%, and administrative and managerial workers roughly 250%, of income earned by clerics and salespersons.<sup>13</sup> While well rewarded with socioeconomic status, many educated

professionals faced work environments that gave reason for grievances. White-collar employees, while spared the dirt and grime of manual production activities, were subject to rigidly enforced workplace hierarchies, authoritarian management practices, long work hours, and lack of job security. At the higher levels they often faced blocked promotion due to parachuting appointments of military men and state bureaucrats.<sup>14</sup>

Mobility within the sector of the old middle classes was structured not on education but the exploitation of economic opportunities that came with expanding consumption in the urban markets. Many small farmers, for example, made the transition into self-employment activities servicing urban and semi-urban markets, but their experiences varied. It is estimated that roughly half of this sector earned less than the average income of blue-collar workers while the other half enjoyed a middle-class socioeconomic status.<sup>15</sup> It was not unlikely that many of the former, even if their activities were in formal markets such as small-time manufacturing, fell below the poverty line. As the wife of a small subcontractor for a dressmaking company in Seoul expressed in the mid-1980s, there was “a wall between us and them [the Seoul middle classes].”<sup>16</sup> Chaebol growth made competition for small-time businessmen extremely tense and their small industry associations were ignored by the state. If these small-time producers were lucky enough to stay afloat, they were more than likely pulled into the chaebol’s subcontracting networks.<sup>17</sup> As a result, their dependency on continued chaebol growth, on the one hand, and government action to keep wages down, on the other, put the bulk of this sector in a position much more precarious than the bureaucratic routines and rewards of the new middle classes.

### *Taiwan*

The old middle class in Taiwan was subject to similar shifts as seen in Korea, but these were less abrupt as the independent farming core of Taiwan’s old middle class took on self-employed, nonfarm, petty-production activities in addition to farm work due to the rural spread of industrial production within the satellite factory system. Like Korea, however, while the structure of small owner-operator farmers did not break apart, its numbers declined as the urban component of the old middle class enlarged. Burris’ figures show a decline in the rural component of the old middle class from 46.8% of the working population in the period 1956–1961 to 13.7% in 1989–1999, during which time the urban component of petty-production rose from 14.5% to 20.0%.<sup>18</sup> Also similar to

Korea, this urban group moved in to feed urban and semi-urban markets with low-end services in gastronomy, kiosks, and small retail shops, and included a percentage of marginal workers in informal sectors with incomes at or below blue-collar averages—35% of this sector compared to Korea's 50%.<sup>19</sup> The smaller size of this last group, however, appears to reflect the greater possibilities of upward mobility offered to small-time businessmen in the subcontracting networks within the export manufacturing sector, thereby making this group larger and more stable than in Korea.

The new middle classes in Taiwan expanded substantially as export sectors were upgraded into production activities with higher profit margins and capital accumulation pushed consumption levels higher. As public bureaucracies and private business organizations expanded, the need for educated professionals, technicians and managers accelerated. As rising consumption levels drove the expanding domestic service sectors, so too did the lower-levels of the white-collar groups expand. Across the board, the new middle classes in Taiwan rose from 14.4% of the working population in the period 1956–1961 to 22.3% in 1988–89. Upper-level salaried professionals, technicians, and managers made up roughly 50% of this growth.<sup>20</sup> In contrast to Korea, the state bureaucracy and government was taking a larger percentage of Taiwan's university graduates, which reflected the larger size of the state business sector in Taiwan.<sup>21</sup> Similar to the situation in Korea, however, the new middle classes in Taiwan became concentrated in urban areas where they came to dominate the middle sector. In Taipei, for example, a 1992 survey found the middle classes made up close to 60% of the city's population—the new middle class made up a dominant 87% of this group.<sup>22</sup>

With the growth of Taiwan's middle sectors came both increasing displays of prosperity and consumption, regularly remarked on in western newspapers during the 1980s. A journalist who had studied in Taiwan in the early 1960s was astonished when he returned two decades later, remarking on one of Taipei's "most fashionable streets" that had replaced an earlier rice-paddy field. It was

lined with new 20-story apartment and office buildings, as well as glittering boutiques with marble floors, mirrored walls and French names. A Louis Vuitton Shop abuts a Cartier store, and in the shop window of the Lanvin outlet, the suede skirts sell for \$700 and up. Nearby, a recently completed elevated expressway carries streams of Taiwan-built automobiles over the roofs of the city. One of the new buildings is the Asia World Hotel, a shiny hostelry built . . . with glass-walled elevators, waterfalls and guest rooms configured around a huge central atrium."<sup>23</sup>

Household items such as color TVs, washing machines, refrigerators, and telephones—all domestically manufactured—were no longer luxury items, but had become daily staples in the lives of a majority of Taiwan's population.<sup>24</sup> Western news reports

regularly remarked how the country's rapid economic growth had "expanded the ranks of the middle class," which increasingly "own cars and houses and travel abroad."<sup>25</sup> Even religious activities reflected the country's new found prosperity, as worshipers could regularly be seen "going to the temple to burn fake paper money so that their loved ones will have some cash in the next world."<sup>26</sup>

Like social mobility in Korea, the bureaucratic new middle classes in Taiwan rode into higher social and economic status on higher levels of education. Higher education opened paths into the burgeoning state sector, where graduates entered government administration, research institutions, schools, and positions within the large sector of state-owned enterprises. They also flowed into the expanding private business sector, where they were placed in administrative and management positions within the industrial corporations.<sup>27</sup> The lower the university degree, the more likely graduates took up jobs in the private sector. Among bachelor graduates entering the job market in 1986, 54% entered the private business sector, while only 38% went into the public sector.<sup>28</sup> Public sector employment gave this group not only high social standing and superior incomes, but also an array of perks unavailable in the private sector such as housing and rice allowances, wholesale buying cooperatives, and special insurance plans.<sup>29</sup> While the public sector path was dominated by Mainlanders in the early days, Chiang Ching-kuo's Taiwanization policy during the 1970s increasingly opened up this path to native Taiwanese, who had until then relied solely on the private sector for upward mobility. As this opened up movement into the party bureaucracy, with incomes and social status comparable to the public sector, education came to be an asset. By the late 1980s, roughly 80% of the party's Central Standing Committee were college or university graduates.<sup>30</sup>

In contrast to the essential role of education in opening routes into the new middle classes, the path into Taiwan's urban-producing old middle classes was open to those with "business experience, frugality, long hours of hard work, good contacts, and a reputation for reliability," raising the possibility that one could "take a small-scale enterprise and turn it into a medium- or mid-level enterprise."<sup>31</sup> Within the sector of small-scale business in the satellite production system, however, socioeconomic status varied sharply according to business size. The vast majority of businesses, employing only a few workers and relying mainly on the exploitation of family labor, were often only capable of achieving incomes paralleling those of blue-collar workers. Rubenstein suggests that only 13% of small businesses, or those employing more than six workers,

“were capable of ‘sustaining a secure traditional middle class position for their owners’ families.”<sup>32</sup> Thus, in contrast to the earning power and job security enjoyed by the new middle classes, the sector of the urban small producers, like their rural counterparts, was heavily dependent on the macro-economic policies of the state.

### ***Singapore***

As discussed in the previous chapter, Singapore’s semi-rural areas were quickly incorporated into the modern economic sector after export-oriented industrialization began. The size of the rural old middle class thus dropped from 5.7% of the working population in the period 1956–1961 to roughly 1.0% by the 1980s.<sup>33</sup> In addition, the exclusion of the small and medium sector of private capital in favor of multi-national corporations (MNCs) and the expansion of state statutory boards and government-linked companies (GLCs) to feed the domestic market constrained the development of Singapore’s middle sectors in ways quite different than the process in Korea and Taiwan.

First, the urban producing component of the traditional middle sectors in Singaporean society declined as the industrialization program proceeded. Burris’ figures show that the urban, self-producing component of the old middle classes, including a large percentage of marginal workers, stood at 26.8% in the 1956–1961 period—greater than the size of this sector in 1980s Korea and Taiwan. By 1989, however, this sector had declined to 17.7% of occupations.<sup>34</sup> Second, MNC production and the dominance of state enterprises and government employment have led to a much larger group of new middle classes than in Korea and Taiwan, with their growth extremely more rapid.<sup>35</sup> At the upper-levels of the new middle class, professionals and technicians, administrators, and managers had reached 13.6% of all occupations by 1980. As a result of the state’s industrial upgrading strategies in the early 1980s and shift towards regional service provision, these upper-level professional groups increased rapidly to 25.0% by 1989 (They almost doubled during the 1990s to make up 40.3% of all occupations by 1999). At the lower rungs of the white-collar sector, clerical and office workers had grown to 15.6% of all occupations by the 1980s and sales workers, declining from previous levels, made up 12.3%. Thus, where Singapore’s broad middle classes made up roughly 43.5 % percent of all occupations by 1980, roughly equal to the size of the industrial working class, they overtook the size of the latter by the end of the 1990s as white-collar occupations came to make up over 50% of all occupations.

This rapid expansion created a Singaporean middle class that came to be “the quintessence of consumerism and materialism,” as observers were quick to point out. During the 1980s western journalists recounted the “rising prevalence” in Singapore “of modest family cars . . . People are markedly better dressed, and cassette recorders and cameras have become everyday articles.”<sup>36</sup> By the mid-1980s, Singapore clearly displayed many characteristics of a modernized, middle-class, consumption-oriented society:

Many newly affluent Singaporeans have, as one of their number put it, ‘bought the whole package’ of glossy-magazine living. They adopt fashionable hobbies, join fitness programs, learn to cook, develop an interest in art and music, and make a cult of caring for their own children in a society in which servants are scarce. They are avid supporters of publications devoted to clothes and interior decoration.<sup>37</sup>

Within this environment, most were “busy making money and having fun, many of the young boom-time Singaporeans say they have no time or taste for politics, even though it is from the new professional and technocratic class that future generations of leaders will have to come.” With such routines, as “local political scientists and taxi drivers alike” were quick to explain, “it is hard to get Singaporeans worked up over the shortcomings of their government . . . when everyone has a job, a home, enough food, clean air and water, flower-bedecked expressways and a guaranteed retirement income.”<sup>38</sup> By the mid-1980s, the PAP’s rapid industrialization program had “created a society that saw itself as middle-class, and one that moreover considered itself upwardly mobile.”<sup>39</sup>

This upward mobility, like in Korea and Taiwan, was tied directly to education, which has come to determine patterns of mobility and income for Singaporeans at a very early young age.<sup>40</sup> With higher levels of education, university and polytechnic graduates can move fairly easily into professional or technical jobs within the public and private sector, where these higher-paying occupations generally give these groups an earning power more than double blue-collar averages.<sup>41</sup> At the lower-rungs of the white-collar labor force, the presence of MNCs, many which use their establishments in Singapore as the base for their regional activities, offer a large amount of clerical and office positions to those not making it into the upper-ranks of university graduates. The state’s massive public sector, to a much greater extent than Korea and even Taiwan, has vacuumed up much of the higher educated as they leave the universities and vocational colleges. Brown suggests that as much as 40% of the new middle classes in Singapore is employed directly by the state.<sup>42</sup> The public service, with the high pay and social status it bestows on its employees, offers a most effective and enticing channel for university graduates to enter into the bureaucratic and managerial sector of the new middle class.

Entrance into the lower-and middle-levels of the civil service can be achieved on the basis of meritocratic examinations and the broad array of state activities, particularly within the statutory boards and GLCs, demand a large pool of competent managers, executives, administrators, and technicians. Mobility into the upper-levels of public administration is more constrained, and achievable through two basic routes, both of which are open generally to those groups that have been filtered into elite educational tracks during primary education. First, the Singapore Armed Forces is active in promoting its most promising recruits with scholarships in tertiary education and overseas training to produce highly educated public administrators for the civil service. The second route is found in the elite universities where graduates on Public Service Scholarship Programs often move directly into higher levels of administration within the GLCs and statutory boards.<sup>43</sup>

The developmental state in Singapore has been a major force in creating and sustaining the middle-class sector and, more so than in Korea and Taiwan, these groups have become extremely dependent on the state in the process.<sup>44</sup> Not only for the fact that the large public sector is the enticing target of mobility among the educated, but in that the People's Action Party (PAP) government has used its education policies, housing policy, retirement savings policy, and large state bureaucracy to provide Singapore's middle sectors with real upward mobility and bring about their incorporation into a prosperous socioeconomic order. Within its extremely meritocratic institutional environment, the PAP government has actively promoted upward mobility across social sectors through its selective use of education grants and skills training. Much of the blue-collar workforce, for example, was transformed into the new middle class as a result of the industrial upgrading policies beginning in the late-1970s, as the government raised wages and extended incentives to the more skilled within this group for education and training in the growing public polytechnic institutions, which selectively target skills for knowledge- and information-intensive industries.<sup>45</sup> Government policies promoting home ownership have created a society with one of the largest rates of house-ownership. Housing prices were cushioned by public subsidies, and the ability of citizens to draw on their Central Provident Fund (CPF) accounts for down payments and refinancing brought about ownership rates of 60% of the Singaporean population by 1980 and 90% by 1990.<sup>46</sup> Following the expansion of the middle classes and increasing levels of consumption during the 1980s, the Housing Development Board began constructing new, more spacious housing for these groups while undertaking subsidized upgrading

programs of the existing flats. For the still more affluent, private developers began building luxury flats during the 1980s, for which the state also extended the CPF funding scheme for ownership.<sup>47</sup>

To these active policies promoting mobility into the middle sectors come the comprehensive public provisions of mass transit and modern shopping malls as well as entertainment complexes in the modern housing estates, creating a middle-class environment in its physical aspects. This material environment, Leong argues, can instill a “temporary rich-man feeling” even in members of the blue-collar working classes.<sup>48</sup> Taken together, state action has provided a solid foundation for upward mobility among a large percentage of Singaporeans.

Through the operation of the housing scheme and kindred programs, a substantial proportion of the previously lower class were transformed into the middle class, and the previously middle class over the years also raised and upgraded themselves to a much higher social stratum. Some accumulated capital to become a petty bourgeoisie, while others saved enough to transform their children into the ‘New Middle Class.’<sup>49</sup>

In sum, the control exercised by the PAP government over the determinants of mobility into the middle classes, Leong suggests, has made “individuals appear like driftwood carried by a huge tide onto the middle class shore.” Having little control over the creation of these determinants themselves, Singapore’s middle classes have been passive recipients of state action.<sup>50</sup>

### ***The Developmental State and Political Socialization***

As the new middle-class groups grew rapidly in these societies they became central beneficiaries of the developmental state’s successful economic growth and rising national prosperity, owning resources for higher levels of consumption, and, particularly at the upper-levels of this group, being endowed the social status that came with their higher education and job positions. As education was the key to entrance into this sector, the middle classes also came to be the group most exposed to the national ideological discourses and value-orientations of state elites within the public systems of education, military service, and bureaucratic training.<sup>51</sup> It was, therefore, the group most set out to the principles of anti-communism, national survival, and discourse on the duty of obedience and sacrifice by the individual for the good of the nation—principles upon which state elites sought to develop and mobilize citizens as resources for national industrial development in Cold War South Korea, Taiwan, and Singapore. As state officials harnessed a mix of traditional Confucian values emphasizing filial piety and

hierarchical group conformity with nationalist political ideologies, they were channeled through state bureaucracies into school curriculums, civil service and military training—often reinforced in private sector job training—and filtered through state-controlled newspapers and television for the purpose of “creating loyal and efficient citizens.”<sup>52</sup>

A few examples may serve to show the extent of this dynamic. In South Korea, Cumings writes, “national conscription sent every male who could not bribe his way out through its brand of education: boot camps, drills, discipline, patriotism, anticommunism, and an authoritarian practice that chilled even the most hard-bitten American officers,” providing “a school for industrial discipline” along the way.<sup>53</sup> The continuation of military-type command structures in organizing the collective activities of public and private bureaucracies served to reinforce a national discourse that framed the industrialization project in “the language of nationalism, familism, harmony, and national security,” while emphasizing every citizen’s duty to sacrifice for the “national fight for protection from the communist north and other foreign powers.”<sup>54</sup> In Taiwan the situation was similar, Wade explains: “The nation, the family, and obedience to authority [were] constant themes, rallied around the symbols of Sun Yat-sen, Chiang Kai-shek, the national flag, and the Three Principles of the People.”<sup>55</sup> The state’s educational curriculum, controlled by the Kuomintang (KMT) and monitored by the security bureaucracies, served to hammer into students these values and discourses while reminding all of the party’s historical mission to retake the mainland.<sup>56</sup> In Singapore, compulsory military training for both males and females in either the armed forces or one of three paramilitary reserve units, came to instill a garrison-state mentality in the population. Training within the paramilitary units, into which 90% of conscripts entered, was “more sociological than military,” a PAP minister of interior once explained, geared towards assimilating Singaporeans into the “closely knit [national] community” that the PAP elite sought to cultivate out of the city’s multi-ethnic society.<sup>57</sup> The potent socialization, however, was found in the primary and secondary school curriculums, which included, among other subjects, civics courses designed to instill “Asian moral values of thrift, filial duty, obedience to authority and loyalty to the government.”<sup>58</sup> In the most recent expression of these moral and civics curriculum, the National Education program in secondary schools and junior-colleges focus on Singapore’s past and present national insecurity and continued nation building efforts in attempt to convey values and ideas of “meritocracy, survival, economic competition, resourcefulness, industry, patriotism, endurance, courage, thrift and racial and religious harmony.”<sup>59</sup>

Accordingly, where education and extensive skills training opened the doors of upward mobility into the emerging middle classes in these industrializing societies, it was within these strong ideological and discursive environments that the formation of the middle sectors took place. As a consequence, more than being economic and social beneficiaries of rapid industrial development, these new middle sector groups emerged out of state institutions aimed at instilling targeted behavioral patterns of conformity, loyalty, and hierarchical deference. These action-orientations, several scholars emphasize, are not without importance for collective political behavior.<sup>60</sup> Jones pointedly suggests that the “defining characteristic” of these rapidly formed middle classes is the “deracinated anxiety of [this] parvenu and the consequent search for ties that guarantee stability and certainty.”<sup>61</sup> This has combined with the diverse social origins of these middle-class groups, which has worked to dampen the construction of class identities and collective organization.<sup>62</sup> As class builder and class remunerator, the developmental state has developed and mobilized these middle sectors as a resource for national industrialization. In regards to the political behavior of these groups, Jones suggests: “instead of an urban bourgeoisie that forges an autonomous sphere of civil activity out of an otiose authoritarianism, the middle class produced by the developmental state is effectively in its thrall.”<sup>63</sup>

## **6.2 Middle-Class Political Activation and Mobilization**

In contrast to the strong language used by Jones above, the socialization programs of these developmental states, while certainly impacting individual and general group attitudes, were not sufficient to bring about passive acquiescence across the board to preempt the political activation and emergence of collective mobilization from various social forces among the diversifying middle-class groups. What the heavy socialization campaigns did achieve, however, was to implant within the middle sector as a whole a desire for stability. Particularly in their subjective readings of the relationship between political and social stability, and continued prosperity, many middle-class individuals were adverse to situations of instability and rapid political shifts in connection with political mobilization. This positioning would become an important factor impacting oppositional challenges.

As discussed below, the organizational environments erected by these developmental states for the control and mobilization of middle sector groups shaped in

different ways the extent and substance of their political activation, the possibilities for organizing collective actions, and the form and scale political mobilization would take. In Korea, the activation of political dissidence among parts of the middle class increased throughout the 1970s and 1980s, resulting in reoccurring political conflicts and instability. In martial law Taiwan, increasing political activation led to a mobilized electoral opposition that fed off of new social forces within middle-class groups. The diversifying middle sector in Singapore, in contrast, would experience only moderate activation and attempts at political mobilization. As the following case narratives highlight, these difference can be understood as a product of the particular institutional configurations of the state which worked to block and/or channel new social forces in different ways over time.

### ***South Korea: Creating and Repressing Dissent***

Under Park Chun-hee's Yushin regime in the 1970s and Chun Doo-hwan's authoritarian regime in the 1980s the degree of state control over intermediary professional organizations within the middle sectors of society was not complete across the board. As Moon explains, variations in organizational autonomy granted by the state depended on the "government's . . . consideration of the inherent organizational and disruptive capacities and the ideological orientation of a particular group."<sup>64</sup> In effect, the more a sectoral group was deemed potentially hostile to the government and the more likely its members were to voice undesirable demands in unacceptable ways, the less autonomy the state gave these associations. Nominal organizational autonomy among Korea's middle class functional groups was therefore generally greater at the upper levels and became more constrained at the lower-levels of white-collar occupations. In the public sector, however, trade unions were prohibited across the board and state-corporatist type organizations were erected for these groups. State-corporatist federations were formed in the areas of education, culture and the arts, made dependent on the government and subject to its chosen leadership. In general, however, organizations and associations outside state structures were dealt with by state elites on a case by case basis: some receiving reluctant recognition and subject to tight security controls, others receiving financial carrots in the hope of keeping it pro-government, and still others, particularly dissident organizations, not recognized and set-out to strong state security controls.<sup>65</sup>

During Korea's authoritarian period, the activation of political dissident and the mobilization of autonomous collective actions among middle class groups took place outside these sectoral institutional relationships with the state. The core consisted of dissident intellectuals and activists from the ranks of the university student body, progressive Christian theologians and church activists, and disenchanted activists from middle sector occupations such as journalists, professors, and writers. The loose connections and overlapping campaigns of these groups merged into an extra-parliamentary opposition, or *chaeya*, whose activities involved raising and framing social and political issues publicly, organizing anti-government campaigns and street protests, and generally pressuring the government in attempts to bring about democratic political change.<sup>66</sup> On occasion, usually in the run up to National Assembly elections, these groups forged alliances with the oppositional political establishment, whose factional and elitist political parties lacked strong roots into society. But generally their activities were disconnected from these oppositional political elites. As Park explains, these dissident groups were working

to reshape politics not from the inside but from the outside of South Korea's *chedogwŏn*, or official institutions of political rule, in the belief that moral integrity, partisan neutrality, and intellectual independence constituted their source of power and would ultimately carry the day. To go inside the *chedogwŏn* to have an impact on politics and gain leverage over policy was interpreted as threatening this source of power, because it would transform the *chaeya* into merely another political force with vested interests in the status quo and would weaken its members' will to resist.<sup>67</sup>

The various political and dissident activist groups within this gathering involved changing alliances overtime, but its core was linked to the university student groups and the progressive church organizations, which often overlapped "as it was from the university campuses that the *chaeya* recruited their future leaders as well as their rank-and-file members"<sup>68</sup> Similar to the dynamics which took place between the state and the industrial working classes, the institutional bulwark constructed by the developmental state to deal with these groups was focused on keeping them disorganized and absent channels for the collective mobilization of political discontent. In turn, this strategy only reinforced the agenda of the dissident groups to work for change outside the formal institutions while also keeping them on the frontlines of reactionary state repression.

### *The Making of a Chaeya*

South Korea's university students remained one of the greatest challengers of the authoritarian political regime throughout development. Anti-government student

mobilization preceded and accompanied every regime change that took place between 1960 and 1987, effecting South Korean political development with no parallel in Taiwan or Singapore. Student activism during rapid industrial development was framed around the events of 1960 that led to the downfall of Syngman Rhee. Known as the April 19 Student Revolution, the role played by students as a driving force of Rhee's downfall remained in the collective memory, providing a framing for subsequent student politics. Korea's university students, Cumings writes, became "infused with the idea that they had the mandate of heaven, the moral right to rule," and saw themselves as "moral exemplars, conscientious sentinels of the nation."<sup>69</sup> And as they tended "to align themselves on the side of the politically and socially disadvantaged," US intelligence once reasoned, "they also tend to ally themselves with elements that are at odds with the government."<sup>70</sup>

Student dissent politics and the mobilization of large collective political actions were not activated by rapid development, but rather the student movement increasingly reacted to the political excesses of authoritarianism that appeared to be necessitated by President Park's program of rapid industrial development. In 1965, for example, massive student mobilization in the streets of Korea's larger cities erupted as Park took the move to officially normalize relations with Japan in order to bring in the large flows of start capital for his developmental state. Similar large-scale, student mobilization hit urban areas in 1967 following the landslide victory of Park's Democratic Republican Party in National Assembly elections—with charges of electoral manipulation. Again in 1971 students mobilized to contest flawed elections.<sup>71</sup> When Park clamped down with the installation of his Yushin dictatorship in the early 1970s to prepare for the drive into heavy and chemical industries, extreme measures on both sides were ratcheted up through the decade. One of the first steps taken by Park was to move against the universities by eradicating autonomous student organizations and bringing the university campuses under tight state control. As Lee explains:

The government re-established the National Student Defense Corps . . . which was abolished in the aftermath of the 1960 April 19th Uprising, forcibly dissolved the existing autonomous student organizations, revised the student regulations, making it difficult to reinstate the dismissed students, legalized the occupation of security agents . . . and military in the university campus, extended students' military training, curtailed various extracurricular activities, and introduced the system of re-appointment for faculty members, terminating the tenure system.<sup>72</sup>

While these measures dampened student mobilization on the campuses and streets over the short-term, the longer-term consequence was to garner increased mobilization on the campuses. In a second round of repressive controls in April 1974, Park issued an

emergency decree banning student demonstrations and increasing legal sentences for organizers, but these measures still failed to prevent further protest. By October of that year the government had been forced “to close down a total of 44 universities and issue an administrative order to 13 others among South Korea’s 77 four-year universities to stop the spread of protests.”<sup>73</sup> As state repression increased throughout the later 1970s more and more student activist leaders were brought into prison under the dreaded Yushin emergency decrees—particularly Emergency Decree no. 9, which made any speech or activity that seeks to “deny, oppose, distort, slander, revise or abrogate the Yushin constitution” punishable with prison.<sup>74</sup> But again the measures failed to stamp out dissidence among the student sector and stop new mobilizational challenges from arising. What the Yushin measures did achieve, however, was to harden opposition among university student groups’ political activities.<sup>75</sup>

Outside of the student movement, political activation among a sub-culture of progressive Christian groups began emerging during the 1970s which focused on social action campaigns and the propagation of *Minjung* Theology, the latter which especially appealed to “intellectuals and university students . . . [with its] call for Koreans to rise up and demand national reunification, the expulsion of foreign forces from Korean soil, and a reclaiming of their honorable tradition.”<sup>76</sup> Much of their activities were focused on human and civil rights issues and throughout the 1970s their campaigns increasingly began to converge with student mobilization and activities of dissident journalists, academics, and writers within numerous organizations such as the Young Women’s Christian Association, the Korean Student Christian Federation, and numerous organizational alliances such as the Council of Human Rights Movements or the National Coalition of Democracy and National Unification.<sup>77</sup>

State intervention into the organizations of these groups, like the student body, was reactionary and repressive, seeking to bring about their disorganization and block their potential to organize. Particularly during the Yushin period the KCIA regularly “harassed church leaders and intimidated worshippers in congregations led by certain targeted pastors” critical of the government, justifying the coercion in the name of national security and anti-communism.<sup>78</sup> In particular, the Urban Industrial Mission (UIM), due to its activist work with workers in the light-manufacturing export platform, became a favorite target of the state security apparatus, as previously discussed. The organization’s leaders and members were subjected to intimidation and surveillance by the Korean Central Intelligence Agency (KCIA) as well as regular police raids and

arrests, actions publicly justified by the government as security measures against a “pro-Communist organization.”<sup>79</sup> Increasingly set out to repression, the activities of these groups shifted from attacking the government on the basis of its human rights violations and began targeting issues of political institutional reform. President Park’s response was to wield the arbitrary power of Yushin Decrees. When a declaration calling for the resignation of the president and the restoration of political freedoms was issued at an ecumenical prayer service with signatures of prominent opposition political leaders, clerical, and intellectual critics, for example, those associated with the document were rounded up, accused of plotting to overthrow the government, and thrown into KCIA jails.<sup>80</sup>

As Park tightened up the Yushin regime against public displays of opposition, particularly with Emergency Decree no. 9, intellectual dissident groups tied into church and student activities were also set out to this coercion: professors dismissed from their universities for political activity grouped together in the Council for Fired Professors; numerous journalists fired and banned for their activities formed the Ton-A/Chosun Committee for Struggle; blacklisted writers established the Writers’ Council for Freedom to Write.<sup>81</sup> By the late-1970s, these groups, “consisting for the most part of laymen and intellectuals . . . [had] carried the brunt of protest activity, as well as of jailing’s, and also includes many university students.”<sup>82</sup>

As these cycles of confrontation and repression continued throughout the 1970s, the loose alliances of dissidence and mobilized opposition to Park’s political rule solidified. By the end of the decade, the coercive Yushin measures had served to radicalize the student groups and harden the opposition of Church groups and dissident intellectuals. It was in this environment that Park Chung-hee was assassinated in October 1979 and a subsequent transition of the political regime took place as Chun Doo-hwan maneuvered throughout the ensuing months to establish a power base with which the high levels of political mobilization among these groups could be crushed and the authoritarian political regime reestablished. As Chun consolidated power in the spring of 1980, these sectors of opposition were not spared his ‘purification’ measures to clear out the civic arena.

During the 1980s, many of the previously activated church groups fell back to more moderate modes of activism, and “much of the Protestant community reverted to its political and social conservatism and supported the basic anti-Communism of the state.”<sup>83</sup> Student groups, on the other hand, became greatly radicalized during the 1980s

as their political ideological frameworks were shifting towards the left during this time, and radical students were entering the factories as workers in attempt to forge alliances with industrial workers. When Chun allowed roughly 1,000 students expelled for political activity to return to their universities in 1984, it “included many whose experiences in and out of jail over the past decade [had] radicalized them,” a US intelligence report reasoned.<sup>84</sup> By 1985, campus ‘disturbances’ among student groups had increased in number and politicization. The government reported a total of 3,877 on-campus “rallies, demonstrations, and other disturbances” with increasingly “leftist leanings” since the 1984 reforms.<sup>85</sup> When students left their campuses to mobilize protest in the streets, they regularly met the blunt end of truncheons and tear gas canisters wielded by riot police, a routine that became “mechanized” during this time as “Black Marias the size of tanks (but armored vans in fact) would roar into their midst, spewing out tear gas through yawning holes in their sides.”<sup>86</sup> As one observer wrote in 1987: “Student activists may not be large in number, but they constitute a political force of considerable potential,” particularly in the event they find alliances with other groups.<sup>87</sup>

#### *Political Mobilization, Instability, and Prosperity*

The organizational relations between the state and the middle classes proved key to the challenges arising from certain groups in this strata. The Korean state proved capable neither of demobilizing political dissent within the student movement, progressive Christian groups, and disaffected non-mainstream professionals, nor of constructing organizational channels which could have provided a stabile outlet for their activities. The structures and actions of the Korean developmental state, under both Park Chung-hee and Chun Doo-hwan, was focused at breaking up and controlling these sectors by using state coercion. Similar to the developments within the sector of industrial labor, this strategy could discipline in the short-term, but it led to a vicious cycle of mobilization and counter mobilization among these groups and the state security forces over the long-term.

Within these dissident sectors, the US Embassy in Seoul held students to be the “most serious source of trouble for the [Korean] regime,” because their “potential for disruption has been clearly demonstrated before.”<sup>88</sup> They were a constant “potential threat,” and “so self-conscious about their ‘historical role’ and often insensitive to the

dangers of excess,” US Ambassador William Gleysteen reasoned, that they could “prove spoilers” to social and political stability if they were to “get out of hand.”<sup>89</sup> While the student groups often found themselves in alliances with the Christian community and dissident intellectuals, alliances with broader social groups such as labor or the urban middle classes were essential for their activities to have a larger effect on bringing about political change. Students may have been “the vanguard of the antigovernment dissident movement,” the CIA recognized in 1980, but the hitch was that they “cannot force change on the government without large-scale off-campus support.”<sup>90</sup>

Garnering support for their protest activities from among the broader middle classes proved rather contingent. In South Korea, political and social unrest served to draw explicit worries from both South Korean and United States officials that North Korea would take advantage of southern instability with actions ranging from guerilla infiltration to a full-blown military invasion. The Korean government regularly cited the record of North Korean infiltrations and military build up “to support their claim that the threat from the North must be taken seriously.”<sup>91</sup> Sometimes real, other times exaggerated, and still other times seemingly invented, government warnings hit the broader South Korean middle classes with unease, particularly when student mobilization ‘got out of hand.’ Because the state’s hegemonic developmental discourse clearly tied political and social stability to rapid growth and rising national prosperity, and because social instability was perceived by most Koreans as offering an opening for North Korea to exploit, mobilization among student groups often enjoyed little support from the broader middle sectors. As the latter developed an aversion to subjective readings of social instability, it gave this sector a high degree of conservatism and, at times, an ambiguous stance regarding political institutional reforms. As Cumings writes: “The middle class tends to be mostly salaried and bureaucratic . . . and has a slim basis for independent resistance against the state. Furthermore, it is a prototypical nouveau social formation, far more intent on making money than on contesting for power.”<sup>92</sup>

### ***Taiwan: Channeling Middle-Class Opposition and Mobilization***

The KMT’s single party-regime on Taiwan enjoyed an organizational and institutional landscape which allowed it to co-opt much of the growing middle-class sector into stable, formal institutional channels dominated by the KMT. Nonetheless, political activation among middle class sub-groups increasingly began to emerge during the

1970s to challenge KMT domination. Where the mobilization of middle-class political dissent and oppositional contention in Korea took place to a great extent outside formal political channels through confrontational strategies of anti-government street protests and demonstrations, political mobilization of middle-class dissidence in Taiwan emerged within other channels and with strategic repertoires quite different than those seen in Korea. Due to the institutional structuring of the KMT state, ruling party elites were able to effectively channel this mobilization into formal institutions over which party control could be maintained, or effectively control it in other areas. These include the local electoral arena, publishing activities, and social movements, all which were highly controlled by the KMT party-state. Street demonstrations and other forms of conflictual confrontation, a channel regularly chosen by Korea's student movement and chaeya groups, were less used in Taiwan due to the presence of these other channels.

As previously discussed, the KMT party-state organized society in a bulwark of top-down, state-corporatist institutions, penetrated and tightly controlled by the party. The practice of exclusive monopoly representation effectively preempted the establishment of competing associations in any one trade or issue area. Women's associations, religious or indigenous organizations, veterans associations, and associations for publishers, journalists, educators, and other professionals were either under direct or indirect KMT control. University and student associations, run by the local KMT branch office, were no exception.<sup>93</sup> Outside the direct party-affiliated organizations, civic associations and foundations could be legally established, but only after prior investigation by authorities and, if approved, were then subject to constant state surveillance and either "direct or indirect [KMT] 'political tutelage.'"<sup>94</sup> In addition to the preemptive and control functions served by the party's hegemony over collective organizing, these state-corporatist organizations supplied the party with potent channels into grassroots associational life through which it could mobilize active political support. The large parts of the professional middle classes employed within the public sector bureaucracies of government, education, research institutions, public enterprises, and media could be mobilized through their professional associations for KMT electoral support, delivering party politicians 'iron ballot' constituencies to maintain electoral hegemony. "Only independent entrepreneurs," Rigger suggests, were situated "outside the KMT's mobilization networks."<sup>95</sup> As previously discussed, however, this social group could be co-opted by the party-state through the local factional party machines. In addition, the party organization itself provided an effective mechanism to co-opt those

upwardly mobile middle sector members with political ambitions: “Kuomintang membership appealed to many Taiwanese, especially those with governmental jobs, as a means of enhancing their career prospects.” And as the policy of Taiwanization was pushed forth by Chiang Ching-kuo from the mid-1970s onwards, “Taiwanese [were] entering the KMT ranks in greater numbers” at all levels of party organization.<sup>96</sup>

Thus, with its tight, state-corporatist organization of society and large party apparatus, the KMT was able to keep newly emerging social forces within the middle sector under control and mobilized strongly towards government support as rapid development progressed. Opportunities for the development of autonomous organizations as vehicles for collective action were slim, but channels were opened up, under control of the party-state, which could be pursued by those not wishing to be co-opted into the party apparatus.<sup>97</sup> One of the main mechanisms catching those with political ambitions was the local and provincial level electoral arena. Beginning in the 1970s, as more and more ‘frozen’ KMT representatives at the national level began dying off, the number of seats opened to elected office in the national level institutions began increasing steadily, providing an additional avenue of participation on top of the local and provincial levels. While this gave the KMT an avenue to identify and recruit local leaders, it also left open a channel for the inclusion of independent politicians to enter politics within these periphery political institutions under the martial law regime. It was mainly in this arena that opposition to the KMT emerged from the 1970s onwards, made up mostly of persons or groups from the middle classes. Other routes sought out by politically activated middle class groups included dissident publications and, although a more dangerous tactic, the use of street demonstrations, both of which remained under stringent security controls. The political opposition that emerged within these channels came to be known as the *Tangwai* (outside the party), a loose movement consisting of various factions of non-KMT politicians and their supporters and groups of intellectual social and political activists, the majority which came from Taiwan’s growing middle-class groups.

#### *Emergence of Tangwai and Middle-Class Activism*

Although dominated by the KMT, Taiwan's elections were generally free from overt fraud and manipulation, providing a competitive institutional channel, albeit with limits, for participation and inclusion of new social forces.<sup>98</sup> As the establishment of political

parties was illegal during the martial law era, the electoral channel was open to independents running individual electoral campaigns seeking to garner enough votes on the basis of family and personal networks, or campaigning on specific issues. It was on this front that the loosely connected group of independent politicians emerged in the 1970s to challenge the KMT. Many of these Tangwai politicians were originally KMT-co-opted politicians who subsequently broke with the party after becoming disenchanted, but also included others entering the political arena for the first time. Following the 1977 elections, for example, roughly one-third of provincial assembly seats were held by independent politicians—although only a percentage of this group was in opposition to the KMT and many were apposed to the Tangwai.<sup>99</sup> The majority of the group of Tangwai politicians emerged from Taiwan's growing middle classes and generally displayed a strong middle-class orientation in their political stance. Typical Tangwai electoral candidates and elected officials represented a spectrum from the new middle classes including lawyers, the wives of imprisoned Tangwai lawyers, dentists, editors and writers of opposition magazines, doctors, psychiatrists, and university professors—many of the later holding university degrees from US or European higher education institutions. By the mid-1980s, one could also find “prominent businessmen” within the constellation of typical Tangwai electoral candidates, such as future chairman of the Democratic Progressive Party (DPP) and Huang Hsin-chieh.<sup>100</sup> At the same time, Tangwai politicians were more than just members of the middle class, for challenging the KMT political machines in local level elections required no small use of networks, finances, and social influence in order to secure an electoral support base. Thus, like their KMT cohorts, Rigger explains, Tangwai politicians often “built personal followings and cultivated local factions, gathering enough support to defeat KMT machines in some districts.”<sup>101</sup>

As the Tangwai could not legally establish a political party to coordinate their individual electoral campaigns, they heavily relied on publishing activities which served as a substitute, to a limited extent, for the lack of party organization by giving these groups a public channel through which they could challenge the KMT on ideas and policy, air criticism and grievances—when they escaped the state censors—and develop electoral platforms which could loosely bring together the various issues pursued by various groups of candidates.<sup>102</sup> An assortment of magazines brought together groups of editors and writers under the Tangwai umbrella who pursued opposition to the KMT, many of which were younger political activists with direct contact to Tangwai politicians

through campaign work, or more indirectly through their publishing activities. Publications ranged from moderate magazines such as Tangwai politician Kang Ning-hsiang's *The Eighties* to the more confrontational *Formosa Magazine* or *New Tide* published by younger groups of Tangwai activists. Throughout the later 1970s and 1980s the KMT state security and censorship bureaus regularly skirmished with oppositional magazine publishers and writers. When a publication or article overstepped the boundaries of criticism or explored issues that threatened national security, such as communism or Taiwan independence, the Taiwan Garrison Command would crack down, confiscating a particular issue in question, suspending the publishing activities of a magazine for a period of time, or simply banning it for good. Often writers and editors would find themselves in the corridors of the state security buildings, before the courts, or, at the worst, in jail for sedition.<sup>103</sup>

While these various groupings of Tangwai politicians, activists, and publishers were in agreement in their opposition to the KMT one-party state, issues regarding the philosophy and strategy of pursuing their goal of political change characterized factional divisions among these groups early on. While most Tangwai politicians sought moderate democratic reform of the authoritarian party-state, and were committed to achieving this by working within the system through elections, the younger, activist Tangwai factions pursued a strategy of disobedience, protest, and mobilization of mass demonstrations with the aim of directly pressuring the KMT to reform the system. The bulk of the moderate politicians disapproved of this strategy out of fear of reactionary responses from the KMT-state. These differing philosophies and strategies came to be the main cleavage setting Tangwai factions apart in the early days and came to divide the loose movement by the late-1970s as a younger generation of Tangwai activists around the *Formosa Magazine*—known as the Formosa faction—ran head on into a collision with the KMT-state through their strategy of pressure and confrontation by way of anti-government street protests.<sup>104</sup>

When President Chiang Ching-kuo called off elections two weeks before the polling in December 1978, in response to US President Carter's announcement of formal US diplomatic recognition of the People's Republic of China (PRC), the cleavage within the Tangwai factions came to the fore as the opposition was placed in a conundrum on how to respond.<sup>105</sup> The moderates around the leadership of Tangwai politician Kang Ning-hsiang argued that postponing the elections was reasonable in light of the international circumstances, and that the electoral process would continue to be the

opposition's best vehicle for challenging the KMT. The more radical faction grouped around the *Formosa* magazine, however, favored mobilizing the public in anti-government street demonstrations and distanced itself from the Tangwai moderates. Throughout 1979 the Formosa group had opened several offices throughout Taiwan, sponsored meetings on political issues, and held occasional rallies, actions that the government had tolerated publicly while coercing this group with surveillance and counteractions behind the scenes. When the Formosa group organized a large anti-government demonstration for International Human Rights Day in the industrial city of Kaohsiung during December 1979—after having their permit rejected by authorities—the state security apparatus came down hard. As thousands of demonstrators began arriving at the designated rally site on the morning of December 10, they found numerous riot police already positioned in the park. Reports put the crowd at more than 10,000 participants. When the riot police blocked exits to the park, thereby also preventing any entrance, clashes between protestors and police turned into a large riot as the event progressed. KMT authorities reported injuries of 180 police and one demonstrator.<sup>106</sup>

Following the Kaohsiung Incident, as the event became known, the KMT-state took immediate steps to make clear to opposition groups that such behavior overreached the bounds of criticism and that such public display of dissent would not be tolerated. The *Formosa* and other opposition magazines were banned without delay and within two days state security agencies began hunting down and arresting “nearly all the leading members of the opposition groups who formed [the] loose coalition around the Formosa magazine.” These included members of the national and provincial legislature, novelists, lawyers, and other activists who had gravitated around the Formosa faction.”<sup>107</sup> On April 18, 1980, a military court found eight prominent opposition politicians and activists connected to the Formosa group “guilty of plotting the forcible overthrow of the Chinese nationalist government and of harboring the ‘seditious intent’ of promoting Taiwanese independence, or permanent separation from mainland China,” as the KMT government related to media channels. The sentences handed down varied from life imprisonment to twelve years.<sup>108</sup> In the following weeks civil courts sentenced over thirty other defendants to prison terms ranging between two and six years.<sup>109</sup>

The KMT's crackdown at Kaohsiung set the stage for the further development of this emerging dissidence and opposition from among middle sector groups seeking to carve out a place in Taiwan's constrained civic arena. The channel of large anti-

government street demonstrations, such as those that became a regular sight in South Korea during the 1970s and 1980s, was now effectively closed as an avenue for oppositional mobilization. As Rigger writes: “The public did not oppose the suppression of marches and rallies; most Taiwanese agreed that these activities threatened public order and stability at a time when Taiwan could ill afford internal weakness.”<sup>110</sup> The consequence was that the efforts of political opposition and activism now became firmly channeled into the political electoral field and moderate campaigns of social activism, in order to not provoke the KMT-state with further instances of social unrest.

Following Kaohsiung, the political factions of the Tangwai spent the early 1980s in disarray. Although the postponed elections, which finally took place in December 1980, did produce some ‘sympathy’ votes for Tangwai candidates associated with imprisoned Formosa activists, the 13% of votes garnered by Tangwai candidates was meager.<sup>111</sup> With the Formosa faction greatly weakened, the Tangwai movement fell back into the hands of the moderate politicians around Kang Ning-hsiang. As a new generation of Tangwai political activists emerged around the *New Tide* magazine, the earlier cleavage between moderates seeking to work within the system in an orderly fashion for change and more radical groups attempting to pressure the KMT through social movements and public disobedience—now represented by the *New Tide* faction—once again split through the Tangwai opposition. In addition, the appearance of a second cleavage around the issue of Taiwanese independence reinforced this split as most moderate Tangwai who dared even broach the issue of the nation-state’s dual claims of Taiwan and greater China wrapped their discourse in self-determination, while the *New Tide* faction called for outright Taiwanese independence. This newest cleavage tore apart the electoral coordination of various Tangwai politicians as the *New Tide* faction split from the moderates during elections in 1983, resulting in competition among numerous opposition candidates, and leaving many Tangwai candidates with too little votes.<sup>112</sup>

Emerging between these Tangwai oppositional factions during the post-Kaohsiung period was the emergence of issue-oriented social movements, grouped around issues of consumers’ rights, environmental protection, women’s rights, and human rights advocacy. As Hsiao and Ho describe, these movements were led by “reform-minded middle-class professionals . . . [such as] lawyers, professors, medical doctors and journalists.”<sup>113</sup> Most were young, educated (often in the West), and living in metropolitan areas, and their middle-class make-up and middle-class issues spilled over into leadership style and their philosophy of engagement:

They regarded themselves as altruistic educators whose role was to enlighten the public and governmental officials. Many of these activists went to the United States for advanced education, so they were eager to bring back the new ideas that they acquired overseas . . . In a sense, these activists worked to shepherd Taiwanese society along the road of modernization. They expected cooperative responses from the more liberal segments of the KMT, rather than challenging them directly.<sup>114</sup>

Although the core of these movements sympathized with the Tangwai political opposition, and some were linked to Tangwai politicians, they generally sought to act non-partisan in order not to antagonize the KMT. Thus, while advocating and challenging specific government policies, these groups refrained from challenging the KMT-state. They would advise grassroots discontents, such as those groups around the *New Tide* faction of the Tangwai, but “when [the later] decided to take it to the streets, their middle-class allies simply backed off.”<sup>115</sup> For the most part the KMT tolerated these grassroots movements, just as it did the more moderate Tangwai politicians, but the party undertook measures to stem their influence in several ways. One was to use the strong state-corporatist system to preempt the emergence of autonomous groups by establishing pro-government groups with a similar purpose, and then expanding local-level party organizing and service work around these issues.<sup>116</sup> For those issue-movements closer to political dissident groups, the other strategy was to let state security loose on them when tolerable limits were crossed, which in the early 1980s included public displays of opposition and rhetoric which broached the issue of Taiwan independence, advocated communism, or supported the PRC.

Conspicuously absent in this scene of issue-oriented organizations emerging during the 1980s were university students—in glaring contrast to the development of the politicized and mobilized student sector in Korea who came to make up the core of anti-government mobilization. Like other organizational spheres within the KMT-state the student body was deeply penetrated by the party organization, with the Chinese Anticommunist National Salvation Youth Corps holding exclusive monopoly over student representation.<sup>117</sup> Party associations were used to indoctrinate students with patriotism and the writings of Sun Yat-Sen, keep a watchful eye over seditious activity on campus, and also search out bright recruits for the party and government, leaving little space for autonomous organization or expressions of political dissidence, the latter which was subject to strong sanctions both on- and off-campus. Such an environment naturally pushed student oppositional activities outside the universities and into the magazine circles and incipient social movements, but this route also remained hazardous as it could easily jeopardize a student’s educational career if authorities found out, thereby limiting

the extent of student participation in oppositional movements and also preempting cross-organizational ties.<sup>118</sup>

In sum, middle sector groups in Taiwan were structured in relation to political institutions and state organizations in ways that allowed the KMT to co-opt much of this class and also control the emergence and development of the political opposition. The political dissatisfaction and dissidence that emerged from the middle sectors of Taiwanese society took place outside the state's corporatist organizational nodes. It was mobilized overwhelmingly around the Tangwai groups within the electoral political realm—particularly following the Kaohsiung Incident—but also in smaller spaces within the civic realm, which the KMT carefully opened and rigorously guarded. The limits set by the government for these groupings were firm. Mobilization of actions outside the limits of tolerated public discourse and collective associational activity were met with state repression. Within the limits, however, the KMT continued to open the system to “those Taiwanese not committed to a radical course of action.”<sup>119</sup> When the KMT took steps to liberalize the political environment in the mid-1980s and reform the political regime beginning in 1986, a political opportunity was greatly opened to these activated middle sector groups, which used the space to gather under the umbrella of the Democratic Progressive Party (DPP), formed by the Tangwai mainstream politicians. However, they would face an extremely competitive electoral and organizational arena, as the KMT had become experts in using its party organizations and electoral institutions to incorporate and co-opt across all sectors of society.

#### *Prosperity and Middle-Class Desire for Stability*

Taiwan's broader middle classes came to display similar political orientations in regards to stability, growth, and political change as those in South Korea. Survey data from 1990 showed that most middle-class Taiwanese favored the ideas and demands for political democracy put forth by the various groups attached to Tangwai opposition and also voiced support for issue-oriented social movements such as environmentalism, consumer rights, and feminism. At the same time, however, they were also “cautious toward many social and political issues . . . ; they demanded change while supporting the status quo.”<sup>120</sup> This caution, like that found in the broader middle classes in South Korea, was the product of the same aversion to subjective understandings of the negative impact of political and/or social instability on continued socioeconomic prosperity. Like the South

Korean middle classes, a pragmatic desire by the bulk of Taiwan's population for stability and continued growth accompanied questions or actions for expanding political rights and opening the political arena. As Roy suggests, Taiwan's rapid economic growth and arrival of a larger middle class meant two things for the Tangwai opposition: "Many Taiwanese who had prospered in business became interested in ensuring a stable political environment to protect their gains while Taiwan's growing middle class, estimated at 2.5 million in 1985, did not want reforms to threaten economic growth," a dynamic that kept many in this social group bound to the status quo.<sup>121</sup> "People now want prosperity and stability," explained a Taipei art gallery owner to a western journalist in the mid-1980s: "The [Tangwai] opposition may appeal to people's hearts, but the Nationalists appeal to their stomachs."<sup>122</sup>

As in South Korea, this perceived zero-sum relationship between stability and prosperity was a product of an unfinished civil war, a residue created by and maintained by the lingering Cold War throughout this time. The precarious international situation of the Republic of China was regularly conveyed by the KMT's domestic mantra of "stability" and the need for "strict measures of precaution" in order to insure "the freedom and rights of the people . . . against fear and threat [from the PRC]," as Prime Minister Sun Yun-suan made clear during the early 1980s. A western reporter found "no reason to believe that large numbers of Taiwan residents disagree with officials." Typical views on the ground, explained a Taipei lawyer, were that "too many [political] parties would create chaos . . . I'm more willing to accept a prudent dictator to stabilize the situation than get a lot of incompetents" running the government.<sup>123</sup>

By far the most detrimental to issues of stability and prosperity was the resoluteness with which the more radical oppositional factions pressed the issue of Taiwanese independence, thereby challenging the legitimacy of the ROC state. This discourse not only angered both the KMT and the PRC, but it created anxiety among many Taiwanese. Communist China's reactions to independence discourse, which it watched with a keen eye, were easily seen with military reinforcements across the Taiwan Strait and increased military exercises, actions not taken lightly on Taiwan. Not only did most Taiwanese realize "that an independent Taiwan would probably not be recognized internationally," but also "that independence is dangerous because it probably would trigger Communist aggression and civil war here."<sup>124</sup> Naturally, when Tangwai activists, or later the DPP, pushed the theme of independence, the KMT countered with suggestions that such discourse was an invitation for a PRC invasion.

This was a quite dreadful scenario, particularly for the prospering middle sectors aimed at maintaining their new status and prosperity. Taiwan's Chinese might have felt a bond with their relatives on the mainland, a Taiwan journalist once explained, but that "doesn't mean you want them to move in with you. Especially if they're dirt poor."<sup>125</sup> Thus, moves to disturb the political status quo could not be separated from questions of prosperity. Plain and simple, there was wide conviction, even under political oppositional moderates, that "if the independence movement ever were to grow significantly, it could imperil Taiwan's hard-won prosperity."<sup>126</sup>

### ***Singapore: Middle-Class Inclusion and Co-optation***

In contrast to the activation of dissidence and the mobilization of oppositional challenges that emerged within middle sector groups in Taiwan and Korea, Singapore's rapidly growing middle sectors did not experience such high levels of political activation as industrial development progressed. While the PAP government, like the KMT in Taiwan, took steps early on to effectively block and constrain organizational and institutional channels within the electoral and civic organizational fields which could potentially be used for this purpose, it also took steps to manage the growing middle class groups with incorporation and co-optation into pacts that provided these sectors with increasing prosperity by highly competent, technocratic, state management under PAP hegemony in return for political stability, racial harmony, and acceptance of the government's meritocratic principles of governance.

### *The Administrative State and the Socioeconomic Pact*

The administrative state constructed by the PAP has provided the government with extremely effective bureaucratic organizational channels not only to bring about the economic conditions for the growth of Singapore's prospering middle sectors, but also to incorporate the best from these groups into the ruling order. As previously described, it is through the meritocratic system of mobility that a large section of the well-educated middle sectors flow into the civil service, where the broad array of state activities, particularly within the statutory boards and government-linked businesses, demand a large pool of competent managers, executives, and administrators. In the administrative state, the senior members of the civil service, recruited from among the well-educated middle-class sector, merge into a political class, as it is from this pool of the higher

technocratic elite—not from inside the party—that the PAP recruits its top political elite into the party executive committee and cabinet ministries.<sup>127</sup> These patterns, Rodan suggests, have transformed the PAP-state into a “‘middle-class state’, in which decision-making is dominated by technocrats and professionals and rationalized in terms of ‘meritocracy’, a concept supportive of the social position of this class.”<sup>128</sup> In effect, PAP rule “might loosely be termed a ‘dictatorship of the middle class’: its leadership has not only been pre-eminently middle class, but it has actively promoted the interests and cultivated the privileged social power of that class.”<sup>129</sup>

The political expression of this middle-class political order has been the de-politicization of the civic and electoral realm.<sup>130</sup> On the electoral front, the PAP effectively consolidated its monopoly in parliament following the 1968 elections, receiving an average of 75.4% of the popular vote in the four general elections between 1968 and 1980, with only a small percentage of seats being contested by weak opposition parties.<sup>131</sup> Outside the electoral realm, the civic organizational sphere has been basically absent any collectively “organized movement to demand greater power, free speech, or other democratic rights vis-à-vis the government.”<sup>132</sup> Most accounts of politics and Singapore’s middle sector, therefore, have emphasized a political apathy among this social group, characterized by attitudes of political indifference and outright ambivalence regarding PAP authoritarianism and ideas of democracy, situations and concepts on which the middle class in particular has been politically silent.<sup>133</sup>

Socioeconomic explanations of this political apathy have emphasized that the middle sectors, particularly the group of the well-educated new middle class, have benefited so materially from the PAP developmental state as to become “satisfied with their situation,” placing emphasis on maintaining and improving their material status which “turn them away from wanting to reform their political situation.”<sup>134</sup> For as long as the PAP government continues to satisfy these needs, “the majority of the middle class prefers the PAP to stay in power despite its authoritarian tendencies.”<sup>135</sup> Other explanations have targeted the dependency of these sectors on the PAP developmental state for the creation and reproduction of their status, a relationship that causes individuals to see themselves in “a state of powerlessness” and leads to attitudes of political apathy, providing, thereby, a “source of stability and conservatism” for the PAP to exploit.<sup>136</sup> Still others have emphasized the PAP’s ideological bent and its impact on values and behavioral norms. In particular, those state policies which have brought about the rapid social mobility of Singaporeans into the middle classes—mainly the strict

policy of meritocracy and educational competition within the environment of rapid growth and rising consumption—have “produced a society that is materialistic and unpleasantly aggressive, or *kiasu*.”<sup>137</sup> This *kiasuism* (the social practice of anxious, selfish behavior caused by a fear of failure or losing out) drives extreme behavior that seeks to avoid risk. As Jones argues, such social practice has emerged particularly among the new middle classes due to its exposure to high competition within education institutions and the structure of meritocratic advancement, which has created an anxious need for order, security, and certainty. The PAP government, “appearing as a competent, rational, technical,” and non-corrupt administration, is then valued for its ability to deliver and maintain this order and security.<sup>138</sup>

That PAP-government discourse has effectively linked the country’s growing prosperity to the political and social stability it has overseen, Singapore’s middle class has also been set out to a similar environment as their cohorts in Taiwan and Korea, where instability is placed in a zero-sum relation with continued prosperity. The PAP elite has never missed the opportunity to remind Singaporeans of the necessity of political and social stability (i.e. racial harmony, non-radical political ideology, and non-politicized religion) for continued economic growth. As a top PAP minister explained at the end of the 1980s: “Being so small, there is a real and persistent sense of insecurity, or fragility . . . There’s no margin for us, no second chance.” Political conflict or social unrest, reminded another minister, would “have a very adverse affect on the perception of stability by outsiders, investors and so on.”<sup>139</sup> Particularly among the large group of technocrats and administrators within the civil service and private bureaucracies, political conflict is seen as “an irrelevant distraction, potentially destabilizing the process of economic growth.”<sup>140</sup>

Where socioeconomic co-optation and such value socialization certainly impact the conservative, anxious stance of Singapore’s middle sector groups, these factors alone do not appear to be sufficient for explaining the passive acquiescence of PAP hegemony. Rather the organizational hand of the developmental state has gone far in controlling the civic organizational field to block-off channels for the effective voicing of grievances and dissent, and to make the organization of autonomous collective actions outside the formal electoral realm, an arduous task.

*The Civic Organizational Arena*

Secondary organizational activity in Singapore has greatly reflected the state's strategy of constraint and control. As previously discussed, the PAP's early state-building efforts first wiped-out, then greatly constrained, the space for collective civic organizations and associations through administrative and legal actions, while also filling this space with government-controlled, parapolitical civic organizations at the grassroots. While this has greatly dampened the resources for the emergence of autonomous civic organizations and social movements, the use of criminal law by the government against unwanted expressions of political dissent also kept these extra-parliamentary channels for the voicing dissent closed, constraining "unions, educational institutions, student movements, the print media and professional societies."<sup>141</sup>

The Societies Act, amended in 1967, has greatly regulated the emergence and activities of secondary organizations. Once they are registered with the Registrar of Societies in line with the functional activities listed in organizational charters, these groups are held tightly accountable to their agendas. State authorities have been keen on keeping a tight watch over these groups, particularly in the areas of ethnicity and religion, and can take immediate administrative steps provided by the Societies Act to deregister and ban any groups found to be acting outside the functional competencies for which they have been chartered.<sup>142</sup> More often, however, the PAP government undertook the initiative to form organizations for functional groups through which it could control and direct their agendas and activities from above. This increasingly became the case in the area of ethnicity during the 1970s as the government shifted its strategy from suppressing discourse on religion to pro-actively organizing and control it. In 1981, for example, a group of Malay PAP Member's of Parliament (MPs) worked with the government to establish the *Yayasan Mendaki* (Council for the Education of Muslim Children) for promoting educational and socioeconomic improvement among the Malayan community. The organization was largely funded by the government and subject to government-appointed leadership, in turn, highly overlapping with PAP Malay cabinet and parliamentarians. When a group of younger Malay professionals formed the Association of Muslim Professionals (AMP), which clearly challenged the state-corporatist *Yayasan Mendaki* on its role as representative of the Malay community, the PAP government made sure to bring this organization under its surveillance and control by recognizing it as the private counterpart of the *Yayasan Mendaki* and giving it public funds to administer in coordination with the *Yayasan Mendaki*.<sup>143</sup> Thus, while Singapore

state-corporatism does not entail strict, exclusive monopolies on representation, active state strategies to co-opt secondary organizations into stake-holding positions works to often preempt potential challenges before they arise.

Because the area of intermediary and secondary organizations across the middle sectors remained either scarce or under PAP co-optation or direct control, interest group action could be preempted or depoliticized—the latter was particularly the case for middle-class associations such as journalists, lawyers, medical and other professionals. The civic organizational space at the grassroots remained filled chiefly through the parapolitical institutions established under the People's Association (PA), serving as channels for the government to generate and co-opt participation among local leaders and citizens, and also relay government policy downwards and local moods back to the top. Like industrial workers, middle sector groups were increasingly brought into these organizations as they expanded on the tails of rapid development. During the 1970s, Chan explains, the Citizens' Consultative Committees (CCCs) were increasingly filled with members of the professional middle classes, which enjoyed a degree of prestige at the local level as government-mobilized mediators between the local PAP MP, the government, and the community.<sup>144</sup> When the government took to reorganizing grassroots-level participation within the new Residents Committees (RCs) throughout the public housing units in 1978, the presence of Singapore's growing middle-class groups was increased in these channels. Senior bureaucrats within operational positions and the selection of local committee personnel from the professional sectors not only gave the RCs a strong middle-class make-up in leadership, but also kept these sectors close to the PAP government due to the fact that RC issues and activities directly impacted daily life in the public housing communities where the number of flat owners was steadily increasing during this time.<sup>145</sup>

In sum, the PAP government saw any autonomous initiatives in the intermediary organizational field as a challenge to state power and proceeded to keep political activation and mobilized challenges constrained to the field of political parties and elections, where the PAP could clearly dominate. As a consequence, political connections between secondary organizations and the weak oppositional political parties remained inhibited.<sup>146</sup> By closing off or constraining channels within the civic organizational sphere, the routes left open by the PAP government for expressions of disaffection or opposition to government policies remained slim. Chan suggests these channels came to consist mainly of letter columns in newspapers, a "kind of political

action [that] is permissible for not having organization and action behind it,” and therefore “it is not viewed as disruptive.”<sup>147</sup> This situation, however, began to change in the early 1980s as an opposition emerged in Singapore’s Parliament, bringing with it an activation of political demands and a new channel for the expression of dissent among parts of the middle sector, developments which gave the PAP a motive for rethinking its relations with the growing middle sector groups.

### *The Electoral Arena*

In a 1981 by-election, the PAP’s monopoly in parliament was broken when chairman of the Workers’ Party (WP) and lawyer, J.B. Jeyaretnam, captured the seat in the Anson constituency with a slim majority. Although this constituency was made up mostly of blue-collar workers, and the WP addressed the socioeconomic issues of this group, Jeyaretnam had also put the issue of political reform on the agenda and regularly attacked the PAP for its authoritarian style of governance. These latter issues then came to the foreground with the PAP’s subsequent harassment and chastisement of the lone opposition politician in parliamentary sessions as well as in the papers, which in turn, provoked “unprecedented expressions of dissent in letters to the local press.”<sup>148</sup> The PAP’s public response was to explain the concept of parliamentary opposition and its detrimental effects as they saw it. As Second Deputy Prime Minister S. Rajaratnam explained to Singaporeans: “The theory of democracy as opposition is founded, at least as far as Singapore is concerned, on intellectual dishonesty . . . Put bluntly, the role of an opposition is to ensure bad government.”<sup>149</sup> The PAP then undertook to reinvent itself during its 1982 party conference as a “national movement” positioned above partisan politics, emphasizing afterwards in the party paper that “no fly-by-night political parties, committed only to the politics of dissent [and] . . . devoid of capable leaders and credible alternative politics, can run the country.”<sup>150</sup> Yet a government study of voter opinion in early 1982 concluded that a large percentage of Singaporeans had expressed a desire for the presence of an opposition in Parliament.<sup>151</sup>

Seeking to meet these demands in order to avoid a further slip in its vote shares, the PAP government initiated a plan in 1984 that would allow for opposition members in parliament without raising electoral pressure on the PAP. It created the institution of Non-Constituency Members of Parliament (NCMP), which provide three seats for opposition candidates in the event they were not elected. Unable to vote on fiscal and

constitutional matters, and confidence measures, they would still have the chance to address issues in parliamentary debate and voice non-PAP positions. The NCMP scheme, however, proved unable to stop voters from swinging against the PAP in 1984 general elections during which the PAP popular vote fell 13%. Not only was Jeyaretnam reelected, but a second opposition member—this time from the newly established, moderate middle-class oriented Singapore Democratic Party (SDP)—won the strongly middle-class Potong Pasir constituency. Several studies attribute this middle-class swing against the PAP at the polls and the increased displays of discontent within the newspaper letter columns from higher-educated, middle-class persons to growing ideological excess of the PAP, which were finding their way into new social policies.<sup>152</sup>

It was within this environment that a new PAP leadership, emerging out of the generational transition in the mid-1980s, began a program of political change in an effort to stem these declines in electoral support and reestablish PAP dominance, while also attempting to meet what appeared to be an increased desire among middle-class groups for an electoral opposition and more channels for voicing issues. As Mauzy and Milne write: “Despite the apparent apathy [of the middle classes], election post-mortems since 1984 have shown that while most Singaporeans may not want to be active themselves, they favor more opposition in Parliament, more freedom to express their views on government policies and more channels for doing so, and more civil society.”<sup>153</sup> Under the new generation of PAP leadership the government would undertake an institutional restructuring of the political regime, aimed at shoring up the system with channels to increase the co-optation of middle-class groups and more effectively control their demands. This program of political change will be analyzed in the Part III.

### **6.3 Conclusion**

The structural formation and development of middle-class groups took place in different ways within these industrializing countries. To a great extent, the development of this social sector was shaped by active policies and structures of the developmental state which tied these groups into the socioeconomic and political orders through institutional environments generally adverse to the development of collective identities and autonomous social organizing. The areas within which political activation, dissidence, and oppositional mobilization emerged among these middle groupings, and the form and extent it took, greatly reflected the organizational structures erected and managed by

state elites, and the ability of these structures to accommodate and channel new social forces arising out of rapid industrialization socioeconomic development.

In Taiwan, while the KMT-state tightly controlled the intermediary organizational realm through its party-dominated, state-corporatist structures, it also offered a stable, albeit organizationally constrained, channel within the electoral realm which was exploited by the Tangwai groups to challenge the party and government policy within the system. As long as the limits of dissent were respected, these groups of middle-class politicians and their activist counterparts in social movements were effectively incorporated into the political order. In the case of Singapore, the electoral realm provided one of the few channels for collective opposition, but in contrast to Taiwan, those seeking to pursue this route faced even more extreme hurdles for electoral competition which made this channel extremely difficult to exploit. In addition, the PAP-state was able to skillfully create linkages with the expanding middle-class groups and bring them into the administrative state. Where the parapolitical PA organizations served to channel participation within the system, so too did active measures to organize groups through state-corporatist structures and, when needed, take measures to bring competing and potentially conflictual functional organizations into formal channels over which the state could gain influence.

In stark contrast stands the case of Korea, in regards to both the type and extent of political activation, dissent, and collective mobilization among middle class groups as development progressed. In Korea, the developmental state built by Park Chung-hee and subsequently run by Chun Doo-hwan during the 1980s was based on institutional exclusion. As this mode of interaction with society increased under the Yushin regime during the 1970s, it not only began radicalizing Korea's student groups but increasingly activated other sectors such as progressive church activists and dissident intellectuals. The dynamics that emerged between these groups and the state were quite similar to the developments driving the relationship between the state and the industrial working class. In the absence of formal institutional channels into which this political activation, dissent, and mobilization could be channeled, these groups sought out channels outside the system and geared towards direct confrontation and challenge. The reaction of state elites to these challenges was—again similar to industrial labor—increasingly repressive actions aimed at keeping these groups scattered and unorganized, which effectively added to the grievances of these groups and radicalized their opposition with time. In

effect, dissidence and mobilization could neither be accommodated, nor could it be erased, leading to reoccurring confrontations.

Where these pockets of dissent and mobilized political challenges emerged among various groups within the middle sectors in Korea and Taiwan, the broader middle classes as a whole came to function as a reinforcement of the conservative political orders. The socioeconomic benefits enjoyed by middle-class groups across the board were products of the development state's policies. The growing economy allowed for them to focus to a great extent on improving their material situation, and the developmental discourses of state elites, formed as they were by dogmatic anti-communism and nationalist modernization at all costs, clearly tied political and social stability to rising prosperity in a zero-sum nature. The structural positions of these states within the international state system greatly served to reinforce these frameworks. Products as they were of unfinished civil wars, both the Republic of China and the Republic of Korea were set out to situations whereby their communist opponents could take advantage of instability to gain an upper hand, a belief underlying the pathological obsession of these developmental elites with national security—Singapore included. As a consequence, the middle classes at a general level were socialized to link rising prosperity and further growth to the stability necessitated by the developmental state, creating a general structure in which large parts of the middle classes were adverse to instability, and linked political mobilization or crisis with a threat to national prosperity. Thus, the political behavior of these classes often took on a conservative, if not reactionary, positioning in times of political change, creating a more general dynamic which would greatly affect the process and outcomes of political change in these countries

## Part III

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### Political Change: Processes and Outcomes

#### Introduction

The chapters in Part II have shown how developmental states in Korea, Taiwan, and Singapore set out to actively organize society around the project of rapid industrial development via intermediary organizational structures and political institutions through which the state could intervene in civil society for purposes of co-opting, controlling, and mobilizing social sectors economically and politically. It was within this structural environment that rapid industrial development in these countries drove processes of social change and mobilization. Economic development generated transformations in individual and group norm and value orientations; it shifted structural balances of power within society, within parts of the state, and between society and the state; and it impacted elite calculations and strategies for maintaining the preferable political and social orders while advancing the process of economic development—in sum, it brought about important changes emphasized by the various theories as relevant for political change, which have been discussed in the introduction chapter. But due to variations in the structures and actions of these developmental states vis-à-vis society, we see variance in the directions and outcomes of this social change across social sectors and across cases. The types of social forces activated by development, the formulation of their interests, behavior, and collective power vis-à-vis the state displayed diverse cross-case configurations which do not conform well to theoretical generalizations tending towards universal processes of social change arising out of economic development—such as those theorizing shifts in class power and interests, the development of modern values and norms compatible with democracy, or strategic, rational mobilization. Rather the trajectories and outcomes of social sectoral formation and development in these countries appear to have been shaped much more by the institutional configurations and structural patterns established by these developmental states as state actors attempted to

co-opt, control and mobilize diverse social groups towards the goal of rapid industrialization.

While these organizational strategies of the state often achieved the results desired by state elites, they just as often had unintended consequences, bringing about developments unwanted or unexpected by state elites. For example, the structures and actions of the Korean developmental state, as we have seen, radicalized the labor movement, mobilized parts of the Christian community and other middle-class groups such as the students and intellectual dissidents into opposition, and pushed the chaebol into structural positions that shifted their power vis-à-vis the state as they became moral hazards and too big to fail—outcomes which were certainly not desired by state elites. In Taiwan, to give another example, the party-state's strategy of organizing industrial labor provided a sufficient institutional bulwark to block independent collective action and the emergence of labor unrest so prominent during Korea's industrialization. But the constraints on the private capital sector, while dispersing private capital accumulation to avoid concentration, was unable to head-off increases in the structural power of these groups over time, producing an outcome state elites had sought throughout to hinder. The skillful use of local level elections and factional party machines, while able to co-opt large parts of the electorate into the ruling block, also nudged into existence and supported an organized political opposition to the Kuomintang (KMT) within the one-party system. Thus, failure to steer the development of social groups and social change in a direction desired by state elites does not rule out their attempt to do so.

Furthermore, as state elites responded to shifting organizational dynamics with social groups as well as to structural shifts within the international system, the structures and actions of the developmental state also underwent changes throughout the process of industrialization. This had consequences for the state's organizational capacity and autonomy vis-à-vis social sectors. In instances where shifting balances in the organizational interactions between the state and organized society led to mobilized challenges from below, how state elites dealt with these developments depended to a great extent on the institutional capacities available to them—the framework of which was laid during the critical juncture.

In sum, Part II of this work has demonstrated the main point raised at the beginning of this study: economic development does not amount to socioeconomic and class structural destiny. Rather, social change is highly shaped by the institutional configurations rooted in the structure and actions of the state. Table 6 summarizes the

general case-specific, causal arguments developed for South Korea, Taiwan, and Singapore. At a higher level of generalization, these results can be situated along two dimensions reflecting the extent to which state structures and actions vis-à-vis social groups were geared more towards institutional nodes of exclusion and repression, or inclusion and co-optation, on the one hand, and the degree to which mobilized oppositional challenges were activated during rapid industrial developmental, on the other. In effect, two broad, cross-case patterns are evident: (1) where the structures and activities of the state vis-à-vis social groups provided for more inclusion and co-optation, the activation of collective opposition and mobilization challenging state and/or political regime institutions was lower; (2) where the state patterned its relations with social groups around institutional and structural forms of exclusion and repression, higher levels of dissent and mobilizational challenges mounted over the longer term. South Korea clearly falls into this latter pattern, while Singapore is situated towards the extreme end of the first pattern. The general pattern that emerged in Taiwan, which falls somewhere between these two extremes, lies somewhat closer to the Singapore case due to the party-state's inclusionary aspects, but also reflects the South Korean case when its firm doses of targeted repression and moderate levels of activation and mobilization are taken into account.

The current task now at hand, is to relate these dynamic, historical sequences of social change and social sectoral development to processes of political change that took place in these countries at various points. The causal model of political change being explored here is not based on the assumption that new social forces and conflicts arising out of economic development are sufficient to cause an end to an authoritarian regime and open a process of political regime change. Socioeconomic and class structural change, and the activation and mobilization of diverse social forces, cannot account in any generalized way for the timing and manner in which processes of political change would unfold in these countries, nor can it account for the substantive direction this change would take. As the case studies in the following chapters will show, the immediate causes setting into motion processes of political change varied across cases. At the same time, however, all cases were accompanied by the presence of mobilized collective challenges from among certain social and political groupings—some challenges more severe than others—but these forces did not determine the outcome of political change once the process commenced. Rather, mobilized oppositional challenges influenced the environment within which political institutional reform or transitions in

Table 6. The Developmental State and Trajectories of Social Change

Social groups	South Korea	Taiwan	Singapore
Capital	Industrial policy favors small group of family conglomerates concentrated across the economy. Revolving door merges state political elite and business class.	Industrial policy favors SOE sector and constrains growth of large SME sector. Nationalist party structure and local factional politics co-opt private business into KMT electoral and legislative politics.	Industrial policy favors MNCs and large public sector, excludes and discriminates against private domestic capital.
	<i>Small group of conglomerate capital dominates economy, holds influence in parts of the state, challenges state policy but tied to authoritarian regime.</i>	<i>Majority of SMEs and small group of conglomerate capital join in KMT political dominance. Conglomerate capital wields legislative influence to challenge state policy.</i>	<i>Small group of elite, bureaucratic-state capitalists in upper-levels of public bureaucracy and government dominate domestic economy.</i>
Industrial workers	State-corporatist union structure excludes, channels collective action outside formal institutions. State reacts with repression. Lack of state organizational control at community-level leaves space for organizational alliances between workers and radical students/progressive Christian activists.	Party-run, state-corporatist union structure, party and employer programs of enterprise welfare, and ban on strikes secure inclusion of workers in larger factories. Employer paternalism and weak proletarianization keeps workers disorganized in small factories. Party organizations fill space at community level.	PAP-elite representation of state-corporatist union structure, tripartite institutions at national level for wage setting, and union welfare measures secure inclusion of workers. Parastatal grassroots organizations fill space at community level.
	<i>Vicious cycle of worker mobilization and state repression radicalizes independent labor movement.</i>	<i>Working class docility and preemption of independent labor movement under martial law.</i>	<i>Working class submission and state-led labor movement.</i>

Rural society	Parastatal agricultural cooperatives dominate rural organizational space, supply extension and banking services, supply local political operatives and mobilize political support.	Parastatal Farmers' Associations controlled by KMT party, dominate rural organizational space, supply extension and banking services, mobilize local factions for electoral support.	Semi-rural areas quickly transformed and brought into modern sectors of economy
	<i>Small, owner-operator, farm households dependent on parastatal and mobilized towards government support.</i>	<i>Small owner-operator farm households dependent on parastatal and mobilized towards ruling party support.</i>	N/A
Middle classes	State-corporatist associations exclude. Confictual, autonomous organizations repressed and coerced to keep collective action disorganized.	Party-run, state-corporatist associations include and mobilize 'iron ballots.' Party machines and competitive local elections incorporate new social forces and co-opt potential opposition while moderating and channeling electoral opposition.	Parapolitical grassroots associations and state-corporatist associations fill up organizational space and provide inclusion. Potentially conflictual organizations co-opted into government-controlled channels.
	<i>Activation of political dissidence and extra-parliamentary mobilization among radicalized students, progressive church groups, and dissident intellectuals. State responds with repression. Punctuated political crises and instability result. Mainstream middle classes tied to status quo via stability/prosperity equation.</i>	<i>Activation of moderate and fractional electoral opposition challenges KMT in electoral realm. Mobilized dissidence outside electoral realm heavily controlled through targeted repression. Mainstream middle classes tied to status quo via stability/prosperity equation.</i>	<i>Moderate activation of political mobilization quickly stamped out or channeled into tightly controlled electoral realm. Middle class dependent on PAP-state and tied into status quo via stability/prosperity equation</i>

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*Notes:* Romanized type denotes state structure and actions vis-à-vis social groups. Italicized type denotes outcomes of social change and social group development.

the political regime took place. Within this environment, some regimes were better positioned to deal with the social and political conflicts emanating from mobilized challenges, while others were not. This positioning depended on both the type and extent of social mobilization, on the one hand, and the institutional capacities available to state elites to deal with the situation, on the other hand. As Karl suggests, “the decisions made by various actors [during regime transitions] respond to and are conditioned by the types of socioeconomic structures and political institutions already present. These can be decisive in that they may either restrict or enhance the options available to different political actors attempting to construct [block, or do away with] democracy” or any other type of political regime.<sup>1</sup>

Thus, the socio-structural and state institutional legacies of the developmental state’s industrialization program strongly conditioned decisions made by actors during processes of political change by making some options more probable and others non-existent. Once political openings appeared or processes of political transitions began, the dynamic interplay between mobilized challenges and contestation from below, and the state’s organizational and coercive capacity from above, shaped both the mode of regime transition, and the direction and substance of political change. In order to better prepare for the case analyses that follow, the rest of this introduction now turns to the theoretical specifics of this argument.

### ***Organizational Opposition from Below, State Institutional Capacities, and Political Change***

When faced with a political crisis or political openings which are accompanied by strong activation of mobilized oppositional challenges from below, skillful authoritarians will seek to control and channel these forces through the state institutions available to them. Two instruments are immediately apparent: (1) state elites can use increased coercive control and repression in attempt to re-entrench the political regime, or (2) they can seek to bring about the inclusion of these social forces through some form of institutional co-optation in attempt to restabilize the political order and avert radical change. Either or both options may involve institutional restructuring, but path dependency, however, means that the options for institutional restructuring are not always as numerous as one would like. Incumbent elites, therefore, may find that either or both options are not readily available within the contingent situations they are maneuvering.

Applying repression to mobilized oppositional challenges can be an effective way of heading off political change and reestablishing political and social order. As O'Donnell and Schmitter succinctly put it: "no transition can be forced purely by opponents against a regime which maintains the cohesion, capacity, and disposition to apply repression."<sup>2</sup> The developmental states analyzed here all displayed strong coercive apparatuses with a wide variety of organizations for the deployment of repression and control: multiple intelligence units and secret service organizations, paramilitary groups, national police and elite riot squads, and, as a last line of defense, the military. Incorporating the lessons of Skocpol's structural framework on social revolutions into more general situations of political regime contestation, Bellin suggests: "where that coercive apparatus remains intact and opposed to political reform, democratic transition will not occur."<sup>3</sup> But when a regime must turn to repressive measures to restabilize authoritarian institutions or head off a political opening, effective collective action among the state's coercive organizations and the elites that direct them is required. This makes agreement, coherence, and coordination among regime elites necessary for the effective mobilization of repression. Thus, the existence of state repressive capacity alone is not sufficient to bring about necessary agreement among state officials to use it.

Particularly in instances where oppositional mobilization is at high levels and enjoys a broad social-base of support, the costs of such authoritarian collective action may be great, with the possibility that it may "jeopardize the institutional integrity of the security apparatus, international support, and domestic legitimacy."<sup>4</sup> Furthermore, mobilizing the military for civilian repression does not secure incumbent regime elites from the possibility that some officers in the field may harbor covert incentives to attempt a coup d'état during the process. In such cases where the regime elite perceives these possible costs to be too high, the consequence of a lack in elite cohesion and determination to repress may be disastrous. For if "military officers are not in lockstep in their willingness to use force against democratic protestors," Slater writes, "the regime becomes highly vulnerable to collapse in the face of anti-regime mobilization."<sup>5</sup> Thus, where the perceived costs of repression are seen to outweigh the expected costs of political change, we should expect the incumbent regime to capitulate in some form, and to some extent, to oppositional demands.<sup>6</sup> If a full blown transition of the political regime results, the often contingent "uncertainty" which characterizes some regime transitions may leave the incumbent elite with more or less capacity to control and shape the process.<sup>7</sup> But again, the subsequent structural shifts in mobilized oppositional

pressures, and the availability of additional types of institutional capacities to incumbent regime elites, will constrain the extent of this contingency into more certain patterns of interaction. The decision to repress, therefore, even where elite collective action is forthcoming, may be a second-best means of dealing with high levels of oppositional challenges, but in some cases this may be the only option available to the regime.<sup>8</sup>

In contrast to mobilizing repression, where authoritarian elites enjoy the existence of political institutions and state organizational capacities which can be deployed to co-opt and channel mobilized dissent and oppositional challenges, not only will the regime have a better chance of effectively heading off political change by reestablishing balances within the political and social order, but regime elites may not need to revert to the option of repression and the possible costs that come with it in the first place. Co-optative institutions can be used to neutralize, if not win over, pockets of existing or potential dissent and opposition by incorporating these groups into channels over which the incumbent elite has strong control, or even pulling these groups into periphery positions within the ruling bloc establishment itself. Political regimes with institutional and organizational capacity geared towards “co-optation rather than exclusion,” writes Geddes, may prove particularly resilient over the long-term.<sup>9</sup> Such institutional set-ups make it “relatively easy for [regime elites] to allow greater participation and popular influence on policy without giving up their dominant role in the political system.”<sup>10</sup> Thus, we should expect that where authoritarian elites oversee political regimes possessing such institutional capacities, they will enjoy a high degree of power to block unwanted political change, or, in the case that a top-down process of political change is instigated, effectively control and guide the timing and substance of this process.

At the same time, however, strategies of co-optation through incorporation may have the medium- or long-term effect of undermining the corporate coherence of the regime elite at the power center as more interests are brought into the ruling coalition during the process. At the worst, this strategy may cause fissures within the upper levels of the ruling elite itself, which may then undermine their institutional capacity to effectively control enlarged coalitions and, therewith, any process of political change which may be underway.<sup>11</sup> Thus, as with the strategy to mobilize repression, the question of agreement, coherence, and coordination among regime elites also comes to the fore during strategies of co-optation. We should therefore expect the maintenance of a

corporate cohesion among the central and mid-core of regime elites to also be a necessary condition for effective strategies of co-optation through incorporation.<sup>12</sup>

The KMT in Taiwan and the PAP in Singapore, having constructed state-corporatist intermediary organizations and political institutions that were extremely effective in controlling and co-opting broad sectors of society throughout rapid industrial development, both possessed a high capacity to initiate and steer a process of political change without losing control over its course. The institutions and organizational structures at the local levels of Taiwanese electoral politics gave the KMT strong mechanisms with which it could include sectors of existing or potential dissent and opposition without giving up power. The KMT mass-organizations such as the Farmers' Associations, veteran's organizations, and even the corporatist unions and employers' organizations, could be used by the party to mobilize support during elections in addition to its 'iron ballot' constituencies within the military and bureaucracy. Not only did these channels of co-optation give the party-state its strength throughout rapid development, but they also would supply the KMT with the organizational basis to maintain stable control and party support during a pragmatic process of political liberalization and democratization beginning in the mid-1980s, which subsequently let loose increased mobilized oppositional pressures from below for political change. In Singapore, the effective meshing of party, government, and state into a hegemonic, hybrid organizational structure has proven immensely resilient for the continued dominance of the People's Action Party government which has allowed for strong control and inclusive co-optation. These organizational structures have more or less preempted the emergence of high levels of dissidence or any strongly mobilized oppositional challenges, while making the application of coercive repression little needed. While these structures would require pragmatic adjustments from the mid-1980s onwards, the basis laid during the critical juncture gave the PAP elite an effective organizational capacity to expand its co-optation strategies throughout society during this period of political change.

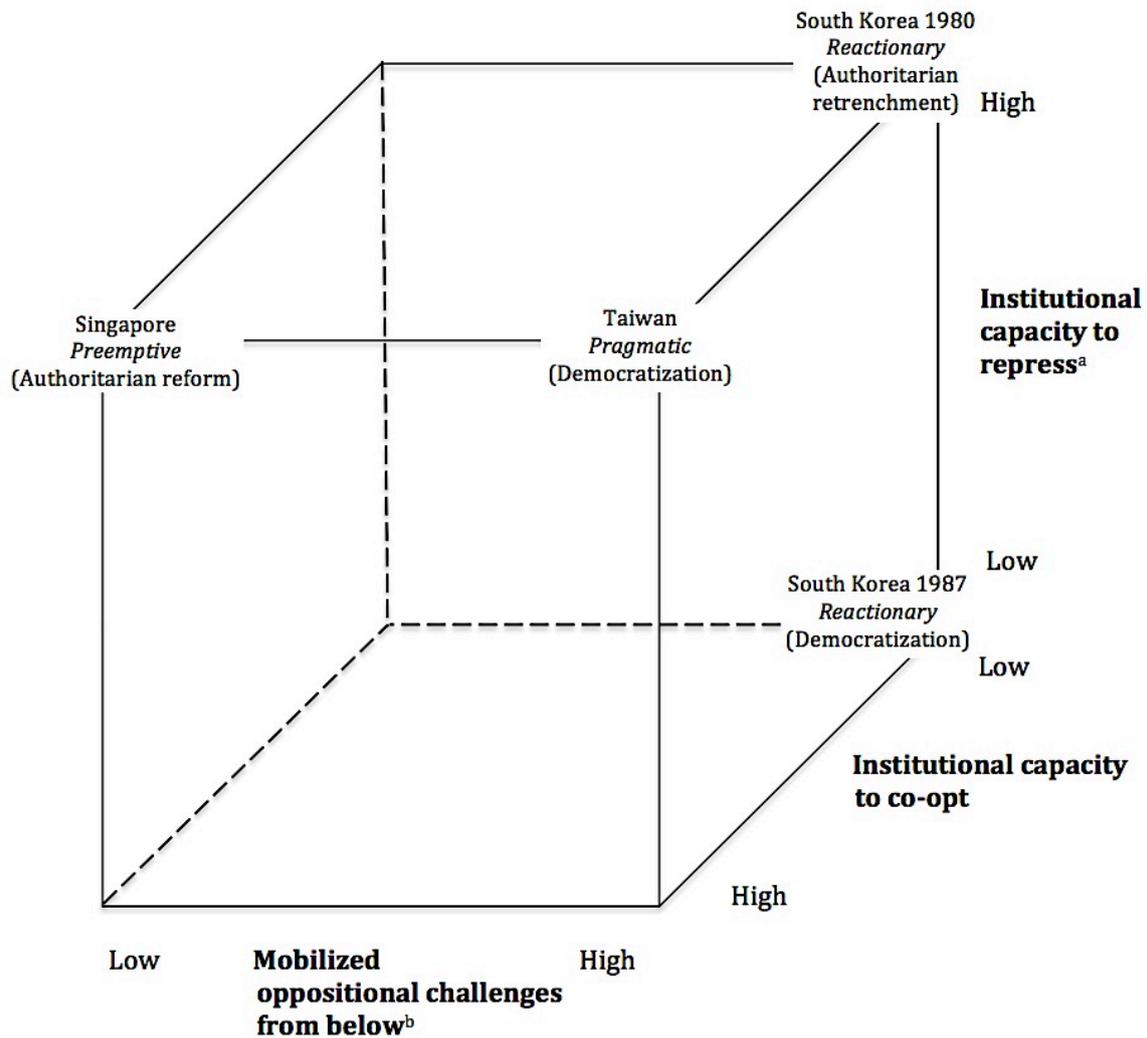
In contrast to these two cases, authoritarian elites in South Korea generally lacked strong political institutions and state-corporatist organizations to co-opt dissent and opposition into channels it could regulate and control. Those institutional and organizational nodes that did exist became weaker over time. In the absence of such co-optative capacity, regime elites came to rely on the state's coercive apparatus, including the mobilization of the military, to repress dissent and mobilized oppositional challenges from below. In the long-run, however, the contingency of elite collective action involved

in this task proved much less capable of heading off political change through repression as mass demonstrations mobilized nation-wide in 1987, whereafter the continued lack of inclusive institutions made the incumbent elite more susceptible to losing control of the political transition once it began.

To briefly sum up, the processes of political change which took place in these countries were characterized by different configurations along these dimensions discussed above, creating different environments within which transitions or reforms in the political regime took place. When confronted with mobilized oppositional pressures for political change, it was the institutional legacies of the critical juncture which set the options available to regime elites to deal with challenges: Korea's authoritarian elites attempted repression, while the PAP in Singapore and the KMT in Taiwan pursued strategies of co-optation. Once processes of political change began, regime elites were forced to maneuver within these environments, giving them more or less capacity to control the tempo, direction and outcome of political reform processes. The typology in figure 1 orders these combinations in the degree of mobilized oppositional challenges from below and the organizational capacity of state and regime institutions to co-opt and/or repress these forces. It seeks merely to present generalized, rough, descriptive contours of the environment in which processes of political change in these countries were initiated and shaped, and the types of political regimes they resulted in.

Where Korea's authoritarian elites were able to mobilize quick and coordinated, collective action against mobilized oppositional challenges from below during 1980 and reinstall an authoritarian regime, they were forced to the bargaining table in 1987 as the coercive apparatus proved incapable of dealing with intensive challenges from below, opening the way for a transition to democracy. Yet the continued inability of incumbent elites to include and co-opt oppositional forces once the transition began, would result in their losing control of the pace and substance of political change as it progressed. In Taiwan, the party-state's strong channels for co-optation and its strategy of increasing the regime's inclusiveness, allowed the KMT to maintain its dominance throughout a top-down process of political transition and effectively control the pace and substance of change. But this proved precarious over the longer-term as increased inclusion began breaking down party discipline and led to elite splits at the center. In Singapore, where elite cohesion actually increased as a new generation of PAP elites took over political leadership and instigated a process of regime restructuring, a broadening of institutional channels for increased inclusion and co-optation effectively preempted the further

Figure 1. Modes of Political Change



a. The dimension “institutional capacity to repress” is generalized to include both the existence of coercive organizations capable of applying repression and the agreement among regime elites heading these organizations to apply this capacity against mobilized challenges from below.

b. The dimension “mobilized oppositional challenges from below” is generalized to include the size and intensity of collective opposition and protest actions, as well as their social-structural composition.

growth of oppositional challenges from below and blocked political developments towards democratization.

The following chapters analyze these processes and outcomes of political change within the framework laid out here. South Korea provides two cases of regime change at relatively high levels of economic development: the first resulting in the restoration of an authoritarian regime during the political crises of 1980 and the second resulting in a transition to a democratic regime in 1987. The analysis of Taiwan focuses on the phase

of political liberalization beginning in the 1980s and the subsequent transition to democracy that took place during the early-1990s. In the case of Singapore, the analysis focuses on the period of institutional restructuring of the authoritarian regime from the mid-1980s onwards, which has helped make PAP dominance so resilient into the present time.

## Chapter 7

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### South Korea: Reactionary Political Change

Throughout South Korea's early post-colonial period and subsequent industrialization program, its politics was characterized by regular junctures of political instability, often leading to a crisis situation that precipitated transitions in the political regime. These transitions include the breakdown of Syngman Rhee's personal dictatorship and the installation of parliamentary democracy in 1960; the transition to military rule under Park Chung-hee in 1961; the transition from Park's electoral authoritarian regime to the Yushin dictatorship in 1972; the breakdown of the Yushin system and installation of a new authoritarian regime under Chun Doo-hwan in 1979–1980; and lastly, the transition to democracy which took place in 1987. Each transition transpired in an environment of highly mobilized social groups and shifting international developments perceived by state elites, and often the broader public, to be detrimental to South Korea's national security or international economic and political relations—a conjuncture which fed the immediate development of political crisis and pushed regime elites to shift institutional relations towards restabilization of the political order.

The international dimension of this equation includes both contingent developments—such as shifts in US Cold War diplomacy and military intervention in Southeast Asia—and other international structures which were more constant features of South Korea's political-security context—such as North Korean provocation and relations with the United States. The development of social unrest through mobilized collective challenges on the domestic front, however, was less contingent. As shown throughout the chapters in second part of this study, the structures and actions of the Korean developmental state vis-à-vis particular social sectors served to fuel disaffection, political activation, and the regular appearance of mobilized opposition against either the government, its policies, or the institutions of the political regime. The crude state-corporatist institutions of exclusion and the absence of participatory channels within the political regimes constructed by the Park Chung-hee and Chun Doo-hwan served to push

disaffected groups—particularly labor, students, middle-class intellectuals, and church groups—to find channels outside the layer of formal institutions to voice dissent and put forth demands for changes in the institutional basis of the social and political orders. When state officials answered this contestation with repression and further exclusion—often having the consequence of solidifying even more the determination of these groups—these sequences of mobilization and repression generated reoccurring political crises.

Particularly in times where high levels of social mobilization came into conjunction with international developments perceived to be detrimental to South Korean security, the issue of stability came to the foreground and state elites groped towards instruments aimed at restabilization. Regime transitions were then determined by the selection of options available to ruling elites to end the crisis and reestablish stability. Due the authoritarian regime's lack of institutional channels to incorporate or control real or potential opposition meant that the typical repertoire of South Korean political elites to reestablish stability consisted of reactionary responses of coercion, repression, and further exclusion. However, the availability of this option and its success depended on the social make-up of the mobilized opposition as well as the ability of state elites to collectively mobilize the instruments of state repression and exclusion.

South Korea offers two cases of political crises at relatively high levels of industrial and socioeconomic development, both of which resulted in political regime change, and both which can be used to analyze comparatively the dynamics of political change in Korea: the 1979–1980 political regime transition which ended in the reinstallation of authoritarianism; and the 1987 political crisis and subsequent transition to democracy. Regarding the first case, when Park Chung-hee's Yushin dictatorship came to an abrupt end upon his assassination in 1979, the subsequent political vacuum opened up a situation in which a regime transition was required. This case is generally viewed as a failed transition to democracy, in that a high degree of collective mobilization among groups demanding democratic reforms lost out during the political crisis when the military took control of the transition and applied firm doses of repression to reestablish an authoritarian regime. In 1987, a similar political crisis again came to the fore as high levels of collective mobilization among groups seeking democratic reforms expanded into nation-wide, mass demonstrations that paralyzed the government when the option of mass repression was not forthcoming. Consequently, the

political elite chose to meet these demands and instigate a process of democratization as a way out of the political crises.

Using the configurative model of political change sketched out in the introduction to Part III, the following chapter provides a comparative analysis of these two political regime transitions. Attention is placed on the process and outcome of these two events within the particular, case-specific configurations of mobilized oppositional challenges from below and state institutional capacities available to regime elites.

## **7.1 Reactionary Authoritarian Restoration**

### ***The Unraveling of Yushin***

The Yushin political regime constructed by Park Chung-hee in the early 1970s for the drive into heavy and chemical industries consolidated immense political and state power into his person. The constitution allowed for the indirect election of the president by a carefully selected electoral committee, and for presidential appointment of one-third of the National Assembly. The Yushin regime freed Park of constraints on presidential term limits, secured his reelection, provided him with a secure majority in the National Assembly, and granted him extensive executive power through wide-reaching emergency decrees. American intelligence described the system as “one-man rule, rubber-stamp assemblies, controlled press, and repression of all dissent.”<sup>1</sup> In effect, it was generally understood that Park could be “removed from office only by death or a military coup,” as the US Ambassador Habib once explained to Washington.<sup>2</sup>

As previous chapters have shown, the Yushin regime was based on thin and crude institutional nodes of exclusion vis-à-vis social sectors and backed by tough physical coercion and repression from the Korean Central Intelligence Agency (KCIA), national police, and the military, which served to set loose several reactionary sequences of opposition and repression throughout the 1970s. University students had been increasingly activated into challenging the system as their student organizations were eviscerated and emergency decrees, such as the dreaded Emergency Decree no. 9, put many of them in the KCIA’s interrogation rooms and jail cells. Within the growing industrial workforce, particularly in the light-manufacturing sector, low wages and harsh treatment from employers and state security had increasingly activated manufacturing workers into displays of collective protest. The social activism and political protest campaigns of progressive church groups and intellectual dissidents were increasingly

challenging the institutions of Yushin and, like other mobilized groups, met with reactionary state responses of repression and incarceration. In the National Assembly, the elite political oppositional establishment grouped under the New Democratic Party (NDP) became emboldened by electoral advances in the 1978 National Assembly elections, and began a campaign to exploit the human rights policy of US President Jimmy Carter against Park. While organizationally disconnected from the extra-parliamentary mobilization, the opposition began using the situation to ratchet up increased political pressure on Park and his Democratic Justice Party (DJP) in the National Assembly.

When these sequences came together to produce a political crisis in the National Assembly and large-scale mobilization of unrest throughout Korea's larger cities during the summer of 1979, the foundations of the Yushin system began to tremor.<sup>3</sup> As the mounting crisis put the "regime's leaders at loggerheads over whether more repression or some sort of decompression of the Yushin dictatorship was the better remedy for the spreading disorders," an unexpected conclusion for all sides came when, on the evening of October 26, Park's KCIA chief, Kim Chae-gyu, shot both Park and his bodyguard dead at a KCIA safe-house where they had meet for dinner.<sup>4</sup> So began the process of Korea's political regime transition which would end in bloodshed and reactionary authoritarian restoration less than a year later.

### ***The Seoul Spring and Regime Transition***

Following the assassination of Park, the resulting political vacuum left in his absence opened up a situation many referred to at the time as the Seoul Spring. Temporary executive power was passed to Prime Minister Choi Kyu-ha, who began taking measures to ease the harshest of Yushin constraints in the civic and political arenas throughout the winter of 1979. He lifted the dreadful Emergency Decree no. 9 outlawing dissent against the Yushin constitution and released many detained dissidents who were still being held under the law. Hundreds of students, intellectuals, pastors, and church activists were granted amnesty, the majority being reinstated in their universities and job positions.<sup>5</sup> Furthermore, controls were eased on publishers and political speech and the political opposition found itself in a more open climate when the National Assembly reconvened. As US intelligence noted at the time, the relaxed controls resulting from Park's sudden disappearance from the political scene created a window of opportunity within which

“politicians were given nearly complete freedom to criticize the government, to make demands, and to appeal for public support.”<sup>6</sup>

The Seoul Spring provided a political opportunity for those groups that had mobilized against the Yushin regime during the 1970s. Accordingly, their political mobilization carried over into the political transition following Park’s death. Throughout the winter of 1979–1980, students, progressive church groups, and other intellectual dissidents mobilized demonstrations and campaigns that pressed demands for political change, the central points of which revolved around ending the Yushin regime, drafting a new, democratic constitution, and holding democratic elections as soon as possible. Demands regarding the process of how this was to be done, however, differed between these groups. More radical groups such the Young Women’s Christian Association, for example, not only called for an immediate end to the Yushin constitution, but also insisted on the resignation of President Choi and his government “in favor of a nationally supported Cabinet consisting of all democratic elements that would write a new constitution,” the disbandment of the ruling Democratic Republican Party (DRP) and government-appointed National Assembly members, and the immediate release of all political prisoners.<sup>7</sup> On the more moderate side, the oppositional political establishment within the NDP had regrouped in the National Assembly and was pushing for free presidential elections to take place via popular vote within a year’s time.<sup>8</sup> But as the political transition dragged on, and heightened social unrest began spreading during the spring of 1980, the more anxious and timid these urban politicians became in their dealings with the interim Choi government, the more they began yearning for stability and moderation from the mobilized groups in the streets, and the wider the splits within the party, and between it and mobilized groups on the street, became.<sup>9</sup>

When the university semester started up in March 1980, reactivated student organizations, many now led by the newly reinstated who had suffered repression under the Yushin regime, were well organized for collective action. Student leaders in Seoul reported “they could put 50,000 students on the streets within five hours,” a statement that observers found to be genuine.<sup>10</sup> As student mobilization picked up, protest was first confined to the campuses, where demands were pressed for the expulsion of ‘Yushin collaborators’ and a democratization of the universities. By April 1980, particularly the days around April 19—the anniversary of the 1960 student revolts against Rhee—campus protests had spread so thoroughly throughout the country, and student demands had become so political, that the Choi government began fearing a “breakdown of public

order.”<sup>11</sup> Adding to the unrest was the appearance of industrial strife as the number of work stoppages in industry increasingly mounted. The number of workers participating in strikes during this time rose four-fold from their 1979 levels, and the damages proved destabilizing as the number of working days lost to stoppages rose from an average of 16,000 in 1979 to 61,000 during early 1980.<sup>12</sup> When miners from the large Sabuk coalmine staged a strike for higher wages in mid-April, for example, the action turned into a violent riot, which observers described to be “more like a war than a strike.”<sup>13</sup> As May came, large student demonstrations had spilled into the streets of numerous cities with demands for the dismantling of the Yushin regime, an immediate end to martial law, and the acceleration of the schedule for political change: in Seoul 50,000 students could be seen in violent street-clashes with police; in Kwangju, about 25,000 students were involved in clashes with police. In Chonju, Suwon, Taegu, and Inchon, similar scenes of unrest were taking place.<sup>14</sup> US Ambassador Gleysteen wrote to Washington at this juncture of the crisis, describing how “the students are proceeding remorselessly with their challenge to law and order and appear to be doing so with a great deal of coordination and direction.”<sup>15</sup>

General Chun Doo-hwan, effectively controlling the state’s main security organizations at this point and dominating decision-making in the Choi government, answered the spreading unrest with repression. Martial law was expanded across the country as riot police and military units moved into urban areas and the major universities to deal with the unrest. Security dragnets over the next several days swept up thousands of persons nationwide, including student leaders, dissidents, and opposition politicians.<sup>16</sup> While this repression quelled active challenges to the government in most cities, the unrest in the Southwestern city of Kwangju took a turn for the worst. In Kwangju, demonstrations against martial law became massive as roughly 30,000 students and workers took to the streets, their numbers swelling to roughly 200,000 within a few days.<sup>17</sup> When martial law command sent a brigade of elite paratroopers into the city to quell the unrest—which they sought to do with indiscriminate clubbing, shooting, stabbing, and the scorching of civilians—an armed citizens’ militia was formed, which drove out the soldiers and subsequently took over city administration. Days later a military division arrived to smash the uprising and retake the city through armed force. The Kwangju uprising left hundreds of civilians dead. Thousands more were rounded up by the military, many of which were then taken to Chun’s ‘purification camps.’<sup>18</sup>

In the wake of the Kwangju massacre, the Seoul Spring had effectively ended. The loose alliance of students, progressive church groups and dissident intellectuals, the rather timid political opposition in the National Assembly, and, to a lesser extent, sectors of industrial labor, had pushed for an end to the Yushin regime and demanded meaningful political reforms toward democracy. What they got, however, was a new authoritarian regime under General Chun Doo-hwan, who moved swiftly to consolidate his power after the massacre at Kwangju.<sup>19</sup> At the end of June Chun established the Special Committee for National Security Measures, an organization that basically functioned as “a shadow government with far more clout than the official one in the nearby Blue House.”<sup>20</sup> From here he pursued a purification campaign, dissolving the National Assembly, disbanding all political parties, blacklisting hundreds of politicians from political activities, and purging hundreds of officials from the government on charges of corruption. By August, he retired from active military duty, but not before having himself appointed to four-star general. He then forced Choi out of the presidency and had himself elected president by the Yushin electoral collage.

With the basic overview of the events during the Seoul Spring having now been sketched out, the following analysis provides an explanation of how the dynamics of social change and oppositional mobilization conjuncted with state institutional capacities during this political transition to produce the outcome of mass repression and authoritarian reinstatement. Following a closer inquiry into the social and political mobilization taking place during the transition, the analysis then moves on to look at the institutional environment within which the collective of state officials was maneuvering during this time.

### *Oppositional Mobilization*

From the time executive power was transferred to Choi Kyu-ha following Park's assassination, until the massacre perpetrated by the military in Kwangju, the thrust of active mobilization for political change came from the students. They were joined in their demonstrations and protest actions by active church groups, the intellectual dissident community, by disenchanted laborers within the low levels of the export-manufacturing platform, and by individuals from the ranks of the urban unemployed and the self-employed poor living in city slums. The students, the church groups, and labor, US intelligence figured at the time, were the “only three major domestic groups” that had

“either the numbers or the organization to pose any kind of threat to the existing political and social order.” However, the report continued, the “spring’s massive student antigovernment demonstrations, labor strife and regional insurrection [in Kwangju]” were not “symptomatic of any widespread revolutionary current” within the general population. Rather, during the transition the “leading advocates of radical change—students, Christian church leaders, labor unions, intellectuals, and opposition politicians— . . . failed to attract broad support for dismantling the [Yushin] system and its legacy.”<sup>21</sup>

Particularly conspicuous during this political transition—with the center of oppositional mobilization concentrated in Korea’s larger urban areas—was the absence of the broader, urban middle-class groups that were rapidly expanding by this time. It was thought that a large part of this new urban middle class represented a threat to the authoritarian government, such as when 80% of Seoul’s urban population had voted against the ruling DRP during the 1978 National Assembly elections in favor of the opposition NDP.<sup>22</sup> But while these middle sector groups appeared ready to challenge the ruling party at the polls, they were not prepared to take the challenge into the streets. Perhaps not seeking to “support authoritarianism explicitly,” Yang argues, the urban middle classes’ “silence and passivity prevented the overthrow of the Yushin system from below.”<sup>23</sup> By sitting on the sidelines as the Yushin system came under pressure by labor and student mobilization, their “quiescence” allowed Chun to consolidate power under a new authoritarian regime.<sup>24</sup> In explaining this absence of urban middle-class support for the mobilized oppositional groups at this juncture, a US Central Intelligence Agency analysis pointed to the material circumstances and interests of this group.

Not all elements of society despised the Yusin [*sic*] system, and few saw Park as an ogre. There was no groundswell of support for dismantling the system and its legacy. The burgeoning middle class had prospered under Yusin [*sic*], and farmers were better off than ever before. The silent majority of Koreans may have welcomed a change, but they were not willing to go to the barricades for it . . . As a result, the massive student demonstrations of mid-May met with a cool public reception.<sup>25</sup>

Similar arguments have been sustained in more recent analyses on the role of Korea’s growing, urban middle classes during this regime transition. Han and Park, for example, describe this sector as “too insecure about its political and economic status to opt decisively for political freedom and democracy at the risk of sacrificing the country’s continued economic growth and its own newly secured socioeconomic status.”<sup>26</sup> When “the specter of political chaos” was raised, suggests Choi, “the possibility that continued

political instability would undermine all previous economic accomplishments” pushed the urban middle class to defend the status quo.<sup>27</sup>

As previously discussed, the developmentalist ideological discourse promoted by Korea’s developmental state elite tied the country’s rising prosperity to political and social stability in a zero-sum manner, instilling value orientations among groups within the broader middle classes that placed stability at the fore of their socioeconomic interests. And as Choi rightly points out in the above quotation, the nature of events between fall 1979 and spring 1980 hit right at the middle of this link: the more open civic and political environment that emerged under Choi’s interim government, US intelligence concluded, had “encouraged further criticism of the system, and thus fostered the impression [by the spring of 1980] that the social fabric of the nation was unraveling and that the country was moving quickly toward chaos.”<sup>28</sup> It was also within this environment that the North Korean factor served to raise the costs of social unrest on all sides and fuel public anxiety, as both Republic of Korea (ROK) and US officials were pounding out warnings throughout the winter and spring that North Korea “could attack with little warning if President Kim Il Sung . . . chose to take advantage of internal quarreling.”<sup>29</sup> At the height of student demonstrations in May, when the Choi government implemented martial law, military officials made sure to attach warnings that “North Korean forces were . . . on maximum alert,” and were undertaking “increased efforts . . . to infiltrate agents into the South . . . to capitalize on the disorders.”<sup>30</sup>

In sum, the failure of the mobilized student and dissident, activist groups to garner a wider social basis of support for political change during this time can be found in the “transitory costs” of their activities, which helped “maintain a high level of public anxiety during a difficult process of political transition.”<sup>31</sup> As the appearance of social instability and conflict came into conjunction with heightened fears of North Korean provocations, a desire for immediate restabilization shot through the bulk of the population, particularly the new prospering groups within the middle sector. It is therefore not surprising that observers at the time remarked on how “most South Koreans [were] believed to sympathize with the goals of the demonstrators, but [held] wide opposition to violent demonstrations.”<sup>32</sup> Where the combination of social unrest and fear of North Korean provocations did much to undermine broader social bases of support for the demands of students and dissident activists, it greatly strengthened the will and determination of a group of state elites to coercively crush this mobilized opposition and restabilize the system.

*Regime Institutions: Repressive Capacity and Elite Coherence*

As the theoretical framework in the introduction to Part III argues, the availability to regime elites of state institutions for dealing with mobilized oppositional challenges will be a deciding factor in the outcome of any political transition. While Korean state elites lacked the institutional capacity to effectively channel, or attempt to incorporate, the various political demands of mobilized social forces into the political order during this time, they did not lack the coercive capacity of the state to wield against these forces in order to reinforce their continued exclusion. But the success of this latter option necessitated a cohesive elite, armed not only with the capacity to crush mobilized demands, but also with the collective will and ability to do so. In sum, it required coordinated, elite collective action—a factor that was not forthcoming during Park Chung-hee's final days as conflicts developed within the central elite. In this light, images of a liberalizing Seoul Spring driven by a bottom-up process for democratic change do much to blur the political maneuvering taking place within the power center of the state and central government during this time, which was pushing the outcome of the political transition in another direction. In this case, a group of military men around General Chun Doo-hwan maneuvered throughout the transition to consolidate their power over state institutions which gave them the capacity and unity to effectively apply coercion and restore a tight authoritarian regime.

Chun was a two-star general who had risen in the military under the patronage of President Park within a secret society known as *Hanahoe* (Group of One), a younger, politicized faction of the military made up of graduates of the eleventh, twelfth and twentieth class of the Korean Military Academy.<sup>33</sup> As Kim writes, the Hanahoe was a “cohesive faction, recruiting only those military officers thoroughly screened and unanimously voted in by its members, and building strict internal rules and regulations on conduct. . . . [Their] special relationship with Park and the privileges that relationship conferred on them . . . held them together.”<sup>34</sup> In addition to this cohesiveness in personnel, several members of the faction at the time of Park's death held the rank of major general and commanded key troop divisions and security intelligence organizations. As leader of the Hanahoe group, Chun held the chief command of the Defense Security Command (DSC), a high-level, military intelligence organization with vast, insulated powers:

The DSC functioned within the military as a powerful counterintelligence and internal security apparatus. Because of its unique mission, the DSC possessed separate communications and controlled a large number of specially selected operatives, who

were positioned at every level of military organizations down to battalion level . . . and took orders from no one inside the regular military chain of command. . . . The DSC mission was to ferret out North Korean sympathizers and individuals in the military services who might harbor antigovernment attitudes. It was a mission that invited abuse. Without any kind of legal oversight, suspects could be apprehended, interrogated—sometimes brutally—and held for legal or even extra-legal action in the command’s notorious prison. These unique powers and methods inevitably created . . . a big brother-like tool for intimidating individuals who might be patriotic but were regarded as errant or unreliable by military and government authorities. Unsurprisingly, the members of the Korean armed forces regarded the DSC and its agents with wariness, if not outright fear.<sup>35</sup>

It was from here that Chun and his Hanahoe colleagues would establish themselves in an organizational bulwark, allowing them to co-opt and control leadership within the state apparatus and wield the massive coercive capacity offered by the Korean state. Their “combination of a strong sense of camaraderie and a direct control over key military units,” Kim writes, “enabled the Hanahoe members’ speedy and flexible collective action during the extremely uncertain period of regime transition.”<sup>36</sup>

Following the assassination of Park, the DSC was given full authority to investigate the incident, and the KCIA—the only rival to the DSC—was brought under its authority. Responsible only to the president and defense minister, and straddling the state’s two most powerful intelligence agencies, Chun used the investigation to stage a coup d’état and move Hanahoe cohorts into the central levers of power within the state apparatus.<sup>37</sup> As dusk fell in the early evening of December 12, 1979, troop divisions under the command of Chun’s Hanahoe co-conspirators moved into strategic positions in and around Seoul as DSC agents arrested Army Chief of Staff Chung Sung-hwa for alleged involvement in the assassination of the president. By the end of the night the group had taken over “army headquarters, the Defense Ministry, media outlets, key bridges and road junctions.”<sup>38</sup> By early morning the next day, Chun had the Minister of Defense and President Choi retroactively approve the arrest of Chung and accede to demands including the appointment of a new army chief of his selection. In the following days Chun had his new Army Chief of Staff, General Lee Hee-sung, purge the armed forces of older generals loyal to Chung, replacing them with his loyal Hanahoe soldiers. The upper-levels of the KCIA were also cleared out and infiltrated with DSC personnel. President Choi was retained as the constitutional figurehead executive, but monopoly power now became concentrated in the hands of Chun, who established a separate intelligence organization within the DSC for domestic political and economic affairs. When Chun was appointed acting director of the KCIA in April 1980, he continued to hold his position of chief of the DSC, giving him and his Hanahoe cohorts a

monopoly over the state's coercive and administrative organizations: military, security and intelligence, and executive policy.<sup>39</sup>

In sum, by the spring of 1980 Chun had at his disposal a clear organizational capacity to crush the social unrest and steer political change towards authoritarian restabilization. He had either suppressed or co-opted elites within the central state and government institutions, or simply controlled them through fear.<sup>40</sup> As North Korean maneuvering throughout early 1980 gave cause for alarm, the cohesion among this central group was further hardened as it turned the full repressive capacity of the state against the oppositional social and political mobilization.<sup>41</sup> On May 17, Chun arranged for the imposition of full martial law and mass arrests of dissident leaders and opposition politicians, tasking the reluctant Choi with delivering the martial law declaration. As the new ROK Defense Minister relayed to Commander in Chief of the Combined Forces Command in Korea, US General Wickham, the next day: "The cabinet unanimously recommended the imposition of full martial law, the arrests of opposition political leaders and radicals, and the closure of the National Assembly. The intent was to deal firmly and swiftly with the crisis."<sup>42</sup>

The outcome of this political transition in Korea shows that alliances with broader social groups such as labor or the urban middle classes, which were essential for the mobilization of student and dissident, activist groups to have a larger effect on steering political change towards preferred outcomes, proved contingent. As high levels of mobilization combined with the North Korean factor to push the appearance of instability and crisis, the potential of mobilizing a broader social base for democratic political change was removed, while elite cohesion within the state coercive institutions under Chun and his Hanahoe cohorts became hardened. At this point the outcome of the regime transition became more or less over-determined. A juxtaposition of this episode of regime transition with Korea's transition to democracy in 1987, to which the analysis now turns, provides additional support to the arguments made thus far.

## **7.2 Reactionary Democratization**

### ***The Chun Regime***

The authoritarian regime constructed by Chun Doo-hwan was much like that of his predecessor's. Inaugurated under a new constitution and the indirect election of Chun as president in February 1981, political power was concentrated within the strong

presidential executive within the centralized state. The National Assembly, remaining subordinate to the executive, was refilled in March 1981 by new electoral laws securing a majority to the ruling party, now regrouped as the Democratic Justice Party (DJP).<sup>43</sup> The KCIA was renamed the Agency for National Security Planning (ANSP), which continued to enjoy the same institutional position as before and used its power to carry out its wide-reaching, domestic and international political activities of surveillance, coercion, and repression of oppositional parties and civic groups.

Chun also undertook a restructuring of the state's organizational relations with society, using large amounts of coercion and repressive exclusion. His campaign to 'purify' and 'reeducate' elements of Korean society caught tens of thousands in its nets:

He purged or proscribed the political activities of 800 politicians and 8,000 officials in government and business. He also threw some 37,000 journalists, students, teachers, labor organizers, and civil servants into 'purification camps' in remote mountain areas; some 200 labor leaders were among them. They were said to be boot camps for political miscreants, who would see the error of their ways after lots of push-ups, marathon running, small-group criticism and self-criticism, and ideological exhortation.<sup>44</sup>

Martial law had been ended in early 1981, but political and civic controls remained tight. Roughly 550 politicians remained blacklisted, over 400 political prisoners remained in holding, the activities of numerous civic organizations remained proscribed, and the media, having been purged of untrustworthy editors and journalists, received daily "suggestions for cooperation on the news" from the government information office.<sup>45</sup>

Beginning in early-1983, Chun began taking steps to decompress the authoritarian regime. He began releasing political prisoners and lifting political bans on numerous politicians in a campaign he referred to as "national reconciliation and broadening a basis of consensus." Professors, journalists, and students who had been dismissed from their universities and jobs were released and allowed to return to their positions.<sup>46</sup> By early 1984, further decompression was undertaken in the run up to National Assembly elections planned for 1985. Political bans on remaining blacklisted politicians were lifted and reforms in the universities extracted uniformed police from the campuses and granted student organizations more autonomy.<sup>47</sup> These doses of decompression resulted in an environment of comparably lowered repression and exclusion within the formal civic realm, which opened a window of opportunity for regrouped dissident and oppositional alliances to exploit.

First, National Assembly elections in 1985 produced a strengthened position for the elite, political opposition, now called the New Korea Democratic Party (NKDP). Garnering 29% of votes compared to the DJP's 35%, they entered the legislature

determined in their demands to revise the constitution to allow for a system of direct presidential elections before Chun's term expired in 1988.<sup>48</sup> A bi-partisan working group within the National Assembly was set up in 1986 to discuss the issue, from which point onward Korean politics became focused on the arrangements for Chun's political succession. Second, political decompression and the subsequent National Assembly elections also served to generate reinvigorated mobilization among Korea's student groups, intellectual dissidents, and activist church groups, the latter pressing hard the issue of human rights abuses and torture by the security agencies under Chun's government. Student mobilization by this time had been greatly radicalized and confrontations between groups of student protesters and riot police became a regular feature in Korea's cities as the Chun government began reverting to its default reaction of coercion and repression to deal with political dissent and contestation.<sup>49</sup>

Already in 1981, US intelligence had reasoned that student opposition to the Chun government remained "the greatest immediate threat to political stability" because this group was "the least likely among dissident elements—including other intellectuals, workers, journalist, religious groups, and politicians—to be amenable to Chun's attempts to enlist cooperation with his 'new era' policy." What was perceived to be particularly threatening would be "the development of any broad-based support for student causes" that could "generate a destabilizing coalition between students and other opposition elements."<sup>50</sup> As it turned out, the activation of a political crisis around the issue of presidential secession in April 1987 enabled this feared development to take place as massive, nationwide, anti-government protests were mobilized to voice demands for democratic political change throughout three weeks in June, the outcome of which resulted in Korea's transition to democracy.

### ***The June 1987 Political Crisis and Mass Mobilization***

The events of June 1987 had their roots in the heightened struggles of mobilized student and dissident groups, and interactions in the National Assembly between the political opposition and Chun's DJP over the issue of constitutional reform during the previous years. In 1987, however, two events set in motion the process leading to the massive demonstrations throughout Korea's cities that lasted unabated for roughly three weeks during June 1987. First, at the end of January news came out that a university student had been tortured to death while in police custody. Park Jong-chul, a linguistics student

at Seoul National University, had been picked up by police and interrogated in regards to the whereabouts of a radical student leader who was being sought by the authorities. While “policemen had shoved his head several times into a tub of water,” a government report explained, during “one of those dunkings” Kim’s “throat was crushed against the rim of the tub,” causing him to die of asphyxiation.<sup>51</sup> The incident produced strong public outrage and the political opposition and student groups jumped on the issue. In larger cities such as Seoul, Kwangju, Taegu, and Pusan students mobilized large demonstrations to mourn the student’s death and demand democratic reforms. Met by riot squads and heavy doses of tear gas in the city streets, anti-government protests continued throughout the larger cities well into March. Second, with highly mobilized students in the streets and continued bickering between the ruling and opposition parties in the National Assembly over constitutional reform, Chun Doo-hwan moved on April 12 to end the debate until after the approaching 1988 Summer Olympics in Seoul had been held, putting the full blame on the intransigence of oppositional assemblymen. Until then, he made clear, the system of indirect election of the president would be used for his succession in November.<sup>52</sup>

Chun’s move activated an immediate political crisis as a renewed round of political protest was mobilized by dissident intellectuals, church groups, and the political opposition, which merged with the high levels of student mobilization already underway since the end of January.

[Chun’s] action has polarized South Korean politics more than ever by eliminating the slender middle ground that had existed for possible compromise. Predictably, anti-Government denunciations have come from certain quarters, such as university students, who have clashed with combat policemen almost daily at campus gates. But other protests, notably Christian leaders and college instructors, have shown new boldness as well . . . In the last two weeks, Roman Catholic priests and Protestant ministers have staged hunger strikes and sit-in demonstrations. Petitions demanding that Mr. Chun rescind his April 13 decision have been signed by at least 2,000 university professors, writers, artists and film producers.<sup>53</sup>

Throughout the rest of April, and continuing into May, anti-government demonstrations spread across cities nationwide. The majority were led by student groups protesting against the Chun government, against political torture and human rights abuses, in memory of the Kwangju incident, and the torturous death of Park Jon-chul. The typical scene ran much like the following report from Seoul in mid-May:

Thousands of students battled policemen today in the sixth day of demonstrations demanding the ouster of President Chun Doo Hwan, witnesses said. About 1,000 students shouting ‘Down with dictatorship!’ fought 900 riot police for two hours at the state-run Seoul National University. The police fired tear gas at the students, who

retaliated with rocks and firebombs in running battles inside the sprawling campus. At least three policemen were seen taken away with injuries.<sup>54</sup>

In June, following an announcement by Chun that his right-hand man and former coup-conspirator, DJP Chairman, General Roh Tae-woo, was to be the party's presidential nominee, anti-government protests escalated rapidly. The political opposition announced a campaign to bring together religious leaders, intellectuals, students, and workers in nationwide demonstrations to protest the DJP's national convention on June 10, at which Roh would be officially nominated. The convention drew large protests in more than a dozen cities, with tens of thousands of participants.<sup>55</sup> In Seoul, for example, "thousands of well-organized protesters . . . fought with riot policemen in street battles that lasted through the night . . . [in] the worst street violence . . . in years." By the following day the government had reported arrests of 3,854 people in 19 cities, 900 of which faced formal charges.<sup>56</sup>

As demonstrations continued unabated throughout the following weekend, the intensity, size, and social composition of protest demonstrations began to change. On the borders of the violent clashes between students and riot police, demonstrations and rallies in the larger cities began attracting many persons from the "general public," including "middle-aged and middle-class people," who either "actively joined in the protests or stood on the sidelines cheering" the students.<sup>57</sup> In Seoul, for example,

several thousand anti-Government student radicals fought with the police in the heart of the capital . . . hurling bricks and gasoline bombs and chanting, 'Down with the military dictatorship!' Increasingly, bystanders seemed to sympathize with the students. Hundreds of office workers on their lunch break shouted support to the Myongdong [district of Seoul] protesters and had tear-gas canisters thrown at them when they, too, chanted anti-Government slogans. Some brought food and drink to the besieged dissidents. Others cheered young radicals as they marched through downtown.<sup>58</sup>

As high levels of protest continued unabated into the next week they "became increasingly dominated by ordinary South Koreans expressing frustration with the Government, its suppression of dissent and its overall timetable for democratic development."<sup>59</sup>

On June 26, the mobilization reached its highest point in a nation-wide action organized as the Grand Peace March for Democracy by the National Coalition for a Democratic Constitution, an alliance bringing together church groups, student groups, and oppositional politicians.<sup>60</sup> The action brought out tens of thousands of participants in over 30 cities, with numbers nationwide estimated at more than one million persons.<sup>61</sup> Like earlier in the week, a report from Seoul reads, "the crowds . . . were dominated by college students" but included "many older Koreans as well, middle-class people and

laborers,” who were mobilized against the government in demonstration that were the “most ferocious in a week.”<sup>62</sup>

In the wake of this massive nationwide mobilization the DJP announced that it was preparing “dramatic new concessions intended to draw the opposition into negotiations to defuse [the] political crisis.”<sup>63</sup> Then on June 29, presidential nominee Roh Tae-woo appeared on national television and radio with an unexpected announcement in which he laid out a plan for democratic reforms, including the rewriting of the constitution for the direct election of the president, respect for civil liberties and a free press, and the release of political prisoners and reinstatement of their political and civil rights.<sup>64</sup> Roh’s concessions effectively accommodated the central demands for democratic reform around which Koreans had demonstrated, serving to diffuse the immediate political crises and launch Korea’s transition to democracy.

### *Oppositional Mobilization*

Comparing the social dynamics of the June demonstrations with the urban mobilization during spring 1980, several differences are notable. While the impetus of the June protests came from student groups, church groups, and dissident intellectuals, the mobilization clearly turned into a middle-class phenomenon as it dragged on, a strong contrast in comparison to the absence of middle-class groups during the political mobilization in 1980. The participation of white-collar workers, small-time shopkeepers, and the mothers and fathers of protesting students greatly changed the social basis of opposition, and thereby the impact of the large anti-government protests.<sup>65</sup> The participation of many from these middle-class groups has led to the popular reading of a middle-class political mobilization for democracy.<sup>66</sup> Cumings offers the following take on middle-class participation in the June mobilization:

Disaffected sectors of the middle class include small and medium-sized businesses run roughshod over by the state and the conglomerates, the regionally disadvantaged, families that cannot make ends meet and educate their children, parents observing the clubbing of students (theirs or others’), and the like. Much of the recent growth in Christian believers (now about 25 percent of the population in South Korea, with most of the growth since 1970) has come within this class or aspirants to it, and the witness and sacrifice of important church figures has doubtless galvanized parts of the middle class in favor of democratization . . . The absence of effective political representation in the Park and Chun regimes was a basic issue for many middle-class citizens.<sup>67</sup>

Like the disposition of the middle classes during the political crises of 1980, stability continued to remain a factor valued above all by this sector, turning up regularly in interviews with participants or onlookers.<sup>68</sup> “Stability is the most important thing,”

expressed a jewelry store owner in Seoul: “If there is no stability, there can be no democracy. I think the Government should listen to the minority as well as the majority, but if they [North Korea] come down from the North, what good would democracy be then?”<sup>69</sup> In contrast to the 1980 crisis, however, a North Korean threat, although feared, did not materialize. Also in contrast to the earlier crisis, the government—as much, if not more than the students—was held responsible for the instability during June 1987. Beyond its failure to stabilize the situation and find a solution to the political crisis, the government’s behavior began hitting up against traditional practices of Confucian ethics and virtue. The death of a student from police torture at the beginning of the year and its subsequent cover-up by the government, Chun’s cancelation of constitutional debates, and the violence unleashed by clashes between students and riot police threw into sharp relief the morality and virtue valued by Confucian practices: “It is difficult to say which side is right or wrong,” reported a Pusan businessman: “If the Government is right, it can be honest. Most people want to know the truth clearly, but this Government hides it. I want a Government that is honest. Which [political] system we have is not a problem.”<sup>70</sup>

Another stark contrast in the social composition of mobilization during 1987, compared to 1980, is to be found in the absence of industrial labor, which stayed on the job during the June protests. While the demonstrations attracted large numbers of persons from the ranks of the middle-classes, as well as the urban poor and the working classes, there was little to no organized collective participation by the manufacturing and industrial work force.<sup>71</sup> The official unions of the Federation of Korean Trade Unions (FKTU) publicly supported Chun and the incumbent government, and the politicized, underground labor groups, while perhaps recognizing the political opportunity window, either did not attempt to mobilize workers during the June demonstrations or failed in their attempt.<sup>72</sup> Yet the absence of organized labor mobilization during June, in contrast to the sharp peak of industrial strikes during the political crisis of 1980, kept issues of industrial relations and social conflict off the agenda and thereby limited the June crises to the political institutional realm—a factor which certainly helped garner participation of the broader, stability-prone, middle-class groups in the June demonstrations.<sup>73</sup>

With labor non-participation and questions of industrial relations off the agenda, big business, as discussed previously, remained on the sidelines as Chun’s political structures broke down. Far from a “process of bourgeois revolution,” as suggested by Harris, which sought to ‘reform’ or ‘overthrow’ the state in order to smash the impediments to its preferred route of capital accumulation, the political conflict of June

1987 was between the state and the popular sectors.<sup>74</sup> What the class of big business did achieve in the run up to the political transition was the penetration of the state, weakening both its autonomy and cohesion, and making regime elites more susceptible to crisis when popular forces mobilized in June 1987. Within this historical window, it was not so much the presence of the demands of big business, which had been accumulating during the 1980s, but rather the absence of radical demands coming from the sector of industrial workers that seems to have made the quick political transition possible.

*Coercive Institutions: Lacking the Collective Will to Repress*

Most studies emphasize this difference in the social dynamics of mobilized protest in June 1987, in comparison to the thinner social basis mobilized during the ‘failed democratization’ in 1979–1980, as a key to the Korea’s democratic breakthrough. While this is indeed an important factor, the dynamics of which have been discussed in the paragraphs above, such an explanation remains incomplete without taking into account key differences found in the capacity of the state’s coercive apparatus and the degree of coherence among regime elites needed for the application of effective repression against the social mobilization during June. As shown previously, a monopoly on state coercive capacity during 1980 had become concentrated around Chun Doo-hwan and his cohesive Hanahoe group within key positions in the military, the intelligence agencies, and the executive cabinet, allowing for swift concerted action to be taken against mobilized opposition. During the political crises in June 1987, however, a different picture emerges on the basis of available evidence: namely, the presence of a less cohesive power block, unwilling to commit to a mobilization of the full weight of state coercion against the social unrest in the streets—in this case, using martial law to send in the military to coerce an end to the mobilization, as had done in spring 1980.

Throughout the June demonstrations, state repression was kept to a minimal, stopping short of martial law and mobilization of the military—the latter which had regularly been called in to deal with urban unrest in the past. Thus, the state’s full coercive capacity was not utilized during June, as the government relied on local and national police forces to combat the high levels of mobilization and rioting on the streets. Police units were armed with the light weaponry of tear gas, truncheons, and riot shields. The lack of firearms, which must be seen in the context of Kwangju incidence, reflected

the “widely accepted [fear] that new killings of that sort could topple the Government.”<sup>75</sup> In several cities during the height of the conflict, regular police forces became overpowered by demonstrators and lost control of the situation completely. On June 18, for example, the police chief in Pusan had explained to the local US consul “that his police were too tired to go on” and that he had “called Seoul to ask for some soldiers” to regain control of the streets.<sup>76</sup> In fact, it is known that Chun decided late that evening or early the next morning to initiate martial law and mobilize military troops to put down the unrest, and had directed his prime minister to prepare the declaration for national radio broadcast at midnight on June 19. As Oberdorfer explains:

Meeting at ten A.M [on July 19] with his defense minister, uniformed service chiefs, and the director of the intelligence agency, he [Chun] ordered deployment, by four A.M the next day, of battle-ready troops on a variety of campuses and cities. The U.S. Command was to be notified, as required, about those forces that would be withdrawn from the front lines. Student demonstrators were to be arrested. Under the emergency decree he was preparing, Chun told the meeting, he could dissolve political parties and open military courts to deal with dissenters.<sup>77</sup>

When the Prime Minister took to the airwaves that evening, however, he merely threatened unspecified, “extraordinary measures” if the civil unrest did not cease. In the course of the day, therefore, Chun had recalled the order to send in martial law troops: “Orders to move were issued that day [June 19] to army units, and some began to take up positions outside the capital . . . But a few hours before troops were set to move, Mr. Chun suddenly shifted direction.”<sup>78</sup> The will to use the Korean state’s full capacity to repress was not forthcoming and the national police were left to deal with the urban unrest alone. This was a major difference to the situation in 1980 and was the result of a fragmented elite within the coercive apparatus and government, as several factors attest to.

First, available evidence now suggests that Chun could not fully count on military support for intervention under martial law. Parts of the military had expressed reservations to martial law and military mobilization against the mobilized public, which were relayed to both Chun and Roh Tae-woo during the height of the crises through several channels. Chun’s former Minister of Home Affairs, Chung Ho-yong, was approached by several “younger generals and colonels” expressing alarm at “the extensive preparation that had been made to use force against the demonstrations” and worries “that a [military] crackdown would be a disaster.”<sup>79</sup> In addition, Roh had been actively maneuvering within the military establishment throughout the crisis, taking “informal soundings from the army” through his brother-in-law and retired military man, Kim Bok Dong, regarding intervention.<sup>80</sup> Once he became convinced of the uncertainty

of military support, Roh voiced his opposition directly to Chun, telling him that “the military themselves felt the army should not be mobilized.”<sup>81</sup> As government officials later stated, “many commanders did not want to get involved, in the belief that the military’s reputation had been sullied whenever it was called out against South Koreans in the past.”<sup>82</sup>

Second, moderate DJP politicians within the party and government were also expressing to Chun their opposition to military intervention, worried that it may jeopardize the scheduled 1988 Summer Olympic Games in Seoul and harm relations with the United States.<sup>83</sup> At the worst, a senior aid reportedly cautioned Chun at some point, “if he put tanks and troops into the streets, the military commanders might develop a mind of their own about the uses of their power, much as Chun had challenged his own seniors and gained control of Seoul in December 1979.”<sup>84</sup> Insecurities within the party over the question of military intervention spilled over into fissures, with a group of moderates around Roh urging compromise as a solution to the crisis.<sup>85</sup> Following the prime minister’s June 20 broadcast warning of ‘extraordinary measures,’ “a tug-of-war was under way between hard-liners demanding emergency steps and self-described doves, including ruling party lawmakers, who [were] urging conciliatory overtures to the opposition.”<sup>86</sup> At one point Roh even suggested withdrawing his candidacy, a proposal shot down by the party. In the wake of the June 26 Grand Peace March for Democracy, Roh gained the majority of party backing for basic democratic concessions to end the crises. As DJP national assemblyman Hyun Hong-choo related to reporters on June 27, “an important share of the party shares this view” that the next elections should be held under a new constitution.”<sup>87</sup> It was then two days later that Roh made his public announcement for democratic reforms.

Third, the transnational dimension of US-ROK relations was also at work during the June crisis. In particular, on June 19 at around 2:00 p.m. US Ambassador James Lilley met with Chun at the Blue House to deliver a personal letter from US President Ronald Reagan. Reagan’s letter to Chun was “crouched in a sympathetic, gentle, and inoffensive language,” indirectly referring to the crisis and calling on Chun to use “dialogue, compromise, and negotiation” in solving the crises.<sup>88</sup> Lilley, however, is reported to have used stronger language with Chun during the meeting, warning “that if the Prime Minister announced [in his broadcast that evening] that martial law was about to be proclaimed, it would be a disaster for South Korea and for our [US-ROK] relationship.”<sup>89</sup> Reagan’s letter to Chun is often cited as evidence of US pressure during

June which caused Chun to cancel the martial law order and seek a solution based on compromise and political reform. In a recent analysis of Korea's transition to democracy, for example, Adesnik and Kim use this evidence in support of such an argument, while assuming that "Chun clearly had the power to deploy the armed forces in defense of the regime."<sup>90</sup> In light of the opposition to military intervention coming from South Korean military quarters and parts of the ruling party, however, this is clearly a faulty assumption: Chun was not in a position to count on guaranteed support and successful use of the troops to defend his regime. Thus, the letter from Reagan, combined with Lilley's somewhat stronger warning, may have reaffirmed existing doubts already held by Chun, but clearly the Korean president was maneuvering within a configuration of state coercive institutions that lacked a coherent determination among elites to apply full military force against the demonstrations.

In sum, the oppositional mobilization in June 1987 put the Chun government in a much different structural position than existed during spring 1980. In the face of extremely high levels of oppositional mobilization with a broad social basis, the costs of repression appeared extremely high to regime elites, and the elite coherence necessary to follow through on the mobilization of the military was not forthcoming. The solution for regime elites, therefore, was to bend to oppositional demands for democratization of the political regime and attempt to control the transition process from above by using existing institutional nodes to co-opt and coerce an outcome that would be acceptable to the ruling elite.

### **7.3 The Transition to Democracy**

The regime institutions and state organizations used by Korea's state elite during the authoritarian period were not enough to hinder being pressured into a democratic transition, but they were used by the incumbent elite during the transition in its attempts to maintain control over the process. This strategy, however, proved only precarious as democratic institutional reforms began restructuring access to, and control of, political power. South Korean ruling party, political elites had neither the institutional and organizational structures of inclusion and mobilization that the Kuomintang enjoyed in Taiwan, nor those which the People's Action Party government could so well exploit in Singapore. This would prove detrimental to the ruling party's efforts as it attempted to control the substance and pace of the political transition as it proceeded. In a first phase,

from July to December 1987, channels of co-optation were used to split up and thin out the oppositional elite in attempt to keep the agenda of the transitional negotiations limited, and ensure the election of the ruling party candidate Roh Tae-woo. While this was pulled off with success, however, during the second phase of the transition, following democratic elections to the National Assembly in April 1988, these institutional arrangements backfired, causing the incumbent establishment under President Roh Tae-woo to lose control of the process. Only after moving to again co-opt part of the opposition could a conservative block be reestablished to guide through the transition. The last part of this chapter analyzes how Korea's institutional configurations influenced this process.

### ***Political Bargaining and Presidential Elections***

Roh Tae-woo's June 29 announcement of a democratic reform process first defused the immediate political crises, and then set the environment for negotiations with the political opposition to begin the transition to a democracy. Changes began immediately. Within the first week, the ministry of interior halted its practice of sending daily press guidelines to newspaper editing rooms and withdrew its government agents; the government released 357 political prisoners and granted amnesty and restored civil rights to over 2,000 persons; Roh Tae-woo, charged with directing the transition, met with opposition politician Kim Young-sam to discuss the reform content and process. The two decided on the formation of an eight-member committee made up of senior DJP and oppositional assemblymen from Kim's political faction, which would be responsible for negotiating the political reforms and constitutional revisions.<sup>91</sup> Meeting as soon as July, over the next month the committee dealt with drafting a new law for direct presidential elections, establishing a constitutional court, and creating provisions for a number of issues—including strengthened powers for the National Assembly, protections for civil and political rights, freedom of the press and collective organizations, military neutrality, and the establishment of elected local-level government.<sup>92</sup> By September, the parties had agreed on direct presidential elections to be held in December, followed by National Assembly elections by the end of April 1988. In October, the new draft constitution was approved in the National Assembly and subsequently ratified in a national referendum.

This first phase of the transition is notable for two reasons. First, it worked to the favor of the old regime, allowing it to oversee a moderate structuring of democratization

while remaining in control.<sup>93</sup> First, by bringing the moderate oppositional forces around Kim Young-sam into an elite committee to negotiate the transition process and substance of democratic reforms, Roh was able to split divisions among the diverse oppositional groups that had cohered together during the June mobilization. Not only were smaller oppositional parties excluded from the committee, but also the social groups that had mobilized for political change such as students and dissident intellectuals. As Shin argues, this “made the tug-of-war between the ruling and opposition party delegates more manageable from the perspective of the ruling party,” allowing the latter to structure a minimal democratization while remaining in control.<sup>94</sup> Second, by bringing a manageable opposition group into this channel to negotiate issues that would prove sufficient for establishing a minimal political democracy, the configuration of active social and political mobilization changed rapidly in response. Large sectors of the middle class, having received political institutional reforms and representation by the political establishment, now demobilized.<sup>95</sup> Students, who saw the co-optation of Kim Young-sam’s moderate political opposition into exclusive negotiations with the authoritarian government as falling short of their demands, stayed mobilized. Lastly, within the new environment following Roh’s concessions to democratic reforms at the end of June, industrial workers, seeing an opportunity to “demonstrate with all [their] might,” as one in their ranks latter put it, rapidly mobilized large-scale, industrial actions in a Great Labor Uprising. These quick shifts, as discussed below, worked to reinforce the exclusiveness of the elite negotiations taking place and keep the reform agenda limited.

Roughly two weeks after Roh’s declaration for democratic reforms, Koo explains, massive industrial conflict “swept across the country with alarming speed and ferocity, paralyzing industrial production in almost every large-scale industry. Hardly any region, any industrial sector, or any scale of enterprise was immune from labor unrest.”<sup>96</sup> From the factories of leading chaebol—such as Hyundai, Daewoo, Samsung and Lucky-Goldstar—to the government’s coalmines, railways, and bus systems, down to the textile and footwear industries, and fishing boats, industrial workers shut down an overwhelming amount of production lines while bringing large parts of the national transportation network to a halt.<sup>97</sup> When roughly 20,000 workers walked out of the mines at 32 pits in mid-August, for example, the Ministry of Energy reported with alarm that the resulting loss of 36,000 tones of coal per day was equal to nearly half the national output.<sup>98</sup> Industrial workers demanded fairer pay, fairer treatment, fairer industrial relations, control of their own unions, and a halt to the anti-union practices of

both management and the state. They fought management for acceptance of newly formed unions and sought to take control of FKTU company unions.<sup>99</sup> Between mid-July and the end of September 1987, 3,311 labor conflicts were reported, with more than 100 disputes occurring daily by mid-August.<sup>100</sup> By the end of the year, a total of 3,749 strikes were recorded, involving almost one million workers and resulting in damages amounting to 6.9 million days lost per worker.<sup>101</sup>

As industrial unrest shook the foundations of the state-chaebol alliance during the summer and fall, student mobilization pressed for more wide-reaching political change than that being negotiated between the DJP and Kim Young-sam's opposition team in the National Assembly. Using their trusted repertoire of organizing large street protests, students called for the immediate ousting of Chun, a deep redistribution of national wealth, and the eviction of the 42,000 United States' troops stationed in the country.<sup>102</sup> By mid-July student mobilization had again reached high levels, and as it dragged on into August and September it began merging with the ongoing labor unrest.<sup>103</sup>

As high levels of student protest remained mobilized and industrial strife laid the economy still, both the broader middle sectors and the political opposition groped towards the restoration of stability, allowing broader democratic political reforms coming from mobilized labor and student groups to be effectively excluded from the agenda.<sup>104</sup> As a late-twenties sales representative reported in the run up to presidential elections in December, regardless of who would be elected he wanted not radical change, but stability to "insure the prosperous future of our nation."<sup>105</sup> On December 15, 1987, as Koreans went to the polls to democratically elect their next president, stability spoke. Ruling party candidate Roh Tae-woo was elected with a plurality of 35.9%, compared to Kim Young-sam's 27.5% and Kim Dae-jung's 26.3%—the two opposition politicians were unable to agree on a unified opposition ticket.<sup>106</sup> As student groups now mobilized demonstrations and protests in several cities in attempts to overturn election results on the basis of charges of fraud, they "failed to muster much support from the middle class by-passers" who had joined them during the June demonstrations.<sup>107</sup> Democratic elections had now been secured, but issues relating to democratization, such as the reeling-in of the state security apparatus, the reform of organizational relationships at the corporatist level, the expansion of labor rights, and the reconciliation of human rights violations during the authoritarian period, remained excluded from the agenda.<sup>108</sup> This aspect of the transition set the environment within which further democratization and

regime consolidation would take place in South Korea, providing both constraints and incentives within an increasingly competitive political arena.

### ***Losing Control of the Transition***

The contingency which characterized this first phase of Korea's democratic transition, as argued above, allowed the old regime forces around Roh to co-opt Kim Young-sam's oppositional block into an exclusive negotiation channel within which the agenda of democratization could be limited, a process greatly facilitated by the anxiousness unleashed by labor unrest and continued student mobilization. When Roh moved into the presidency in February 1988 with a cabinet consisting of many elites from the Chun government, he and the DJP appeared to be in firm control over the transition process.<sup>109</sup> But this proved to be only temporary as Roh and the ruling DJP lost control over the transition process in several areas as it progressed into a second phase.

First, during the first democratic elections to the National Assembly at the end of April 1988, the ruling DJP lost its legislative majority, which was taken by a bloc of three opposition parties around with Kim Dae-jung's Party for Peace and Democracy (PPD), which controlled the largest share of oppositional seats.<sup>110</sup> Leading a coalition against Roh and the DJP, they began blocking DJP legislation to deadlock the government and then began taking away the legislative agenda. As Oh writes, "the pendulum had swung to an extreme" as the "prices of checks and balances were suddenly exorbitant."<sup>111</sup> In addition, using the strengthened power of the National Assembly, one of the first items taken up by Kim's DPP was to open investigations into Chun Doo-hwan's 1980 coup d'état and his suppression of the Kwangju Uprising. "Not only was the opposition inside the National Assembly actively pursuing the villains responsible for the massacre, but forces outside the government were mounting pressures as well."<sup>112</sup> As National Assembly investigations and hearings progressed, and news coverage of Chun's corruption and human rights abuses spread, Roh was forced to scapegoat his Hanahoe colleague in the hopes of protecting himself.<sup>113</sup> By November, eleven of Chun's family members had been arrested on corruption charges and investigations were getting closer to accomplices in past military crimes such as Kwangju. Roh then pressed Chun to make a national broadcast in which he apologized for the "shameful deeds" during his rule.<sup>114</sup>

Second, the chaebol elite now wasted no time in entering the newly democratized legislative arena to capture politicians and shape state policy towards the interest of their conglomerates.<sup>115</sup> Chun had taken office on pledges to reel in the spiraling power of the chaebol by further cutting state favors and using legislation to control their investments, break up their monopolies, and reduce their subsidiary holdings, an agenda which drew great resistance from the chaebol and met with little success. The Federation of Korean Industries (FKI) announced a “declaration of independence” to solidify the autonomy of big business from the state and affirm that any attempt of the latter to control their investments and management decisions would be considered an attack on this autonomy.<sup>116</sup> Their lobbying activities were reinforced by the increase of chaebol interest representation in the National Assembly as politicians, now facing higher campaign costs in a more competitive electoral system, became dependent on the chaebol’s provision of political funds. In addition, increasing public relations activities began “to publicize the contributions which business had made to Korean society through their role in economic development” in order to strengthen their social acceptance and ideological hegemony.<sup>117</sup>

As democratization proceeded, any attempts at establishing new institutional nodes to include, or at least effectively channel, demands coming from the highly mobilized sectors of radical students and industrial workers were not forthcoming, a factor serving to reproduce this mobilization. Having lost control of the transition, Roh’s government had begun wielding light modes of targeted repression against student mobilization with the National Security Law, but continued taking a general, hands-off approach to the industrial unrest.<sup>118</sup> Despite minor revisions to the labor laws, workers continued to be excluded through prohibitions on multiple or competing unions, third-party intervention in labor disputes, and the establishment of political parties or support for existing parties.<sup>119</sup> As a consequence, the strike remained the only vehicle for labor demands, and severed to sustain high levels of industrial unrest throughout 1988 and 1989. Violent strikes and lockouts within the heavy industries hit big chaebol facilities such as Hyundai, Lucky Goldstar, Samsung, and Daewoo. Meeting up against strong resistance from management, larger facilities were often turned into battle zones as workers clashed with management-hired scabs and paramilitaries over extended periods.<sup>120</sup> While student groups had regained the independence of their organizations on campus, their demands continued to be excluded from the elite politics in the National Assembly. As a result, student mobilization also continued to remain high throughout

1988–1989 with numerous protest rallies, demonstrations, and dissident marches which often resulted in violent protest outcomes. In April 1989, for example, six riot police died in a fire set by students at the Dong University in Pusan after they charged the building to break up a large protest.<sup>121</sup> At a May Day rally in 1989, radical labor and dissident groups battled 20,000 riot police in downtown Seoul, leading to the arrest of 2,900 people.<sup>122</sup>

### ***Restabilization and Repression: Forging a Conservative Bloc***

To briefly recount the argument to this point, as Korean democratization proceeded, the Roh government and the DJP lost control of the transition as the opposition took control of the National Assembly and big business began to penetrate the democratic arena. In addition, the failure to erect formal channels capable of incorporating the demands of students and labor guaranteed their exclusion and continued mobilization. In an ironic twist of fate, however, it was these developments—the continuation of exclusion vis-à-vis labor and students, the increasing assertiveness of the chaebol, and the factional nature of Korea's political parties—which came together in ways that allowed for the reestablishment of a conservative basis which could guide the democratization process to outcomes more favorable to the former elite. By the end of 1989, as the discussion below traces, these pieces had fallen into place.

First, the wave of industrial unrest, which began with the Great Labor Uprising in July 1987 and continued at high levels throughout 1988 and 1989, had given great cause for concern to the big chaebol businesses. In 1988, 1,873 strikes involving 293,600 workers resulted in 5.4 million days lost per worker; in 1989 1,616 strikes involving 409,100 workers resulted in 6.3 million days lost per worker.<sup>123</sup> As a result of these collective actions, real wages in the manufacturing sector had risen 8.2% in 1987, 12.1% in 1988 and another 19% in 1989.<sup>124</sup> Both the government and chaebol associations had been highly publicizing the detrimental effects of rising wages and decreased production on Korean competitiveness, particularly as economic growth began to slow in 1989.<sup>125</sup> As Saxer suggests, this gave the chaebol and the state a “common interest in going on the offensive on labor matters,” as both began to sense frustration from the broader middle classes over the sustained industrial unrest.<sup>126</sup> On May 9, 1989, President Roh announced that the government, having “gone through a stage of self-restraint,” has now ordered “to use all Government and security force resources to crack down on radical

students, dissidents and striking workers who resort to violence,” accusing them of “plotting a leftist revolution.”<sup>127</sup>

Second, The increasing instability generated from the radical student mobilization, in addition to the ongoing labor unrest, not only served to raise anxiety among Korea’s broader middle-class groups, but also within quarters of the political opposition in the National Assembly, which increased its public appeals for moderation from these mobilized sectors. In doing so, the gap between the opposition in the official institutions and these mobilized groups on the streets only widened as the former became “targets of criticism among radicals,” who saw such political posturing as the “assimilation of the opposition into the ruling power structure,” as the spokesman for *Chunminryun*, a group representing militant workers and political dissidents, stated at the time.<sup>128</sup>

Thus, when Roh pulled opposition party leaders Kim Young-sam and Kim Jong-pil into secret negotiations in 1989, the three politicians were able to hammer out an agreement for a three-party merger to establish a firm majority dominance within the National Assembly. The result was a Japanese-style, conservative alliance dubbed the Democratic Liberal Party (DLP), with Roh’s DJP making up the largest party faction. Overseeing more than two-thirds of the National Assembly, the merger “reduced the willingness of the ruling party to compromise on reforms of the economic and political system with the remaining members of the opposition.”<sup>129</sup> With the new political realignment—glued together largely by Kim Young-sam’s presidential ambitions and chaebol support—the government now began an all out attack on industrial unrest and student dissidents in order to secure their further exclusion.<sup>130</sup> The government withdrew its *de facto* recognition of many new unions, stepped up its repression of strikes, and began arresting and jailing hundreds of militant, union leaders during the early 1990s.<sup>131</sup> As a result, strike activity fell from a total of 1,616 in 1989 to an annual average of 278 in 1990 and 1991.<sup>132</sup> In the months following the party merger, many student dissidents were swept back into jails under the National Security Law.<sup>133</sup> In April 1991 the violence of student protest and state repression reached a peak when riot police beat a student to death in Seoul, unleashing subsequent demonstrations that “besieged” Seoul and other cities, during which some ten persons committed suicide by self-immolation.<sup>134</sup>

The reactivation of state repression under the conservative alliance was undergirded with support from the boarder, conservative sectors of the middle classes, once again anxious in the face of instability. By May 1990, “the public showed scant

support for two recent strikes that fizzled, and . . . seems to have ignored the students' calls to protest." Many expressed that the "students . . . have merely succeeded . . . in angering Koreans even further," a mood that was not lost on dissident leaders, who already in May 1990 were forced to concede that "the Korean public seemed to distrust the demonstrators as much as they distrusted the Government."<sup>135</sup> This conservative stabilization could be seen in two rounds of local elections for newly created local assemblies in 1991, in which the DLP swept up two-thirds of the local assembly seats.<sup>136</sup> As one commentator remarked at the time, the elections "amply demonstrated that the opposition forces outside of the institutions failed to draw support from the general public and that the middle class clearly was yearning for stability and economic growth rather than social justice and equality."<sup>137</sup>

#### **7.4 Conclusion**

Forged within an environment of highly mobilized opposition groups, the DLP provided the main vehicle for the consolidation of the new democratic regime under the presidency of Kim Young-sam. Elected in 1992, Kim was the first civilian president since South Korea began its breakneck industrial development. By this time, Korea was a minimal, but established, political democracy. Its national political institutions were subject to competitive elections, the legislature had been strengthened vis-à-vis the previously unconstrained political executive, and the civil and political rights of citizens were generally more secure. During Kim's term in office (1993–1997), he took steps to secure military neutrality by undertaking an array of purges throughout the institutions of the armed forces, wiping out the last of the Hanahoe elite. He also oversaw, however reluctantly, the persecution of both Chun Doo-hwan and Roh Tae-woo for their involvement in the 1979 military coup, the Kwangju massacre in 1980, and their involvement in political corruption with business interests throughout their terms in office—Kim later pardoned both.

Having democratized the national political bodies and the electoral regime, however, old routines were hard to break. Kim, like his predecessor, tended to mobilize the National Security Law against dissident sectors, particularly students and labor, thereby keeping the more radical of the progressive groups out of the political process and holding together the conservative alliance tying together big business and conservative political elites. "Fears among the political elite of a strong labor-based

political party,” Saxer argues, meant that political forces in the National Assembly and state continued to reject “calls to allow a greater political role for labor.”<sup>138</sup> It is notable that the US central intelligence agency, so obsessed with monitoring the United States’ Cold War client since the time US troops had arrived in 1945, came to a prognosis shortly before Park Chung-hee’s death that was considerably close to what the DLP achieved in 1990: “When businessmen, professionals, and other individual members of the Korean middle-class do become more politicized, it is likely that they will favor a basically conservative party.”<sup>139</sup>

This chapter has shown why and how this outcome came to be. The institutional relations patterned by the developmental state vis-à-vis potentially disruptive social groups were geared towards exclusion and repression, which came to establish stable routines on both sides. Within this structure, disaffected social groups reacted with mobilized opposition against the structures and activities of the state, prompting regime elites, who regularly lacked institutional channels for the successful inclusion and co-optation of these groups, towards further attempts at exclusion and repression. This, in turn, set loose a continued process of radicalization among these groups, strengthening their determination to mobilize collective opposition against the developmental state and the reactionary, authoritarian regime running it—a clear path dependent reactive sequence which greatly structured the mode and substance of political change during the course of rapid development. Within South Korea’s international, geopolitical and economic structural context, stability, more often than not, triumphed radical changes to the structure and substance of the political regime, allowing for a pattern of regime transitions that could either rely on sheer coercion alone, as in 1979–1980, or, in the absence of this option, such as was the case in 1987, pursue a strategy of exclusive bargaining to create an enlarged conservative block structured around thin nodes of inclusion in order to buttress the continued exclusion of those radicalized groups.

## Chapter 8

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### Taiwan: Pragmatic Political Change

The process of political change in Taiwan entailed quite different dynamics from those in Korea. Under the one-party state, the initiation of political change clearly came from above and progressed in slow, lengthy phases of reform which was tightly controlled by the KMT party-state. Moves were taken by Chiang Ching-kuo to decompress aspects of the one-party state beginning in the 1970s by increasing channels for the inclusion of new social forces, both within the party organizations and within the electoral institutions outside the party. As argued below, these moves can be seen as a pragmatic response to deal with the Republic of China's [ROC] worsening international situation as much as they can be said to have aimed at satisfying increased pressure for participation coming from below. Chiang's drawn-out reform course eventually led to the lifting of martial law and the initiation of political liberalization beginning in 1987, a process which was overseen by his successor, Lee Teng-hui. Lee, in turn, furthered Taiwan's process of political change with a full-blown democratization of the national political regime beginning in 1990.

In contrast to the case of Korea, where the authoritarian elites in 1987 were pushed into a reform process in the wake of highly mobilized oppositional challenges, the processes of both political liberalization and democratization on Taiwan, in spite of high levels of collective political and social mobilization, was clearly initiated and tightly managed from above by the KMT. Where oppositional mobilization in South Korea was often extremely confrontational and took place outside formal political institutions, however, the mobilization of oppositional challenges in Taiwan tended to be channeled into the electoral arena, where the KMT party organizations had high capacity to command and co-opt potential challengers. Thus, where mobilized pressures from below were comparatively high, the ability of the KMT to better channel contestation into institutional arenas it could control, made the use of repression to maintain social

and political stability much less needed. These dynamics gave the KMT a high capacity to maintain its dominance throughout the process of political change.

The following chapter traces the processes of political liberalization and democratization in Taiwan from the mid-1980s until the last pieces of formal political democracy were finally instituted in the mid-1990s. Staying within the analytic framework laid out in the introduction to Part III, attention is paid to the interaction between the activation of mobilized oppositional challenges, on the one hand, and the capacity of KMT party-state organizations to control, repress, and co-opt existing or potential opposition, on the other hand. As a prelude to the analysis, however, I first take a deeper look into the question of why the KMT decided to initiate a top-down program of gradual political change in the first place.

### **8.1 International Setbacks and Decompression of the Party-State**

The Republic of China (ROC) on Taiwan held territorial and representative claims over all of China. As the dust of the nationalists' civil war with the communists settled and the People's Republic of China (PRC) began transitioning out of Mao's Great Leap Forward, the KMT's fight for the ROC's nation-state claims within the international state system became increasingly more difficult. By the early 1970s, the ROC had become greatly isolated within the international system, as numerous countries shifted their recognition to the PRC. Throughout the decade, this process only accelerated with shifts in Cold War power balances and US maneuvering in Asia. The expulsion of the ROC from the United Nations in 1971, and the recognition of the PRC as the sole representative of China, was followed by US President Richard Nixon's moves to begin normalizing relations with the PRC the following year. The continued withdraws of bilateral recognition among Western countries then accelerated the ROC's international isolation. The effect of these developments was to cut into the basis of KMT legitimacy, not only on the outside, but also on the domestic front. This was due mainly to the fact that the nationalist party-state had constructed its harsh martial-law rule on Taiwan based on its all-China territorial and representative claims, the latter having been built into the political structure with the elected Mainland representatives of 1948 in the national legislative assemblies.<sup>1</sup>

Scholars are in agreement that Chiang Ching-kuo, who by 1973 was effectively running Taiwan in consultation with his father until the latter passed in 1975, responded to these developments with a pragmatic policy of domestic political reform aimed at

decompressing the political regime rather than deepening the KMT's authoritarian control.<sup>2</sup> Chiang began undertaking reforms to deal with the new international environment and the domestic legitimacy problems it seemed to cause the ROC. One of these programs, as previously discussed, was the initiative for the Taiwanization of the party-state, aimed at bringing in more Taiwanese natives into the peripheries of the state and party institutions.

In 1972 the state appointed Taiwanese Hsieh Tung-min as provincial governor, a post previously held by Mainlander generals. In 1973 the KMT's new general secretary, the relatively liberal Li Huan, began recruiting and promoting Taiwanese as well as younger Mainlanders while encouraging many older party leaders to retire. About half of the sixty students Li selected for a training course for high-level cadres, for example, were Taiwanese. By 1981 Taiwanese made up one-third of the membership of the KMT Central Standing Committee, and by 1985, all officials at the city and county level were Taiwanese, as were 75 percent of those at the provincial level.<sup>3</sup>

The program not only began Taiwanizing the party, but the additional structural changes to the party organization allowed Chiang to consolidate his power over the party and state.<sup>4</sup> Chiang also undertook a program to decompress the electoral arena, aimed at alleviating pressures coming from younger KMT members at the lower levels of the party as well as those formerly co-opted KMT factional leaders seeking increased electoral participation outside the party.<sup>5</sup> Thus, beginning in the early 1970s the number of seats open to election in the national legislative bodies was increased, and the electoral offices at the lower-levels of government was also opened up to younger KMT members and independents.

When US President Jimmy Carter officially normalized relations with the PRC in 1979, thereby recognizing communist China as the *de jure*, sovereign government of China, these domestic political developments were accelerated. While the US-PRC normalization created a massive rally-round-the-flag mobilization in support of the one-party state, it also brought into stark relief that the KMT-state's major claim to legitimacy could no longer overshadow its structuring of state-society relations on Taiwan and serve as an excuse for the authoritarian excesses of the KMT in its fight against 'renegade Communists' on the Mainland. As the Taipei Office of the American Institute in Taiwan wrote to Washington shortly after the US-PRC normalization: "The Mainlanders in particular felt normalization undermined their protection from the PRC and left them more vulnerable to Taiwanese pressures." Some Taiwanese saw normalization favorably in that it served to further undermine "the justification which the KMT . . . use for maintaining Mainlander control in the party and government."<sup>6</sup> Hitting at a time when mobilized oppositional challenges were becoming activated with the

formation of the Tangwai and pockets of activist dissidence around this group—however non-threatening to the political and security machinery of the KMT this development actually was—the US normalization effectively “altered the climate for political development,” as sources in the US Taipei office concluded in September:

[Chiang] is well aware of . . . an increased desire for political liberalization, and he clearly wishes to move in that direction. He is equally aware of the perils of liberalizing too rapidly and thereby losing control. He wishes to augment political dialogue without ceding any actual political power, a compromise solution which he hopes will be sufficient for the foreseeable future. He will also favor an increase in the participation of the Taiwanese in the relatively powerless legislative branch and in the executive branch.<sup>7</sup>

Chiang Ching-kuo, now at the apex of the power structure of the party-state, pushed further pragmatic reforms to reorient the regime’s relations with society. Continuing with the Taiwanization policy, he also sought to rejuvenate the party-state by increasingly incorporating younger technocrats from outside the party into key administrative positions.<sup>8</sup> Outside the party, however, the limits of the new political environment Chiang was opening to the Tangwai political opposition were being tested as the latter ran up against the state’s coercive power during the Kaohsiung incident in late-1979. In the aftermath of this incident, the structural constraints on oppositional political contestation were clearly demarcated: oppositional tactics of street protests and voicing demands contradictory to the KMT’s One-China policy and anti-communism would not be tolerated. Political contestation could take place through the channels provided by the government and under the conditions it set. The KMT would continue to open up the political realm to Taiwanese through party recruitment and bureaucratic appointments, and allow non-KMT candidates to compete for office in the electoral arena, but only on condition that the core principles of the ROC—anti-communism and Taiwan’s inseparability from China—would not be challenged.<sup>9</sup>

In sum, the decompression of the KMT regime involved a pragmatic strategy from above to slowly expand some freedoms while constraining others through the selective granting of concessions and accommodation, backed by the use of pointed repression when needed.<sup>10</sup> In doing so, the KMT was able to co-opt the moderate Tangwai mainstream—the group committed to working for reform within the system—into institutional channels overseen and controlled by the party-state, while splitting these Tangwai factions from the more radical groups seeking to challenge the authoritarian state outside these channels. Within the party, the increased inclusion of younger party members within electoral contests gave the KMT a means of co-optation by providing these new social forces opportunities for greater participation, less they exit

the party and choose another route.<sup>11</sup> Backing this structural environment, of course, was the continued ban on political parties and newspapers, the copious and watchful state security agencies, the organizational capacity of the KMT electoral apparatus, and the frozen national legislative bodies that were insulated from full electoral challenges. As the KMT party apparatus was refined into an increasingly well-oiled, electoral vehicle—at a time when competitive elections could influence, but not overturn, the KMT political monopoly—the government began relying more on measures of co-optation and less on repression in order to reproduce its political dominance.

### ***Towards Political Liberalization***

By the mid 1980s, the decompression of the political arena instigated by the Chiang government had noticeably changed the political and civic arenas. As a western correspondent noted in 1984, there had been an “easing of censorship, especially of opposition magazines, which now regularly carry spirited criticism of the ruling Kuomintang . . . and its leaders.” Political jailings appeared to have “stopped in recent years,” and moderate oppositional activists remarked on the “increasing freedom of the press” and the great reduction in “political repression” as the number of political prisoners, thought to be under 200, had been dwindling over the last few years.<sup>12</sup> Within this more open political environment, the informal Tangwai opposition was permitted to contest open electoral races, as KMT government spokesman James C.Y. Soong explained: the party had “gotten to the point of recognizing loyal [but not formally legal] opposition,” while making the limits of toleration clear—“We will gradually take a more and more liberal stance, if they [the opposition] don’t rock the boat.”<sup>13</sup>

It was within this environment that Chiang Ching-kuo began a wide-reaching program of political liberalization. In April 1986, he appointed an extra-parliamentary committee consisting of twelve KMT Central Standing Committee members to find ways to end martial law, legalize new political parties, and reform the national legislative organs while furthering the Taiwanization of these bodies.<sup>14</sup> The following month Chiang organized a forum of KMT officials, Tangwai leaders, and four university professors as mediators to find consensus on the political reforms.<sup>15</sup> The groups came to a first agreement to extend liberalization measures by allowing the Tangwai to set up branch offices of its newly organized Tangwai Research Association for Public Policy—which was to act as an electoral campaign coordinating organization—on condition that

the Tangwai organize and act in accordance with the constitution and work towards political harmony. During a second round of negotiations, however, the talks broke down as each side charged the other with undermining the first agreement.<sup>16</sup> With elections approaching at the end of the year, the Tangwai politicians and their supporters assembled at the end of September and established the Democratic Progressive Party (DPP) in defiance of martial law regulations prohibiting political parties.<sup>17</sup> Announcement of the party's formation aggravated inner-party splits between Chiang and KMT party hardliners, the latter who called for the immediate arrest of the DPP organizers. Holding this group in check, Chiang took a more pragmatic course and pressed the Central Standing Committee to deal with the issue through reforms. Days later, on October 15, the Central Standing Committee announced a plan to lift martial law and revise the law on civic organizations to allow for the legal formation of political parties and independent associations, thereby clearing the way for the DPP to legally organize for upcoming elections. This action effectively began the first phase of political liberalization in Taiwan's political transition.

Oppositional Tangwai circles unsurprisingly attribute Chiang's decision to lift martial law and begin a process of political liberalization, "first and foremost . . . , to the persistent efforts of the Taiwanese democratic opposition, which had made the lifting of martial law a focal point in its policy."<sup>18</sup> As previously discussed, the extent of political mobilization in Taiwan had been rising since the late-1970s, mostly concentrated around the Tangwai politicians within the electoral realm, but also including issue-campaigns and publishing activities by activist groups and emerging social movements. This period of oppositional mobilization, Huang suggests, created "rising expectations of democratic reform within Taiwan [which] persuaded the KMT government to accelerate political liberalization and democratization."<sup>19</sup> Hsiao and Koo take this line of argument a step further by emphasizing the middle-class origins of the Tangwai groups—a classic move in mainstream modernization theory. They suggest that growing "middle class alienation and the [organized] social pressure for change eventually led to political liberalization in the late 1980s and the subsequent process of democratic transition."<sup>20</sup> However, while middle-class mobilization was increasingly activated from the late-1970s onwards, the KMT remained in a strong position to manage these developments with selective repression against street protests and publishing activities, while co-opting the moderate Tangwai sectors within the electoral arena, over which the party-state maintained strong control. Furthermore, the activities and rhetoric of the more activist oppositional groups

often served to spread anxiety among the population regarding political change as they hit up against the structural relation of stability and prosperity, to which Taiwan's growing middle-class groups held firm. Particularly potent were the calls for self-determination and Taiwanese independence that were strong in many activist Tangwai circles, but "not necessarily shared by the bulk of Taiwan's people," Roy suggests.

Most of the public preferred keeping martial law and cared less about seeking independence than about other matters such as crime, pollution, and the cost of living. Furthermore, most of the Taiwan public, including Taiwanese who had no particular affection for the KMT, disliked the Tangwai's use of tactics such as disrupting legislative sessions and encouraging street riots . . . created doubts about whether Tangwai leaders could be trusted with the responsibilities of important offices.<sup>21</sup>

The roots of Chiang Ching-kuo's political liberalization do not appear to lie in the immediate events of the mid-1980s, rather they should be seen as the continuation of his pragmatic reform policies beginning as a response to the declining international position of the ROC during the 1970s.<sup>22</sup> By the mid-1980s, less than two-dozen countries formally recognized the ROC, and Chiang certainly recognized that "martial law would not help in improving the island's already extreme political isolation."<sup>23</sup> Thus, political liberalization was also seen as a solution to improving the ROC's foreign relations.<sup>24</sup> Chiang is often quoted as having stated in October 1986 that the "time is changing, the environment is changing, the tide is changing, and therefore, the KMT has to change."<sup>25</sup> Certainly this changing time and tide he spoke of included both rising domestic social pressures for political reform and the ROC state's declining international strength. Yet, it should not be overlooked that the KMT party had been drastically changing since the 1970s as a result of Chiang's Taiwanization policies and party rejuvenation programs. By the mid-1980s, party co-optation and inclusion had created a much different KMT than the party of the old patriarchs who retreated from the Mainland with Chiang Kai-shek in the late-1940s. Its membership was younger, better educated, included more technocrats, and had become Taiwanized from the local branch levels up to the top level of the Central Standing Committee, the latter which was made up of one-third Taiwanese by 1981:

Kuomintang membership appealed to many Taiwanese, especially those with governmental jobs, as a means of enhancing their career prospects. With Taiwanese entering the KMT ranks in greater numbers, a heavy-handed crackdown on Taiwanese activists would carry the danger of tearing the party apart. Like the Taiwanese who joined the KMT, members of the party who were younger Mainlanders born in Taiwan (i.e., children of Mainlander parents) tended to be critical of the party's conservative leadership, favorable toward reforms, and willing to rethink some elements of the KMT's core agenda. Although they scorned the opposition, they often agreed with some of its proposals, such as a Legislative Yuan with its entire membership elected on Taiwan.<sup>26</sup>

In addition, the rejuvenated KMT party increasingly began taking on a more representative role vis-à-vis society, transforming itself from an ideologically driven elite obsessed with representing All-China, into a slick, electoral-machine, expert in probing and reacting to public opinion.<sup>27</sup> KMT Deputy Secretary General Chen Li-an enthusiastically explained to a Western reporter in 1984 “how his office had applied the tools of Western social science to poll the populace and find out what kind of candidates would win” elections. A slate including wealthy businessmen, Olympic runners, professors, and culturally prominent persons had been the successful picks in the supplementary elections to the national legislature in 1983, in which the KMT took 62 of the 71 seats up for election.<sup>28</sup> Clearly, the party’s effort in “assimilating the newly emerged socio-economic elite into the political system” was effective in co-opting much of the “politicizing effect of capitalist development.”<sup>29</sup>

In sum, these changes within the party and political sphere appear to be less the result of coerced submissions by Chiang and the KMT leadership to the political demands of a middle-class, *Tangwai* opposition, and more the continuation of pragmatic reform process initiated and controlled from above to improve the long-levity of the party and its political dominance on Taiwan. Strong party connections into broad sectors of society and effective control of the government and state apparatus put the KMT in a confident position to dominant competitive electoral politics within a liberalized environment, and control the process of political change as it progressed—particularly as power within highest level of national institutions continued to be sealed off to such challenges.<sup>30</sup> Indeed, when legislative elections were held in December 1986, the existence of an organized opposition under the DPP and *de-facto*, two-party competition did not bring about a massive voter defection from KMT. In fact, as Wu points out, the election “revealed no significant change in the voting pattern established in the late 1970s, with the KMT capturing roughly 70% of the vote and the opposition (now including the DPP and other *tangwai* groups) taking the rest.”<sup>31</sup>

## **8.2 Mobilization and Contestation in Post-Martial Law Taiwan, 1987–1989**

The KMT government officially lifted martial law on July 14, 1987. With it, bans on street demonstrations were removed, press censorship was transferred from the Taiwan Garrison Command to the civilian administration at the Government Information Office, roughly two-dozen political prisoners were released from sentences, and the government

expressed its commitment to work out a new civic organizations law and other reforms to continue loosening controls within the political and civic arenas. To fill in security gaps left in the absence of martial law a new National Security Law was hammered out by the government, which prohibited political parties and civic organizations from advocating communism or Taiwan independence—violators, however, would now be tried in civilian courts and released from detention more quickly. Additional reforms came, as promised, over the next year as publication and media bans were lifted and the use of state censors and security controls were relaxed. By 1989, the government had finally finished the new law on civic organizations, which gave a formal legal basis to an array of new civic organizations and political parties that had been created and mobilized upon political liberalization. What follows is a look into the dynamics of heightened social and political mobilization set loose by political liberalization and the capacities of the KMT-state institutions and organizations to manage these developments without losing its dominance over the process.

### ***Heightened Social and Political Mobilization***

The steps taken to liberalize the civic sphere between 1987 and 1989 provided a favorable political opportunity for the collective organization and mobilization of diverse groups, interests, and demands throughout Taiwan. As Katsiaficas writes, “a veritable political renaissance” materialized out of this opportunity during this time.<sup>32</sup> Numerous social movement organizations emerged around issues of the environment, aborigine rights, women’s rights, human rights, political prisoners, and labor rights; an upsurge in publishing activities proliferated among new newspapers, books, journals and magazines, and an array of political parties immediately formed and registered with the authorities. With that, groups began organizing hundreds of protests to voice their demands on education, veterans’ affairs, political victims, political reforms, agricultural policy and labor policy and the likes.<sup>33</sup>

The civic activity of this period is best captured by O’Donnell and Schmitter’s concept of a ‘resurrected civil society,’ understood as a “generalized mobilization” following the opening of an authoritarian regime. This phenomenon may

involve the resurgence of previous political parties or the formation of new ones to press for more explicit democratization . . . ; the sudden appearance of books and magazines on themes long suppressed by censorship; the conversion of older institutions, such as trade unions, professional associations, and universities, from agents of governmental control into instruments for the expression of interests, ideals and rage against the

regime; the emergence of grass-roots organizations articulating demands long repressed or ignored by authoritarian rule; the expression of ethical concerns by religious and spiritual groups previously noted for their prudent accommodation to the authorities; and so forth.<sup>34</sup>

A few instances from post-martial law Taiwan may serve to give some contours to the larger process taking place. One month after martial law was lifted, teachers organized the Taiwanese Teachers' Human Rights Association to demand legalization of their union and educational reforms. The environmental movement staged a large demonstration protesting water pollution in October 1988, with roughly 20,000 participants. In 1988 a Democratic Student Alliance was formed and mobilized roughly 2,000 students in a protest-march on the Department of Education in 1989. The aboriginal community staged a large demonstration for minority rights in Taipei in January 1987 and took to organizing the Alliance of Taiwan Aborigines a year later to demand regional autonomy. In December 1987 about 3,000 farmers rallied in front of the legislature Yuan protesting trade policy—days later peanut farmers jointed in. Even demonstrations protesting higher transaction costs on the stock market could be seen in the civic activation that appeared during this period.<sup>35</sup>

Anti-government protests became a regular sight as politicians and members of the Democratic Progressive Party and other groups of political activists mobilized to press demands for further political change. These groups organized large street rallies, protest marches and mass demonstrations drawing tens of thousands of participants on numerous occasions. Political protest groups took aim at the national political institutions still dominated by the frozen Mainlander representatives, demanding these organs be cleared out and fully re-elected through democratic elections. They protested against the new National Security Law, demanded the repeal of the National Mobilization to Suppress the Communist Rebellion—still providing the executive with emergency decree power--and regularly organized campaigns to pressure for the release of political prisoners.<sup>36</sup>

On the industrial front, labor protest and collective action increased as groups of workers mobilized to press wage demands and establish autonomous unions, or penetrate the existing Chinese Federation of Labor (CFL) unions, at the work places. Although the ban on labor strikes was abrogated with the lifting of martial law, tight administrative regulations continued to keep the possibilities of strike action limited.<sup>37</sup> Nevertheless, between February 1988 and May 1989 a total of 88 work stoppages took place throughout the country, roughly half of them organized by independent union organizers. Several larger actions during this period laid city bus systems and large parts of the

railways lame for several days in February and again in May 1988 and also shut down work in the larger oil and chemical industrial plants the following year.<sup>38</sup> Unionization drives succeeded in creating hundreds of new independent unions and several federations by 1990.<sup>39</sup> The number of workdays lost to strike actions escalated during 1988 and reached a high point of 15,672 in 1989 before these intermittent actions ran out of steam.<sup>40</sup> The thrust of labor mobilization, however, could be found in a sharp rise of disputes regarding issues of wages and bonuses, registered against employers through the state's administrative procedures, which rose 20% during this time with the number of workers involved rising four-fold.<sup>41</sup> Compared to the labor mobilization that took place in Korea following political liberalization, however, worker protest in Taiwan was extremely more moderate.

As new demands and increasing protest spilled into the public arena throughout the period of liberalization, Hsaio and Ho argue, "social movements began to embrace wider sectors [of society], even among those who were thought to be too 'conservative' or 'traditional' to join the bandwagon of social protests, such as farmers, the Hakka ethnic group, schoolteachers, and the urban lower middle class."<sup>42</sup> Connections between protest and social movement campaigns and DPP political elites and activists had come together to forge a loose alliance of political opposition, upon which the DPP sought to gain influence within the electorate to further penetrate the political institutions to challenge the KMT.<sup>43</sup>

In sum, as political liberalization greatly lowered the costs of collective mobilization and demand-making during this immediate post-martial law period, it provided a clear political opportunity for the emergence of this rising social and political activity. Comparing this period to the upsurge in collective mobilization and dissident protest activity during Korea's transition to democracy, however, it was of quite a different nature. While high levels of oppositional mobilization appeared in Taiwan, it was extremely more controlled than that which took place in Korea. Mobilized groups could raise issues, press political demands, and seek to mobilize parts of the public against the KMT through demonstrations and protest actions, but, in contrast to Korea, these groups were in no structural position to force the hand of the KMT. The high levels of mobilized rallies and demonstrations could push and prod the government, but they could not pressure it into sudden reforms such as the June 1987 mobilizations in Korea had done to the Chun government. At the same time, neither did the upsurge in mobilization result in a repressive crackdown by the KMT. Having pragmatically opened

up the system to associational activity, the party-state possessed the institutional capacity to control and channel the numerous demands being mobilized by various groups during this time.

First, the limits of dissent, the substance of issues and demands, as well as the repertoires of mobilization remained constrained. The new National Security Law worked with the Publications Law and the Statute for the Punishment of the Communist Rebellion to restrict the practice of assembly and association in order to keep issues within the boundaries desired by the KMT—no advocacy or support of Communism or the division of China, and no activities aimed at undermining the public order.<sup>44</sup> This allowed party and state authorities to keep the mobilization within its chosen boundaries by selectively targeting leaders and organizers when needed. On several occasions throughout the period, administrators at the Government Information Office and agents in the security organizations moved against newly formed publications and associations found advocating the issue of Taiwanese independence.<sup>45</sup> In addition, demonstrations and protest rallies that crossed the line of orderly assembly—and rarely did protests become violent—were quickly put to an end by police and the organizers were quickly brought before the courts and meted out prison sentences. In June 1987, for example, a DPP-sponsored protest rally against the National Security Law drew thousands of participants to a gathering in front of the Legislative Yuan. When riots broke out with a counter-demonstration organized by the Anti-Communist Patriotic Front, the organizers were quickly rounded up and convicted for disrupting public order.<sup>46</sup> When the Yunlin Farmers' Association (FA) organized a large protest with DPP members, human rights activists, and students against agricultural market liberalization in May 1988, riots left over 200 people injured. Police rounded up over 100 protestors and indicted a group of key organizers with premeditated violence and civil unrest, to which harsh sentences were then dealt out by the courts.<sup>47</sup> Labor activists protesting industrial issues were dealt with in the same way when acceptable limits were crossed, certainly helping keep labor unrest to a minimum.<sup>48</sup>

Second, the KMT-government pursued throughout this period a pragmatic policy of actively including numerous sectoral demands being voiced during this period into administrative channels. In doing so it was able to co-opt various issues, if not the organization themselves, into the institutional establishment and gain control over the substance and direction of these agendas. Throughout this period, for example, the government established the Environmental Protection Administration, the Council of

Labor Affairs, and a Mountain-area Administration Section under the Ministry of the Interior. While these moves were certainly an effort to “meet the challenges of environmental, workers’ and aborigine movements,” like Hsiao and Ho<sup>49</sup> suggest, they also, more importantly, raised the government’s capacity to exercise administrative control over these issues and quite often defuse autonomous, collective mobilization around these demands. This was clearly the case among the growing student activist groups that were mobilizing throughout the campuses on issues of university law reform. When the Department of Education took up the issue and began a reform initiative, Wright suggests, “students were able to play only a passive role in the . . . process,” thereby making their protest actions “increasingly unsatisfying” and causing the movement to fizzle out.<sup>50</sup> Labor mobilization during this period was also a clear case of the government’s capacity to co-opt demands and thereby diffuse unwanted organizing among autonomous, collective groups. By creating the Council of Labor Affairs in 1987 and charging it with the administration of labor law, dispute resolution, and social welfare administration, it became the main institution through which workers channeled their grievances and demands, keeping them away from other, more disruptive channels such as the strike.<sup>51</sup>

Again, it was within this liberalizing environment that the beginning of real political competition in Taiwan began taking place. In December 1989, elections were held across all levels of government: municipal executives and city councils in Taipei and Kaohsiung, the Provincial Assembly and supplementary seats to the Legislative Yuan. Numerous parties entered the race but the competition was between the KMT and the DPP, the latter focusing its campaign around demands for further democratic political reform. As Rigger writes, “the 1989 elections presented the ruling party with the most competitive situation it had ever faced.”<sup>52</sup> With voter turn-out rates of 75%, the KMT swept up 53% in the municipal elections and took 14 of the 21 municipal executive offices; it won 72 of the 101 Legislative Yuan seats up for grab; and the party dominated the Provincial Assembly, taking 70% of seats with 62% of the vote. While the KMT greatly outpolled the DPP, its share of the vote did drop from previous levels while the vote share of the DPP vote increased from 25% to 30%.<sup>53</sup> However, the electorate did not choose the option for mass defection from the KMT that the elections offered.

The KMT’s electoral dominance at this juncture of heightened social and political mobilization was a clear expression of its control over the process of political liberalization. However, its strong position was not necessarily a default carry-over from

earlier times. Active organizational changes had been taking place in both the party organizations and state institutions during this period, which greatly improved the KMT's capacity to channel and co-opt the upsurge in newly activated and mobilized social forces. A look at these changes is therefore in order.

***Party–State Institutions: Cohesion and Capacity***

Following Chiang Ching-kuo's death in January 1988, his vice president, Lee Teng-hui, succeeded to the presidency to finish out his term in office. Lee was a native Taiwanese, KMT elite who had worked his way up through the civil service and party ranks, serving as Taipei Mayor, Provincial Governor, and from 1984 onwards, Chiang's vice president. Lee was committed to the liberalization course that began under Chiang and continued to push further reforms during the period following the end of martial law.<sup>54</sup> As he stepped into the presidency, however, he was confronted with a group of KMT hardliners in the upper-levels of the party, who had increasingly become separated from the younger technocrats Chiang had pulled into the party-state during the 1980s. This hardliner group consisted of older Mainlander Chinese still committed to the most nationalist aspects of KMT rule, such as the One-China policy, and had watched warily the political liberalization that Chiang had set into motion, remaining generally apposed to further reforms. Lee, on the other hand, was committed to continuing the process of political reform to further open up the system. To do this, he had to counter the hardliners.

Lacking the extent of loyalty and control over the military, party, and government that his predecessor enjoyed, Lee moved quickly after his appointment to secure a support base and establish his power within the party and the cabinet. He began by mobilizing support from the younger, reform-minded members of the KMT, with which he counter the attempts of KMT hardliners to establish a form of collective party-leadership and secure support for his election to party chairman in July 1988.<sup>55</sup> In order to mobilize a longer-term support base for his reform program, Lee then began bringing in "numerous politicians and businessmen of Taiwanese origin into both the party and the state."<sup>56</sup> Placing them into upper-level positions, he promoted 31 new members into the Central Committee and reshuffled almost the entire cabinet to establish a faction of support in these organizations.<sup>57</sup> Unlike Chiang, Lee had close contacts with the private, Taiwanese business community, and he made the incorporation of *guanxiqiye* business elites, as well as the business interests of the local factions, a main pillar of his push to

reform the party and the state.<sup>58</sup> As a consequence, the earlier, selective co-optation of business interests practiced by the KMT since the early 1980s now shifted to the full-blown incorporation of this sector into the political mainstream.<sup>59</sup>

Having secured a support base during these first years, Lee now had a loyal and cohesive faction within the government and party. Not only did these individuals share his ideas of reform and commitment to political liberalization, but also greatly reflected Lee's "own class/educational background," as Rubinstein points out.<sup>60</sup> While taking steps towards further political liberalization, Lee also maneuvered to keep the party's hardliner faction in check much like his predecessor had done. He pushed political opening with the support of his new KMT faction, while responding firmly to those oppositional activities that overstepped the tolerance of hardliners—meeting these situations with targeted arrests and jailing of oppositional activist while averting the use of repressive actions across-the-board.<sup>61</sup>

Using his alliance with reformist party members now holding a majority in the Central Standing Committee, Lee initiated a program of party reforms aimed at rejuvenating and strengthening the party's organizational capacity to mobilize its electoral machines and win elections. In attempt to better incorporate new social forces into the party and shore up its electorate, the party's organizational structure and nomination rules were reformed. As Wu explains, the corporatist-style, functional departments, which had previously transmitted party positions downward into the organized social groups, were merged into one "simple, election-oriented branch" geared towards mobilizing and transmitting the interests of social groups upward to the party leadership. The party's electoral apparatus now consisted mainly of "input organizations," taking a "bottom-up approach" to electoral engineering.<sup>62</sup> This move was combined with a reform of the nomination procedure to include a round of primary elections for the selection and nomination of KMT electoral candidates. As Rigger suggests, not only could this new structure meet demands at the lower-levels for more democratic party reform in order to accommodate increasingly plural interests, but it was also hoped that the system of primary elections would strengthen party unity for the better coordination of KMT electoral campaigns. The strategy was to increase the connections between the local factions and the party center in order to increase the party's supervision of the former. The local factions would now have to join the party in order to win KMT nomination, allowing for their incorporation and thereby giving the party more control in directing them.<sup>63</sup>

To understand the high capacity of the KMT's structure for electoral mobilization, the party's relations with local factions are only part of the equation. The other factor, as previously discussed, was the existence of large, state-corporatist organizations overseen by the party-state, which provided a large number of votes for the party to mobilize. However, it was only within Taiwan's unique electoral system that these two structures came together.<sup>64</sup> Taiwan inherited an electoral system from Japan that was organized along the single non-transferable vote within multi-member districts (SVMM)—the district magnitude of each constituency reflecting its population. Because successful candidates in the SVMM system only need a small share of the vote, a high level of electoral campaign coordination was essential in order to maximize the number of seats won. By distributing votes evenly across all district candidates and avoiding a situation where one or more candidates receive more votes than needed, the number of seats won will be maximized.<sup>65</sup> Rigger has written extensively on the positive effects of this system for political organization and voter choices that greatly favored the KMT in Taiwan, the two most important aspects of which are discussed below.<sup>66</sup>

First, the SVMM system provided large seat bonuses to those larger parties with organizations capable of coordinating blocks of votes for each of its nominated candidates in ways which can allocate the shares across candidates in an equal manner so as to secure the successful election of all. As Rigger explains, in order to maximize its share of the vote, the KMT regularly used strategies of “dividing the vote” and tasking each candidate with “responsibility zone” to mobilize.<sup>67</sup> Dividing the vote refers to the process where potential KMT candidates and party leaders would meet with local faction leaders before the nomination process to estimate the number of votes the party could capture within a particular district, whereupon the party would nominate only as many candidates as it could get elected on the basis of the estimates. Responsibility zones within the electoral district were then assigned to the candidate with the best connections to those voters—either geographically or through the functional state-corporatist organizations—which could generate just enough votes for election, while avoiding the mobilization of too many votes for one candidate.

Second, as the SVMM system did not require large amounts of votes for a candidate to win, patterns of clientelism between candidates and the electorate came to dominate voter choices rather than issue-based voting. This type of mobilization, therefore, was well suited for the KMT party machines built around its relations with the local factions, whereby the large amount of resources controlled by the party gave it a

high capacity to reward the local KMT factions. And because the SVMM system generated several winners in each district, the party was able to reward several factions in each constituency to secure its majorities. As elections became increasingly competitive following political liberalization, so too did the number of factional KMT candidates increase—by 1990, roughly 60% of KMT nominees were linked to factions.<sup>68</sup>

In sum, Lee Teng-hui's reform of the party's electoral apparatus and his increasing inclusion of business and factional candidates greatly improved the capacity of the KMT to coordinate candidates and mobilize votes during elections at the time political liberalization was increasing party competition. In addition to deepening KMT connections with the local factions, the party-state's continuing hold over the large, state-corporatist organizations—such as the Farmers' Associations, veteran's associations, and even its CFL unions—and the sector of state employees spread throughout the SOEs and public bureaucracy, could be mobilized to allocate votes across KMT candidates in order to exploit the SVMM system and dominate elections. Consequently, in light of the 1989 elections, Rigger points out, political liberalization “had not changed the behavior of most Taiwanese.” The voting patterns during 1989 clearly reflected the extent to which sectors of the electorate were “integrated into the KMT party-state and its mobilizational networks.”<sup>69</sup> Thus, within Taiwan's SVMM electoral system, the legacy of the KMT's state-corporatist structures and local, factional political machines combined with the party's increasingly professionalized electoral engineering to reproduce KMT political hegemony. This institutional configuration would prove essential to Lee's mainstream KMT faction in controlling the pace and substance of democratization after 1990.

### **8.3 Transition to Democracy**

The 1989 elections signify the culmination of the phase of political liberalization ushered in by Chiang Ching-kuo in 1986 and furthered under Lee Teng-hui. While liberalization had brought vast changes in the civic and electoral field, numerous institutional impediments to further democratic political reform continued to remain intact. The national legislative institutions were still dominated by the frozen Mainlanders elected in 1947 and the Period of Mobilization for the Suppression of the Communist Rebellion, the temporary provisions granting wide-reaching executive decree power, remained on the books, which kept the national representative institutions from functioning as proper political channels and controls. Furthermore, the security apparatus had been tamed, but the Taiwan Garrison Command still held formidable powers. Lee and his KMT

mainstream, however, were committed to further democratizing reforms, a position only reinforced by the pressures stemming from continued mobilization from below, now greatly focused on democratizing the national political bodies. Faced with the ongoing task of allaying fears among KMT hardliners and countering inner-party challenges, the new faction of younger technocrats and business interests brought together under Lee's leadership proved essential to pushing forward political change.

On March 16, 1990, Taiwan's student groups had come together in a large protest in central Taipei's Chiang Kai-shek Memorial Square, pressing demands for broader and quicker political reforms towards democracy. They called for the dissolution of the National Assembly and removal of all Mainlander representatives within the Legislative Yuan, an end to the Period of Mobilization for the Suppression of the Communist Rebellion, the direct election of the president, and a timetable for democratization. In the subsequent days, thousands of students arrived at the demonstrations from around the country and many local Taipei residents also joined in the protest.<sup>70</sup> Reports put the numbers of participants on various days from 5,000 to over 10,000. When the DPP organized a demonstration across the street from the park on March 19, the day of Lee's election to president by the National Assembly, the number of demonstrators, including the numerous 'onlookers,' swelled to somewhere between 10,000 according to Taipei police reports and 20,000 according to news reports.<sup>71</sup> Hours after his successful election, Lee announced that he would terminate the period of communist rebellion and, therewith, the temporary provision of executive decree power it justified, and establish an inclusive political forum to deal with constitutional reform and ROC policy towards the PRC. That evening he invited a group of 50 student demonstrators to the presidential palace to hear and discuss their political demands, with the result that he "appeared to agree to their demands, students said" after the meeting.<sup>72</sup> Indeed, the demands pressed by the students were not so far from the reform course Lee was already on. Thereafter, he moved quickly to establish a way forward for further reforms.

Unlike the thin coalition put together by Roh Tae-woo to negotiate the democratic transition in Korea, the political forum Lee assembled to negotiation on constitutional reform for the democratization of the national political institutions was widely inclusive. The National Affairs Conference, which met from the end of June to early July 1990, included 150 members from the KMT, opposition parties, students, formerly jailed dissidents, business men, and professors, a "diverse group . . . that demonstrated how wide a net Lee and his regime wanted to cast."<sup>73</sup> Specifically forging

an extra-parliamentary form for negotiations, they were taken out of the National Assembly where many hardliners would have been a hindrance to negotiations.<sup>74</sup> The working groups reached agreement on an array of issues for constitutional reform, including the clearing out all frozen, KMT Mainlander representatives from the legislative bodies and new democratic elections to refill their seats, the popular election of the president, all governorships and mayoral positions, as well as the ending of the emergency decree powers provided to the executive.

With the broad agreements made at the National Affairs Conference, the phase of democratization effectively began. The process proceeded through a series of constitutional reforms between 1990 and 1994, each round preparing the basis for the next, which increasingly restructured the national institutions of the state and government on a democratic basis. The process began in June 1990, when the Council of Grand Justices passed a ruling that all frozen Mainlander representatives in the National Assembly and Legislative Yuan must retire by the end of 1991. In April 1991, the existing National Assembly—responsible for amending the constitution—gathered to pass a constitutional amendment providing for its dissolution and new popular elections to refill all seats in both legislative chambers, with the total number of seats in both bodies being greatly reduced. That same month Lee's government had the Legislative Yuan end the Period of Mobilization for the Suppression of the Communist Rebellion, thereby dissolving the emergency executive powers and effectively putting the government and state representative institutions on a constitutional footing. This was followed by legislative changes to the National Security Law, no longer making the mere advocacy of communism or Taiwanese independence punishable crimes, an action which led to the release of remaining political prisoners and cleared the civic arena of the last remnants from martial law times.<sup>75</sup>

Following the first full popular election of the National Assembly in December 1991, the new institution used its power to amend the constitution in order to democratize the institutions of the national government step by step. Elections to the new Legislative Yuan took place in December 1992, followed by the disbanding of the Taiwan Garrison Command and the termination of the last media censorship controls. Constitutional amendments in 1992 reformed the Control Yuan and mandated the popular election of all governorships and mayorships beginning in 1993, with the direct election of the president and vice president to begin in 1996. By that year, the national

institutions had been effectively democratized and the first popular election of the president took place.

### ***Commanding the Transition***

The KMT entered the process of democratization in strong position. Lee had clearly maneuvered to consolidate his support group after taking over government and party chairmanship in 1987–1988, which then pushed the political reform process both within and outside the party. Since the plan for democratization called for a newly elected National Assembly to formulate and implement the constitutional reforms which would build on the political liberalization of the late-1980s by democratizing the national political institutions, whoever controlled the National Assembly would be in a position to control the substance and process of democratization. The KMT, with its formative organizational capacity, swept the 1991 National Assembly elections with 71% of the vote, winning 254 of the 325 seats and thereby securing a strong majority to oversee constitutional reform. In contrast, the DPP made a poor showing as its share of the vote dropped to 23.3%.<sup>76</sup> The 1991 National Assembly elections, of course, gave the KMT majority dominance within the National Assembly in working out the path towards further democratization when representatives convened in March 1992. James C.Y. Soong, a KMT political elite who acquired prominence during the 1980s, later interpreted the KMT's command of the 1991 elections as an indication "that the people entrusted the ruling party to guide the transition to full democracy."<sup>77</sup> Controlling constitutional design meant that the KMT could command decisions on the numerous issues intertwined with the ROC constitution, such as the national identity question and the issue of cross-strait relations, questions on the structure of government (whether presidential, parliamentary, or mixed), the relations of the national bodies to the provincial and local representative bodies, the power of the executive, and the structure of the electoral system.<sup>78</sup>

One reason that the DPP opposition had seen its electoral support decline from previous levels during the 1991 elections was the insistence of its more radical New Tide faction to force the issue of Taiwanese independence, making it the main issue and key demand of the election campaign.<sup>79</sup> The party platform outright called for an independent and sovereign 'Republic of Taiwan,' and during campaigning DPP candidates could be seen "cruising the streets" in trucks and busses "covered with

slogans demanding a declaration of independence from China and the creation of a new country called the Republic of Taiwan,” while also “bellowing their denunciations of the Nationalist Party.”<sup>80</sup> As previously discussed, the independence issue hit directly in the middle of the stability/prosperity equation throughout Taiwan’s society, and certainly caused many potential, DPP voters to clam up during the elections. In particular, Tien and Chu suggest, the DDP insistence on the independence issue pushed away many “stability-minded business elites and the middle class.”<sup>81</sup> Next to the middle class, Taiwanese businesses, which had by this time increased its connections with the Chinese mainland through large amounts of investment and the relocation of light-industrial production, had particular cause for reservation as they sought a stable political environment—a condition which did not flourish by provoking PRC aggression.<sup>82</sup> The decline in DPP support, Clark suggests, clearly “demonstrated that the DPP’s assumption that it could ride to power on a wave of Taiwanese nationalism was quite dubious.”<sup>83</sup>

Not ignoring this dynamic of stability-prone voters on the DPP’s declining vote share, however, the elections also displayed the KMT’s smooth-running, electoral machine. The party’s factional political machines achieved an almost precise allocation of KMT votes within the SVMM system to maximize the party’s seat shares, with 86% of its nominees successfully elected and most of these with only a few more votes than needed. Spoiler candidates running without party approved made up only 2.4% of all candidates and took away only 1% of the party’s total votes.<sup>84</sup> Among the KMT factional candidates, which had been drastically mobilized for the elections, 97.5% (77 out of 79 total) were successfully elected.<sup>85</sup> The capacities of the KMT party organization was on clear display, with the KMT victory tied to the party’s mobilization system in which it expertly coordinated its factional political machines and mobilized its iron ballot constituencies in the civil service, military, Farmer’s Associations and even the CFL unions.

In contrast to the position of the ruling Democratic Justice Party during democratization in Korea, the KMT unmistakably enjoyed a higher organizational capacity open itself to new demands and increased participation from broader social sectors, and co-opt potential opposition into electoral support through the party’s electoral institutions. As Mattlin writes, “the KMT gradually developed a mass-party character, actively recruiting members of diverse social strata. By the 1990s, the KMT indeed had achieved a relatively broad and balanced mix of supporters among various social sectors.”<sup>86</sup> Furthermore, the reformed party apparatus, now increasingly geared

towards western tactics of modern electoral management, also continued to enjoy the large resources that came with commanding the state so detrimental to managing its factional political machines. Together these resources gave the party under Lee its dominance throughout the process of democratization.

The KMT continued to win elections at all levels by large margins. It had more than two million official members, and millions more Taiwanese were connected to the party through local factions and corporatist organizations. Many voters sincerely believed that the KMT's performance, ideology and promise were superior to those of the opposition.<sup>87</sup>

The outcome of this strategy of broad, co-optation, however, was that it would come to undermine party discipline and central coherence at the core over time, particularly as elections became more competitive. As a consequence, the fissure between Lee's mainstream KMT faction and the party hardliners would intensify, resulting in a full-fledged party split and the breakdown of the electoral mobilization system. This development would leave the KMT with decreased organizational capacity throughout the last phase of Taiwan's democratization. Accordingly, it is to these developments the analysis now turns.

### ***Increased Inclusion, Breakdown of Coherence, and Party Split***

It has been argued in the last pages that Lee Teng-hui pursued an expanded strategy of inclusion by drawing in more younger reformer KMTs and many elites from the sector of private, Taiwanese business in order to strengthen his power base in the government and party vis-à-vis the hardliner KMT group in the upper levels of the party and military. Not only did this strengthen his position within the party and government to allow for continued democratic reforms, but, as we have seen, the inclusion of these new social forces into the reformed electoral organizations of the party greatly raised the capacity of the KMT's political machines to mobilize the electorate, thereby giving the party its dominant position during democratization. With time, however, this increased inclusion had the unintended effect of undermining party coherence and central discipline while further aggravating the party split between Lee's mainstream KMT group and the hardliner KMT group.<sup>88</sup> Following on increasing conflicts between these KMT factions, particularly over Lee's program of democratic reform, the hardliners increasingly pulled their support from Lee and separated.

With competitive, democratic elections increasingly channeling access to political power after 1989, the position of big business within Lee's KMT mainstream

group became solidified. As the party's political machine networks with the factions and businessmen were deepened, they also expanded to the national level as electoral contests increasingly focused on the national level institutions that were undergoing democratization.<sup>89</sup> With this expansion came a massive increase in the costs of elections as politicians increasingly needed larger sums of cash for electoral success at the national level. Campaign money in Taiwan was not used merely to cover advertising costs and party events, but rather the practice by politicians of "gift giving" to their constituents increasingly took the form of cash-filled envelopes—better known in the West as vote buying. As voters began receiving payments from even more than two candidates, "price inflation set in," and by the mid-1990s "million of dollars were changing hands in every election."<sup>90</sup> Consequently, with Taiwan's private *guanxiqiye*, business elite ready to deliver the financial flows, they "became the most sought-after patrons of elective politicians and local factions."<sup>91</sup> Already in 1989, KMT candidates from business-backed factions, the most sought after of which were known as the "golden oxen," displayed an electoral success rate of 76.2% and made-up roughly 40% of the newly elected legislature.<sup>92</sup> Sustaining this high success rate during democratization, this group made up two-thirds of the legislature by 1992.

Thus, as democratization progressed and competitive elections increasingly channeled political power, a "more broadly based conservative alliance linking the state elite, local party factions and big business" arose, in which "the diversified business groups, in the hands of native Taiwanese . . . increasingly [became] the most important economic and political actors in [the] new pluralist environment"<sup>93</sup> Not only did these structural shifts undermine the last remains of the developmental state—causing the economic bureaucracy to become overrun by elected politicians representing the interests of business and other financial supporters—but the inclusion of business interests into the mainstream KMT faction, while firmly backing Lee's political reform, also aggravated the fissure between Lee's mainstream faction and KMT hardliners at the center. This split, while evident already during the late-1980s, had progressively worsened following the National Affairs Conference in 1990.<sup>94</sup>

Both these dynamics came together during the Legislative Yuan elections at the end of 1992 to greatly affect the KMT's organizational capacity for exploiting its mobilization systems and 'iron ballot' constituencies. As Rigger explains, the party split at the upper levels complicated the nomination process, with many primary elections being canceled and other elections over-nominating "conservative, Mainland candidates

whose popularity with KMT ‘iron ballot’ constituencies contrasted sharply with the views of the general electorate.”<sup>95</sup> Infighting led to many candidates running without the party’s permission, with the consequence that too many KMT candidates were competing for too few votes within the SVMM system. This competition broke down coordination of the party machines as non-nominees “had no reason to respect the boundaries of responsibility zones” and KMT nominees, in turn, began poaching outside their designated responsibility zones in order to secure their own votes, thereby cutting into the percentage of their fellow KMT candidates.<sup>96</sup> Out of 43 non-nominated, “insurgent KMTs,” only seven were successfully elected, but many were high vote getters and took important votes from party nominees.<sup>97</sup> Furthermore, the mobilization of ‘iron ballots’ within the military and veteran’s organizations completely broke along the party split as these organizations “hoarded their votes” for KMT hardliners, to which they gave large majorities that could have been transferred to other KMT candidates who were lacking votes. As the mobilization system was thrown in disorder, the success rate of KMT candidates dropped from their previously high percentages of roughly 70%, to less than 50%.<sup>98</sup>

While the KMT still took a majority of the vote (53%) in the 1992 Legislative Yuan elections and thereby captured a governing majority with 95 of 161 seats, the party split was now completed.<sup>99</sup> In the aftermath of the elections, Lee forced out hardliner Premier, Hau Pei-tsun, and the split now became formalized as the hardliner KMT elites took their legislative bloc and formed the Chinese New Party (CNP) in the summer of 1993. While the party split enabled Lee to extend his power over the KMT, his smaller party now held a lower legislative majority—much less disciplined than in the past—and stood across two opposition blocs: the DPP and the CNP. Lee’s KMT, however, continued to maintain a high organizational capacity through their time-tested strategies of inclusive co-optation, helping the party maintain control throughout the process of democratization. Although the CNP had taken important ‘iron ballot’ constituencies with it, the KMT political machines continued to incorporate the factions—although now less disciplined—for mobilization. Local elections in 1993 for country magistrates and city mayors saw KMT support decline roughly 5%, but the party still took 16 of the 24 seats up for grabs.<sup>100</sup> Elections for city and county councils in early 1994 secured the KMT 67.4% of seats, and during a second round of local elections, this time for the executives in the townships and villages, the party took 82.2% of these positions, again showing that “the KMT managed to maintain its overall dominance in Taiwan’s politics.”<sup>101</sup> As a

three-party system appeared in democratized Taiwan, new rounds for the second Legislative Yuan elections in 1995 and the National Assembly in 1996 saw the vote share of the KMT decline due to heightened competition with the CNP, but KMT legislative majorities were held. In the first direct presidential elections in 1996, Lee Teng-hui was elected president in a four-way race.

#### **8.4 Conclusion**

The process of pragmatic political change in Taiwan, while extending over more than a decade, was a program instigated and controlled by state elites from above. Following the period of political liberalization initiated by Chiang Ching-kuo in 1986, and throughout this subsequent period of democratization, the KMT remained dominant in the electoral realm and was able to maintain control, at times only precariously however, over the process of constitutional reform during this time.

The KMT opened in ways it chose to, albeit under some public pressure, and granted liberties it deemed acceptable. While genuine changes occurred, and although many were made in response to demands by the increasingly vociferous opposition, it is probably true that the regime maintained the power to regulate which demands it would meet and which it would deny . . . The cost of suppression may have risen steadily, but the regime was still capable of suppressing. What happened on Taiwan up through the end of the 1980s was a centrally managed release of pressure, although it was more controlled some times than at others. Still, one should bear in mind that for the first few years of liberalization, the reforms were enacted from above.<sup>102</sup>

As argued throughout this chapter, this mode of transition in Taiwan was enabled by the institutional capacities laid early on by the KMT party elite. As a mass party organized along Leninist lines, the party apparatus had been set up to incorporate large parts of society, allowing it to broaden its social base overtime and co-opt potential opposition without the power-center losing its disciplinary control. Incorporation helped its electoral appeal and gave it an organizational capacity during elections unchallenged by opposition parties, even as political liberalization and the subsequent transition to democracy quickly led to an increasingly competitive electoral realm. But after doing this long enough, the party itself began to be reshaped by new forces as party coherence at the lower levels began to breakdown and the autonomy of the party's center became reduced, leading to the eventual party split between the KMT mainstream and hardliner factions. In a twist of irony, however, the emergence of a three-party system after the hardliners left the KMT for good, served to contribute to the further pluralization and competitiveness of Taiwan's new democracy.

# Chapter 9

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## Singapore: Preemptive Political Change

The People's Action Party (PAP) government in Singapore, backed by a strong state, was able to build a stable political regime to establish its dominance throughout the process of rapid industrial development. Quite unlike the cases of Korea and Taiwan, the institutional arrangements built by the PAP-state in Singapore proved more resilient in pre-empting the activation of new social forces and autonomous, collective organizing as rapid industrial development proceeded, thereby effectively blocking over the long term, the emergence of high levels of mobilized oppositional challenges from below. Nevertheless, the elitist PAP was not prepared to sit back and rest on its laurels. The top leadership remained attentive to the smallest stirrings of autonomous, collective organization that displayed any potential of becoming a threat to the PAP's hegemony over the state and its relations with society.

The 1980s began with the PAP losing hold of its lengthy parliamentary monopoly when a 1981 by-election produced the first oppositional Member of Parliament (MP) since the Barisan boycott of 1965. Three years later the 1984 general elections led to a further set back when voters sent two opposition politicians to parliament and hit the PAP with a sharp decline in its share of the total vote. In light of these developments the PAP government, now undergoing a generational change in leadership, began a program of top-down political change aimed at gaining hold over these newly activated social forces, their issues and demands, and re-channeling them in ways which could strengthen PAP dominance. The strategy, as shall be analyzed throughout this chapter, entailed institutional reforms to restructure the civic and political space within which autonomous collective organization could take place, and give the government stronger control over the channels available to these groups to voice demands and dissent. Its purpose was to preempt any further activation of mobilized oppositional challenges from below and head off the eventual materialization of strong pressures for democratic political change. By the early 1990s, the outcome of this political change was evident: the PAP

government had begun to stem the tide of the electoral shift against it and effectively reestablished its firm political control within a strengthened authoritarian regime.

In comparative perspective, therefore, where Korean regime elites were pushed by high levels of oppositional mobilization to take reactive measures of political reform towards democracy, and where KMT elites were able to undertake a pragmatic process of democratic political reform to accommodate high levels of collective mobilized demands for democratic political change, the PAP government in Singapore simply moved early on to preempt the development of similar scenarios over the longer term. A key feature of the Singapore experience was the high level of corporate coherence among the central-elite in the core institutions of PAP power. Where the cohesiveness of the core regime elite in Korea fragmented over the question of repressing mass demonstrations during June 1987, and where the KMT's democratic centralism became undermined by the strategy of wide-reaching co-optation through incorporation and development of splits in the regime elite over the long-term, the corporate coherence and unity of the central PAP elite has remained strong. Thus, as the leadership transition to a new generation of PAP leaders took place during the mid-1980s and launched a program of political restructuring under authority of Prime Minister Lee Kuan Yew, this unity would prove decisive.

This chapter provides an analysis of the institutional reform process in Singapore during the period 1985–1991, continuing with the framework of political change used for Korea and Taiwan. Particular attention is paid to the interaction between mobilized oppositional challenges coming from new social forces within the civic and electoral arenas, on the one hand, and the maneuvering of the PAP elite during this time to close off existing channels to these groups and replace them with new institutional nodes for participation and co-optation, on the other hand. As a prelude, however, I first begin with an analysis of the structural patterns that have facilitated the high degree of corporate coherence and unity among the PAP elite.

### **9.1 Maintaining Elite Cohesion and Unity**

As previously discussed, the core political and administrative elite in Singapore was concentrated from the beginning within the important cabinet ministries, the party's Central Executive Committee—which highly overlapped with the cabinet—and the upper-levels of the state bureaucracy which connect into the numerous statutory boards

and government-linked companies (GLCs). During the early days, the center of gravity within this core network formed around the person of Lee Kuan Yew and his immediate elite circle. After the party took over government, Barr explains, Lee was “first among a group of strong-minded equals rather than the undisputed ruler,” with this central governing group of PAP elites merging with Lee into a highly homogenous social class, held together by the similar political and social experiences of de-colonization, merger, and independence.<sup>1</sup> This inner PAP power core, and the technocrats that radiated around it, as Lee Kuan Yew explained in the 1970s, was “a closely-knit and coordinated hard core” consisting of no more than 300 persons.”<sup>2</sup> From these core networks, power and influence radiated outwards into the middle-levels of administration and political power within the less-central ministries, middle-level positions within the statutory boards and GLCs, and further downwards into the grassroots’ leadership in the trade unions, ethnic organizations, and Peoples’ Associations that were linked to the government and made dependent on the elite at power center.<sup>3</sup>

The small size of Singapore and its highly concentrated population helped bind together this relatively small administrative and political elite into tight networks, within which “everyone who is important is known to everyone else—usually personally, but at least through a mutual associate—which lends itself to the generation of a remarkably homogenous national elite.”<sup>4</sup> In fact, the smallness of this core group appeared to have given Lee Kuan Yew cause for concern as early as the late 1960s, once lamenting that “if all the 300 [of the PAP hard core] were to crash in one jumbo jet then Singapore would disintegrate . . . We have to, and we will, enlarge this base, enlarging the number of key digits.”<sup>5</sup> The generation of fresh recruits became a pressing issue during the 1970s as Lee and his small group began overseeing recruitment and training paths that would rely on full exploitation of the meritocratic system. They reached into the schools and put the brightest and most promising students on an early path towards recruitment, which would take them into the civil service and further upwards within the corridors of bureaucratic power on the basis of both performance and patronage. This path became well institutionalized, as Barr explains:

A young man needed to win a top scholarship that bonded him to the civil service. He then needed to perform at a high level of competence and demonstrate that he was highly attuned to the needs of not only his administrative masters, but also his political masters. There was normally a period—usually years—when he found himself working in close physical and professional proximity to a very senior member of the elite . . . From there one could be expected to rise through one or more of the crucial ministries around which power pivoted: the Prime Minister’s Office, and the ministries of Defense, Education, Finance, Trade and Industry and Home Affairs. If Lee and his inner circle judged that the

youngish mandarin had the potential to go into politics, he was invited to join the PAP, run for parliament and if he made the cut, be appointed to the Cabinet in short order . . . Hence during the entire period from 1980 to 1994, there were only two Cabinet Ministers who did not come from the public sector.<sup>6</sup>

The results of these grooming efforts not only replenished the intermediate and higher levels of the PAP elite, but also greatly socialized younger generations into similar mindsets around the state's elite ideology of technocratic administration as apposed to political representation.<sup>7</sup> This socialization, in turn, reinforced the autonomy of the core state collective and strengthened its coherence between the central and outer-core of PAP elites. When this younger generation of PAP leaders began replacing the PAP old guard during the 1980s, the central leadership-core came to be increasingly made up of technocrats who had followed similar career paths up the power structure—primarily through the upper levels of civil service and GLC management—and, as a consequence, possessed a high level of corporate cohesion due to their similar histories, close experiences, and social characteristics.

As the PAP old guard was increasingly phased-out by the mid-1980s (a process which was not free of resistance as several had to be forced out),<sup>8</sup> the transition to the next generation of leaders had not only avoided a breakdown in party cohesiveness, but had also strengthened the dominant position of Lee Kuan Yew—now the last of the old guard—over the new generation of PAP elite. As Barr explains, in Lee's preeminent position as the last of the old guard, Lee was regarded by his “younger Cabinet colleagues . . . with awe, and even if they disagreed with him they knew that they were in no position to challenge anything about which he held a strong opinion.”<sup>9</sup> Following the 1988 general elections the transition to the second generation was complete. As Lee explained: “The future is up to my younger colleagues . . . [whose] consultative style of leadership has won them support.”<sup>10</sup>

This second generation of PAP power-holding elite was led by Goh Chok Tong, who took the front stage from 1985 onwards in his capacity as First Deputy Prime Minister, with Lee remaining Prime Minister to oversee the new leadership now taking over government and administration.<sup>11</sup> Goh had risen through the civil service where he landed a position as managing director of the large state shipping company, at which point he came into the center of Singapore's group of state bureaucrat-capitalists overseeing the large GLCs and statutory boards and overlapping with the highest levels of political power within the cabinet.<sup>12</sup> From here he moved up within the party, taking a seat in parliament, moving into the cabinet as Minister of Finance and, later, Minister for Trade and Industry.<sup>13</sup> In this respect, Goh was the embodiment of the new technocratic

style of political manager within the new generation of PAP elite. By the time he took over as prime minister in 1990—at which point Lee continued to remain in the background as ‘senior minister’ within the cabinet—the degree of corporate coherence and unity among the younger generation now leading Singapore was extremely high. In fact, Mutalib suggests, this new political core was even more “homogeneous ideologically” than the old guard, and the institutions of collective cabinet responsibility and parliamentary whip “enabled the party to remain solid and united,” even throughout its lower levels.<sup>14</sup> Outside parliament, the upper-levels of the political elite were tightly intertwined with the administrative class of bureaucratic-capitalists concentrated throughout the statutory boards and GLCs, which held “tightly shared world views and interests” while commanding vast resources and power within these organizations.<sup>15</sup>

Thus, as the PAP began restructuring the authoritarian political regime during a time when new social forces were attempting to mobilize and channel demands for a more open political environment and a political oppositional presence had emerged in parliament, the relative autonomy and cohesion of the PAP inner-elite remained strong. Beyond the relatively small size of this group, two main factors appear to have facilitated the maintenance of its corporate coherence. The first was the high degree of homogeneity among individuals in this group, which was forged out of the PAP’s elite, recruiting patterns and intensive socialization during the grooming process. The second factor appears to be the PAP government’s control over the massive state sector, particularly among the government-linked companies and statutory boards. As argued earlier, this structure worked to solidify this group of capitalist-administrative elite and has continued to reproduce its relative autonomy and high capacity for political dominance.

With the contours of these structures now having been sketched out, the analysis can proceed to the program of political regime restructuring that drove preemptive political change in Singapore.

## **9.2 Preemptive Restructuring of the Political Regime**

When the new generation of PAP leadership under Goh Chok Tong began taking over government following the 1984 general elections, it was immediately confronted with the new environment of declining PAP electoral percentages and parliamentary opposition—even if only two opposition MPs. In comparative perspective, the activation

of new social forces and the extent of autonomous collective mobilization that appeared in Singapore during the early 1980s was quite different from what governments in Korea and Taiwan faced, both in type and degree: it completely lacked the use of street protests and anti-government demonstrations as an avenue for contestation, and the issues and demands being voiced were, comparatively, extremely more moderate. Nonetheless, a growth in the activation of new social forces and increased oppositional mobilization from below was evident. This reinforced the government's earlier interpretation of opinion polls that Singapore's diversifying middle-class groups were increasing demands for more non-PAP voices in policy-making. In effect, Goh's team of new PAP elites emphasized an agenda to create a new style of PAP governance, which, Goh himself explained, would entail taking a softer, kinder approach than the style of the old guard by seeking consultation and participation, consensus and accommodation.<sup>16</sup>

Over the next several years, this group would restructure the political regime in ways to preempt the further activation of mobilization and dissidence. First, Goh was committed to a shift already underway that sought to lessen the use of the state's more overt tools of coercion and repression by replacing them with strengthened administrative and litigation procedures capable dealing with dissent and oppositional challenges. Confronted with immediate mobilization, however, this shift would be characterized by a pattern of initial doses of targeted coercion to bring groups under control in the short term, with the incident then being used to legitimate new legislative measures aimed at constraining, if not altogether preempting, the activation of similar demands and activities of collective civic groups over the long term. As these newer tools were becoming consolidated by the late 1980s, the mechanism of "political repression and persecution" became increasingly unnecessary.<sup>17</sup> Second, in order to deal with the electoral swing against the PAP, the government undertook a program to open up more avenues for political participation by crafting new, formal institutional channels with the capacity to incorporate demands coming from new social forces in ways that would not challenge the PAP's hold on political power—in effect, strengthening the regime's institutions for co-optation.<sup>18</sup>

### ***Stirrings of Political Mobilization, Targeted Coercion, and Administrative Control*** *Controlling and Channeling Discourse*

The successful election of oppositional Workers' Party politician, J.B. Jeyaretnam, in the 1981 Anson by-election, and the subsequent rhetorical belittlement and administrative

sanctions taken against him by the PAP, brought increased media attention to the PAP's dominance over Singapore's politics.<sup>19</sup> By 1982 the government was in full retaliation, hurling increasing doses of criticism against several newspaper editors focused on the small parliamentary opposition, and moving to bring Singapore's already tightly-controlled press back into line with PAP discourse by merging two rival daily papers and placing a former national intelligence director into the oversight committee of *The Strait Times*, Singapore's leading English newspaper. Publicly the government began heating up its rhetoric on the responsibility of the press in Singaporean society, reflected by an op-ed by Minister for Foreign Affairs and Culture in *The Straits Times*: "A servile press does not serve the purpose that the press should serve in society. But it doesn't mean, therefore, that the press should feel that it had to adopt an anti-establishment attitude, that only then it is credible, which is the problem with many in the Western liberal press." Rather, "the national interest is paramount" and if "government officers have the confidence that you share the framework, then there can be a lot of give and take within the framework."<sup>20</sup> Subsequently, a Western correspondent at the time pointed out, media comments on opposition politicians began disappearing in Singapore's newspapers and magazines.<sup>21</sup>

The moves undertaken by the government to discipline the domestic press during this period were not outwardly coercive. Rather, they sought to reinforce the press boundaries established during the 1970s, at which time the PAP government had moved coercively against several national newspapers critical of the government, using the security apparatus to detain several editors and journalists seen as overstepping the lines of criticism. The longer-term solution developed by the PAP government at that time, however, proved more potent than harassing newsrooms.<sup>22</sup> The 1974 amendments to the Newspapers and Printing Presses Act (NPPA) brought the press under firm control of the PAP government by mandating the incorporation of all press organizations and the division of business-ownership shares into ordinary and management shares—with ordinary share-holders commanding one vote per share, and management share-holders exercising 200 votes per share, in decisions of appointment and dismissal of staff. In order to acquire management shares, however, persons must be approved by the state, which thereafter retains the power to retract and transfer ownership of these shares. As the majority of management shares have been allocated to banks and other members of the business establishment close to the PAP government, as well as spread across the government holding companies and GLCs, the state has "effective control of the board

and top editorial positions” in the news agencies.<sup>23</sup> Consequently, since Singapore’s newspapers came to be managed by “state appointees, if not state proxies” within this system, the press has been effectively co-opted by the government into the practice of self-censorship to avoid conflicts, thereby freeing the former of having to undertake coercive means of press control.<sup>24</sup> Thus, the problem for the PAP during the 1980s lay not with the domestic press, but the foreign press, which had significantly increased its coverage of J.B. Jeyaretnam and the extent of PAP legal actions taken against this lone, oppositional MP.

In order to deal with the foreign press, the PAP began using litigation procedures against foreign journalists and news companies, accusing them of false reporting and charging defamation. In 1985, for example, a writer from the *Asian Wall Street Journal* was forced to apologize in Singapore’s High Court after he was charged with contempt of court for suggesting in an article that Singapore’s courts were controlled by the government. The *Asian Wall Street Journal* was then fined several thousand dollars.<sup>25</sup> Between late-1985 and 1988, the PAP government moved against several foreign publications with similar lawsuits, justifying these moves on the basis of Singapore’s vulnerability as a small, multi-ethnic society within an adverse geopolitical environment, where the nation-building project could be destroyed in one full sweep of ethnic conflict. A PAP MP made this clear in July 1986,

the issue is not freedom of information or [the] free flow of ideas . . . If absolute freedom is exercised by the foreign press in Singapore and if they are allowed to interfere with our domestic political process, manipulate local opinion by slanted and divisive reporting, then the price we pay will be chaos and confusion and this will lead to instability and strife. No investor will then want to put his money in Singapore.<sup>26</sup>

The PAP government, therefore, took to amending the NPPA in May 1986 to authorize the government to restrict the domestic circulation of foreign publications found to be intervening in its domestic politics.<sup>27</sup> In the ensuing years, four foreign publications were hit with the law, including *Time* magazine, *Asia Week*, *Far Eastern Economic Review*, and again the *Asian Wall Street Journal*, all which had “consistently . . . distorted articles on Singapore,” Prime Minister Lee explained at the time.<sup>28</sup> Three of these had their circulations cut for refusing to publish official retractions to earlier false reports over which the PAP government had targeted them in successful lawsuits; the *Far Eastern Economic Review* was cut due to an article critical of the government’s use of the Internal Security Act (ISA)—all had their daily circulations reduced from 5,000 to 400 units.<sup>29</sup>

The increasing use of litigation and regulatory sanctions against foreign publications quickly became a routinized mechanism through which the government continued to police the press, for the high amount of damages awarded by Singapore's courts in defamation and contempt of court proceedings has "by and large resulted in the state's extracting compliance from the foreign press."<sup>30</sup> Within the domestic realm, the system of shareholding and licensing meant that the state no longer needed to attack the organizational identity of a newspaper or coerce editors and journalists into submission. In fact, Mauzy and Milne point out, media ownership through the GLCs and private holding companies intertwined with the government has given the PAP "a near monopoly of the media."<sup>31</sup> This came to be a remarkable feature of information control in Singapore, quite in contrast to the authoritarian regimes in Korea and Taiwan—the former which often undertook repressive actions against journalists and editors while strictly censoring publications; the latter which had nationalized the press and ran strong censorship controls. In Singapore, George writes, the PAP has achieved "effective, near-watertight supervision of the press without either nationalizing ownership of the media or brutalizing journalists."<sup>32</sup>

*Meddling Lawyers, Social Activists, and 'Marxist Conspiracies'*

Connected with the 1986 amendments of the NPPA was the appearance of another collective challenge to the PAP government's control over public discourse. As the PAP was bringing the proposed legislative amendments into parliament, a group of lawyers within Singapore's primary, legal professional association, the Law Society, mounted a challenge against the NPPA. Under the leadership of former solicitor general, Francis Seow, the Law Society Council issued a press statement highly critical of the proposed NPPA amendments. After parliament passed the amendments into law, the Law Society fired out another statement critical of the legislation. Perceived as a collective organizational challenge to the PAP's dominance over public discourse and debate, the government retaliated by introducing amendments to the Legal Profession Act (LPA), which included a ban on the legal right of the Law Society to comment publicly on any proposed legislation. The government then subpoenaed the members of the Law Society Council to a series of select committee hearings on the LPA amendments. During the televised hearings, Rajah explains, the LPA lawyers were grilled in a way "akin to extremely accusatory and intimidating cross-examination," with the government shaping

the discourse in ways to delegitimize the collective behavior of the Law Society while also calling into question the competency of its leaders in regards to the substantive areas of the legislation.<sup>33</sup> Leading the hearings was Prime Minister Lee, who made clear that the government interpreted the actions of the Law Society Council as a case in which a group of “activists” were misleading the majority of the association’s members by using the organization to further the political ends of the opposition Workers’ Party: “You want to politick,” Lee explained, “you form your own party or join Mr. Jeyaretnam.”<sup>34</sup>

In sum, the case of the Law Society Council was public, political theater, making clear the consequences for groups seeking to use collective associations to critique or challenge the government within the public realm. At the same time, it also symbolized the government’s fear that civic organizations could be put to use for political purposes, just as they had been used under British rule during the 1950s. For those that want to be political, as Lee made clear, they must enter the formal electoral realm. The episode ended with the LPA amendments effectively prohibiting the Law Society from commenting on legislation without of a specific request by the government to do so, and also included new measures constraining the selection of leadership within the organization—disbarring Seow from his leadership position. Shortly thereafter, and in good state-corporatist fashion, the government founded the Academy of Law, headed by the Chief Justice, making membership among the legal profession mandatory. Serving as a parallel organization, it was charged with taking on the regulatory functions formerly held by the Law Society.<sup>35</sup>

The Law Society incident was the first in the PAP’s efforts to deal with growing political activation and stirrings of collective action among autonomous secondary associations. However small and nonthreatening these challenges were, the government took them seriously, and moved quickly to preempt any further developments by first stamping them out with coercion, and then taking measures to restructure its relations with these collective groups in ways that could better control and co-opt them in the future. This basic pattern could be seen throughout Singapore’s period of preemptive political change.

On the tails of the PAP’s squabble with the Law Society came the next challenge from newly activated social forces attempting to use collective organizations for political purposes, this time prompting a PAP response involving higher levels of coercion than that used against the Law Society. Between May and June 1987 the government

mobilized the Internal Security Act (ISA) in an action known as Operation Spectrum, detaining 22 people it accused of being involved in a “Marxist conspiracy,” organized by a radical, exile Singaporean in London, which aimed at overthrowing the government. The group of detainees rounded up by the security agency consisted of younger professionals including lawyers, a small businessman, social workers, and several student members of a drama club, but the core group included 10 persons involved in various social work organizations connected to the Catholic church. The government argued that this group of Christian, social workers had links with “Filipino leftists and proponents of ‘liberation theology,’ as well as with European Marxists and Sri Lankan separatists,” and were seeking “to use Roman Catholic, student and other groups to build a legal front as a cover for political sabotage.”<sup>36</sup>

The collective organizations involved in the ‘plot’ included the Young Christian Workers Movement, Catholic Welfare Services, Geyland Catholic Centre, Justice and Peace Commission, the Student Christian Movement of Singapore, and a Catholic press organization, *The Catholic News*. These groups had been pursuing activities and issues regarding public welfare that, in the eyes of the PAP, had crossed the limits of independent collective action, particularly in that the issues raised by these groups involved on critiques of Singapore’s industrial relations and, more generally, the state of civil rights and political freedoms. The organizations were engaged in work with migrant workers, seeking to educate them on their rights and assist them in their dealings with the Ministry of Labour. They were also engaged with Singapore workers in low-key efforts to raise awareness on industrial relations and workers’ rights, and provided training to those who wished to advocate for improvements in the factories. They also undertook public campaigns during this time against the introduction of the 12-hour shift and the retrenchment policies during the mid-1980s recession.<sup>37</sup> In sum, the activities were an attempt at cross-class collective mobilization of a kind seen in the work of Korea’s progressive Church groups with manufacturing workers.

Indeed, one of the most troubling issues for the government appears to have been the work of the Justice and Peace Commission (JPC), of which the accused local ‘ringleader’ of the conspiracy, Vincent Cheng, was the executive secretary. The JPC worked in close contact with a group of Christian ministers to organize academic working groups on “issues of justice and oppression, routinely placing these overtly social and political issues in spiritual and theological contexts,” similar to the work of Minjung theology practiced by the liberal protestant sects in Korea’s church groups.<sup>38</sup> Of

particular importance to the PAP government were four Catholic priests involved in these activities, perceived by Lee Kuan Yew to be a “group of troublemakers” heading into “a collision course with the government” by seeking “to turn a series of uncoordinated ‘do-gooder’ activities into problems.”<sup>39</sup> An Internal Security Department (ISD) account of the Marxist conspiracy sums up the perception among the inner PAP circle around Lee, which viewed these activities as such a threat:

In the mid-80s, a number of Catholic priests ventured into ‘social action’ and acted as a political pressure group. A few of them formed the Church and Society Study Group which published political booklets criticizing the Government on various secular issues . . . [and] accused the Government of emasculating the trade unions and enacting labor laws which curtailed the rights of workers. . . . The Catholic News . . . also began publishing articles and editorials on economic and political issues. It criticized multi-national corporations, the amendments to citizenship laws and the Newspaper & Printing Presses Act, and Government policies . . . Vincent Cheng embarked on a systematic plan to infiltrate, subvert and control various Catholic and student organisations, including the Justice & Peace Commission of the Catholic church, and Catholic student societies in the NUS [National University of Singapore] and Singapore Polytechnic. He planned to build a united front of pressure groups for confrontation with the Government . . . Some of the articles adopted familiar Communist arguments to denounce the existing system as ‘exploitative,’ ‘unjust’ and ‘repressive.’<sup>40</sup>

The real worries of the government, Barr suggests, was not the group of detainees, but the group of troublemaker priests. More than Lee’s worry that with time they may bring “Filipino tactics into Singapore”—i.e. use the Church for revolutionary ends as advocated by liberation theology—was the fact that the “four priests had displayed a capacity and willingness to voice opposition to government initiatives by organizing across social boundaries under the auspices of the Church,” and therewith, threaten the PAP government’s monopoly in setting and controlling public discourse.<sup>41</sup> The state’s response, as indicated by its use of the ISA, was to stamp out the organizational activities of these groups and take steps to real in these organizations to preempt similar scenarios in the future. Throughout 1987, several Roman Catholic organizations were shut down, the four priests targeted by the government were dismissed from duty, and the Catholic Church began engaging in overt self-censorship.

By the end of the year, all ISA detainees except for Vincent Cheng had been released after signing confessions of guilt, which they were forced to read on television. When a group of eight then publicly retracted their confessions a short time later, arguing they had been false and made under torture and mistreatment by security agents, these eight, along with a group of lawyers from the Law Society involved in the statement, were immediately re-apprehended by state security.<sup>42</sup> At this point, the ‘Marxist conspiracy’ served to garner more media attention than during the previous

year, particularly as it began to form connections into electoral politics. When Francis Seow, by now dismissed from the Law Society, applied for a writ of habeas corpus for two of the detained lawyers, he too was taken into custody on charges of having political involvement with foreigners. (Seow had met with a political operative at the US Embassy who had offered Seow and other dissident lawyers the promise of political asylum if they were to challenge the PAP and run into problems. The political operative was expelled the next day on charges of political conspiracy.)<sup>43</sup> Not only had Seow made a media campaign out of the ISA detentions during the ‘Marxist conspiracy,’ but he had also used the public attention to announce his campaign as an independent in the next general elections scheduled for that year. In the ensuing months, all detainees but Vincent Cheng were again released—the later was released only in 1990 and barred from political activities. The group of activists re-detained for retracting their original confessions signed lawful statements falsifying their public charges of torture and confirming their original confessions. Francis Seow was later released under restriction of movement probations and later fled into exile in the US.<sup>44</sup>

### *The Boundaries of Civil Society*

In the end, the ‘Marxist conspiracy’ was not about a freak reaction to a subversive threat to the government, but the application of swift, targeted state action against autonomous, collective activity that posed a threat to the PAP’s hegemony over the organizational and public sphere, just as had been the case with the activities of the Law Society. While these developments were dealt with in the short term with coercive measures, the longer-term solutions undertaken by the government to halt this nascent ‘civil society’ activity was to further constrain it through legislation. In 1987 the Societies Act was amended to prohibit registered civic and professional organizations from venturing beyond the scope of their chartered, collective function, in regards to both rhetoric and activities.<sup>45</sup> Combining with the discretion of the state Registrar of Societies over the acceptance of new organizations—all organizations of more than ten persons are required to register—the 1987 amendments gave the Minister of Home Affairs competencies to deregister and dissolve organizations “being used for unlawful purposes or purposes incompatible with its objects and rules.”<sup>46</sup> This move supplied the legal basis to control collective organizations other than registered political parties from venturing into activities or

discourse of a political nature, effectively preempting the possibility of autonomous associations developing alliances with political oppositional parties.<sup>47</sup>

The amendments to the Societies Act was followed by the Maintenance of Religious Harmony Act, which provided a legal basis for preventing the church in becoming a potential force in civil society—as its social activism of mid-1980s had potentially suggested.<sup>48</sup> Passed into law in 1990, the act made it an offense for any person to commit, or attempt to commit, actions “causing feelings of enmity, hatred, ill-will or hostility between different religious groups” or “exciting disaffections against the President or the government” under the mantel of religious beliefs.<sup>49</sup> The law mandates the state to place a restraining order on persons caught engaging in such behavior, who are then sentenced in court proceedings that do not question the reason for the restraining order, but merely decide on the extent of the sentence, which includes financial penalties and incarceration. The Maintenance of Religious Harmony Act, as Minister of Home Affairs S. Jayakumar stated at the time, was clearly designed “to ensure that religion is kept out of the political arena.”<sup>50</sup> The fact that the law has never been used, Rajah suggests, has attested to its success.<sup>51</sup> This is also most likely due to the fact that the PAP government has since moved to co-opt Singapore’s religious communities into a state-corporatist structure for managing religions through the Presidential Council for Religious Harmony—a consultative council, two-thirds of which is made up of ‘representatives of the major religions of Singapore,’ with the rest coming from the government ministries—which has been charged, among other functions, with deciding cases of restraining orders under the Religious Harmony Act.<sup>52</sup>

In sum, these shifts in legislative control of the civil society sphere can be understood as part of the PAP government’s preemptive measures of political change, in that they have, quite successfully, closed off the possibility that newly activated interests and demands of a political nature will be organized around autonomous, collective actions outside the channels provided by the formal political institutions. At the same time, this restructuring of the political regime reflects a shift away from coercive measures towards a reliance on administrative law to control and channel collective organization, reflecting the ‘soft authoritarian’ approach instituted by the second generation of PAP elites under Goh. As Tremewan suggests, it was a strategy to criminalize certain activities for the purpose of disciplining civic organizations, rather than banning them outright.<sup>53</sup> Thus, as political elites in Korea and Taiwan were opening up political regime institutions, either pragmatically or reactively, to growing demands

and opposition among disaffected groups in society, the PAP-state elites in Singapore were strengthening state control over the political and civic arenas in order to avoid such developments.

By the time Goh took over as prime minister in 1991, these preemptive shifts within the civic sphere had become firmly institutionalized. As Barr suggests, Operation Spectrum clearly revealed the limits of tolerable collective action and discourse allowed by the PAP government, marking “the beginning of a new era where Singaporeans became conscious of the operation of what later became known as out-of-bounds (OB) markers in politics.”<sup>54</sup> The OB markers effectively delimited the space, as defined from above, within which secondary organizations were to work: citizens could organize collectively, but their demands and actions would be constrained to non-confrontational and non-political forms; they would be expected to abstain from raising “issues deemed too sensitive to be discussed in public for fear of destabilizing or jeopardizing public peace and order.”<sup>55</sup> Once organizational behavior overstepped these OB markers, they would face retribution from the state, such as that dealt out to the group of social workers netted in Operation Spectrum. The OBs were not clearly defined, but their meaning was clear, as Goh explained in the mid-1990s: “Use your common sense. On government policy . . . and so on, you are free to debate that, no problem whatsoever. If you are to venture into areas which touch on religious sensitivity, on race, then we would pull you back very early before you cause problems for the ground or for the community.”<sup>56</sup> If an individual or a collection of individuals wanted to engage in political activity, they would necessarily have to establish a political organization and enter the formal political arena of parliamentary politics, where they would be subject to stringent controls, intensive competition, and held accountable for their views and demands.

The process of restructuring state–society relations during the late 1980s, Lyons argues, effectively marked “the transition from overt authoritarian control exercised through legal structures such as the Internal Security Act (ISA), to greater reliance on self-regulation by civil society actors themselves.”<sup>57</sup> Within this new institutional environment, religious and secular organizations began actively monitoring the activities of their members in attempt to stay within the OB markers. Civic groups arising out of newly activated middle class groups, such as women’s organizations, nature conservation organizations, and occupational associations, found a space for growth within a new organizational realm, but the OB markers became “a way of life,” leading

to the self-regulation of collective activities with “compromise and moderation” in order to survive as a collective.<sup>58</sup>

### ***Expanding Institutional Inclusion and Co-optation***

During Singapore’s period of preemptive political change, the shift towards stronger, administrative control of civic organizations, discussed above, was accompanied by a second flank of reforms undertaken by the Goh team to expand the presence of formal, institutional channels which could incorporate and co-opt these newly emerging issues and demands into the political process. To do this, the government began establishing policy forums and parliamentary institutions overseen and tightly controlled by the government, into which participation could be channeled in ways that contained the extent of political competition.<sup>59</sup> As the PAP government increasingly took to organizing participation along functional categories, the representative groups of which it then selectively pulled into these channels, Brown suggests a shift towards more “inclusive corporatism” took place during this time.<sup>60</sup> While providing for various degrees of participation, the new institutional channels would work to increase the government’s control over the incoming issues and demands—and thereby keep them away from the oppositional politics—while also raising its capacity for collecting expert views and information from below. The most pertinent institutional innovations crafted during this time, and their impact on the state of formal political competition, are discussed below.

### ***Channeling Demands and Co-opting Expertise***

The establishment of new channels to increase public participation began shortly after the election of J.B. Jeyaretnam to parliament and the electorate declines of the PAP.<sup>61</sup> Early forums included the establishment of several Government Parliamentary Committees headed by PAP MPs, which aimed at incorporating non-political, technical expertise into the legislative process by soliciting opinions and inviting select participants to sessions. In addition, several advisory councils headed by PAP cabinet ministers were also used as a means of to increase consultation on overall government strategies, but within “carefully depoliticized areas” such as arts, sports, youth, and community, Tremewan explains.<sup>62</sup> The centerpiece of these new channels for participation and consultation, however, was the establishment of a Feedback Unit in

1985 in the Ministry of Community Development. The various forums established by the Feedback Unit had two purposes. First, they were used to gather views and solicit opinions from citizens, in order that this information could be passed on to the relevant government ministries. Second, it was also used to channel government positions on the relevant policy issues into the community. Invitations to sessions were generally extended for participation among persons from the English-educated middle classes who possessed some sort of expertise knowledge within the policy area being discussed, and generally took place in closed-door sessions.

The government's explanation for opening these consultative channels, Goh explained in 1988, was to make sure that "the ties between elected leaders and the people . . . [were] constantly nurtured through continual discussion, feedback and explanation [so that the government] will have a close feel of the mood of the people, and the people will understand thoroughly what is at stake and what needs to be done."<sup>63</sup> In the broader scheme of things, Rodan suggests, these institutions served to strengthen PAP hegemony by allowing the government to co-opt non-parliamentary expertise into carefully controlled administrative channels that by-passed party politics and facilitated "a specific mode of political participation depicting political problems as issues of administrative delivery and efficiency in public policy," rather than issues to be settled through political contestation.<sup>64</sup> In doing so, these institutions were part of the ongoing restructuring during the 1980s to control and channel newly surfacing issues and demands before they sought out their own outlets, such as the Law Society and Church activists were seeking to do during this time. By incorporating the more privileged groups into these forums—those with expertise in certain issue areas and also those groups expressing desire for more non-PAP voices in government—the consultation channels also gave these groups a sense of real participation.<sup>65</sup>

An additional set of institutional reforms aimed at better managing oppositional politics within parliament, whereby the government created several new electoral institutions to facilitate—or appear to facilitate—the representation of functional interests in the political process, but within channels tightly controlled by the PAP. The first of these, also mentioned in chapter 6, was the creation in 1984 of the Non-constituency Members of Parliament (NCMPs), whereby a total of three parliamentary seats would be reserved for opposition politicians who did not win elections but placed in the top losing positions, thereby guaranteeing the presence of at least three opposition voices in parliament. While the NCMPs can discuss legislation and vote on

normal bills, they are prohibited a vote on budget bills, constitutional amendments, impeachment of the president, and motions of no confidence against the government.<sup>66</sup> The PAP government's interests in the NCMP scheme were several. The institution gave it a mechanism with which it could meet growing demands in certain sectors for more opposition voices in parliament, without necessarily having an opposition government—thereby dampening the degree of the oppositional vote among the electorate with the assurance that oppositional voices would, on way or another, be present in parliament. The scheme also served the PAP as a means for the younger PAP ministers and MPs to “sharpen their debating skills,” for the electorate to “learn the limits of what a parliamentary opposition can achieve,” and thereby put to rest any suspicions of government policy.<sup>67</sup> Having first rejected NCMP seats as a form of oppositional co-optation, the political opposition has regularly taken them up since the late 1980s.

A second scheme with a similar purpose of functional incorporation was the establishment in 1988 of Group Representation Constituencies (GRCs), whereby the government merged several electoral districts into multi-member, group districts. In these new constituencies, teams of parliamentary candidates, which were mandated to include at least one minority member (generally Malay or Indian), are voted for in bloc within the plurality system. The purpose, as Goh explained, was to assure a multiracial parliament by mandating minority representation in the electoral process.<sup>68</sup>

The third, and by far the most successful, scheme to bring more functional representation into the legislative process, was the establishment in 1989 of Nominated Members of Parliament (NMPs). Goh explained the NMP institution as an effort “to further strengthen our political system by offering Singaporeans more opportunity for political participation and to evolve a more consensual style of government where alternative views are heard and constructive dissent accommodated.”<sup>69</sup> Seeking to control and co-opt these alternative views, Rodan suggests, the PAP government aimed the NMP scheme at qualified persons who could bring more functional representation into policy-making, rather than at random, non-selective, citizen participation.<sup>70</sup> Thus, the government began soliciting functional associations for NMP nominees, whose applications are then reviewed by a special Select Committee of Parliament, which then passes its recommendations to the president for appointment. This group of NMPs—set at a total of six in 1989 and raised to nine thereafter—are considered to be independent and non-partisan, and are generally appointed on the basis of their professional expertise and connections into functional groups. This institution has clearly displayed a “bias

towards inclusion of people from the professions and academia,” but and extends into the domestic business and commerce associations, the labor unions, women’s groups and ethnic organizations, as well as environmental and social welfare groups.<sup>71</sup> While NMPs have limited voting rights similar to the group of NCMPs—i.e. no voting on financial bills, constitutional changes, and votes of no confidence—they are free to debate and vote on all other issues. The institution of the NMP, therefore, provides a formal participatory channel for those interests and issues arising out of increased social diversification. Furthermore, by politically incorporating functional groups into this institutional node, the PAP is able to effectively co-opt this specialized knowledge and reinforce its “elitist philosophy” of technocratic policy making.<sup>72</sup>

The deployment of these new institutional nodes to incorporate the issues and demands from among Singapore’s diversifying social groups during the 1980s enabled the PAP government to co-opt numerous groups and interests into manageable political institutions, over which it held strict control. In doing so, the use of Feedback Units, Parliamentary Advisory Committees, NCMPs and the NMP scheme in particular, came to be the core structural reforms aiming to preempting the mobilization of these new social forces within the area of secondary organizations, where the potential for alliances between pressure groups or, worse, between pressure groups and political opposition parties would be higher.<sup>73</sup> In fact, Rodan argues, the effective incorporation of sectoral interests into these new channels served to undermine the structural position of the political opposition by reducing its chances to capture these interests.<sup>74</sup> Because these co-optative channels worked as alternatives to both opposition political parties and collective associational pressure groups engaged in political contention, they structured political change in Singapore in ways that led to “more political participation and less contestation.”<sup>75</sup>

### *Oppositional Exclusion*

As argued above, the PAP’s program to restructuring the political regime aimed not at providing more participatory channels to meet increased demands in society for its own sake, but sought to design these new institutions to have the secondary effect of placing additional obstacles in the way of the formal political opposition within the electoral realm, in order to ensure the latter’s exclusion.

With the introduction of GRCs in 1988, a total of 13 new electoral constituencies were created by merging new and existing single-member districts into neighboring group constituencies. The GRC teams at this point were made up of three persons—with a legally mandated minority member—whereby the team winning a plurality of the total vote across the three districts, takes the three constituency seats. (Thus, a team could conceivably win one district within the GRC but still not return an MP).<sup>76</sup> Since the program was instituted, oppositional critics charged that the GRCs aimed to halt the decline in the PAP vote by placing an extra burden on opposition parties to build teams and to necessarily contest more seats.<sup>77</sup> With limited organizational and financial resources, opposition parties had previously pursued a strategy of contesting only a few seats in targeted, single-member districts into which all party resources were then aimed. Within the GRC scheme, however, these limited resources make it extremely difficult for putting up a strong team with the right ethnic mix that can compete with the PAP teams in all districts within the GRC constituency, the latter which can use strong candidates to pull extra weight for new or weaker PAP candidates within the team. This burden has since been increased as the size and number of the GRCs was expanded (they now consist of 5 or 6 members for each constituency and make up a total of 75 of the 84 seats in parliament).<sup>78</sup>

More adverse towards opposition parties, however, is the government's "time-honoured practice of changing electoral boundaries to its own advantage" before elections, by gerrymandering GRC districts to split up pockets of the electorate who were favorable towards oppositional candidates in the previous election, and then merging these constituencies with strong PAP constituencies.<sup>79</sup> While a study from Fetzer shows that such gerrymandering is not completely a systematic practice, the government does "adjust the electoral rules enough to ensure that . . . the GRC system . . . gives the PAP great control over the eventual results of the general election."<sup>80</sup> Combined with the large financial deposits required for candidates, which are forfeited by those taking less than 12% of the vote, and stringently enforced laws on campaign fund-raising and expenditures, numerous GRCs regularly go uncontested and secure PAP walkovers.<sup>81</sup>

Further guaranteeing the exclusion of the opposition was the strategy during the institutional restructuring of placing the electorate extremely close to their MPs in order to make them accountable for their choices. This was done with the formation of Town Councils in 1988, to which the responsibility for HDB housing estate administration was

delegated and which are run by the local MPs. As the Town Councils are responsible for maintenance, repair, and development of the HDB estates, the electorate has been made directly dependent on their representative MP in the process and, thereby, directly responsible for their voting choices.<sup>82</sup> The effects of this scheme on the political opposition, Mutalib argues, are two-fold:

First, realizing that their MPs would be responsible for their town councils, voters may now prefer the election of candidates who possess the necessary administrative and educational competence. PAP candidates have these qualifications to offer. Second, linking the GRC to the TCs [Town Councils] . . . strengthens the PAP's influence in the recruitment of personnel and supports from the grassroots organizations. Under the GRC law, not only must the chairperson of the TC be an MP, but the chair has the right to appoint 6 to 30 town councilors, all of whom must first be nominated by the council's MPs.<sup>83</sup>

In addition, the structural power inherent in the Town Councils has been used by the PAP government on several occasions to blackmail constituencies in the HDB flats, making clear that a vote for the opposition will result in their housing estates being moved to the bottom of the waiting-list for repairs and upgrades—to which the government has held its promise.

### **9.3 Conclusion**

As this chapter has shown, the political change undertaken by the PAP government between the mid-1980s and early 1990s entailed an array of institutional changes aimed at restructuring state–society relations in ways that aimed to preempt pressures for more radical changes down the line. The restructuring reflected “a conscious break from the more extreme state paternalism of the past,” Rodan suggests, “intended above all else to preserve the essence of the authoritarian regime.”<sup>84</sup> By the time Goh Chok Tong took over as Prime Minister following elections in 1991, these changes had been more or less consolidated to provide a stronger basis for the PAP to maintain its dominance over state–society relations through an eclectic mix of authoritarian controls and co-optive channels for representation, which has since characterized the hybrid, political regime in Singapore.

First, by shifting towards increased administrative control over civic organizations, newly activated collective forces were brought into institutional constraints delineated by OB markers, effectively bringing about a de-politization of these groups and obstructing the development of inter-organizational alliances with political parties. Second, by opening channels for participation and consultation within

institutions tightly controlled by the PAP government—such as the Feedback Unit, Parliamentary Special Committees, and appointments to NMP seats in parliament—those functional groups respecting the OB markers and refraining from confrontational methods to voice issues and demands, were able to exert influence over policy-making while receiving representation within the establishment. For the PAP government, the co-optation of these groups and their issues into new institutional channels served two purposes: it gave the government expertise opinions in specific issue areas for policy-making—thereby reinforcing the PAP’s technocratic ideology of governance—and it also steered the issues and demands of autonomous civic groups away from political competition and organizational alliances with the political opposition.<sup>85</sup> Those civic groups seeking to pursue oppositional political mobilization, if they survived administrative attacks, would necessarily be forced into the formal electoral arena. Third, the electoral institutional reforms accompanying the PAP’s preemptive political change served to raise the bar of political competition against oppositional political parties to the favor of the PAP, the latter which was able to re-strengthen its total vote shares as a result. As Tsun explains, the electoral reforms such as the GRCs, NCMPs, and NMPs, created “an electoral system . . . uniquely calibrated for the needs of [the PAP] political leadership” by “systematically obstructing political opposition [and] substantive organized political competition to the [PAP].”<sup>86</sup>

Organized political opposition did become a regular feature of Singapore politics, a development even promoted by reforms such as the NCMP scheme, but its leaders continued to face large obstacles inside and outside of parliament. The PAP government’s shift from overt coercion and repression towards less overt means of targeted coercion made court litigation a regular weapon in the PAP’s arsenal to be used against political oppositional challenges, serving to neutralize existing challenges and preempt future challenges through fear. Opposition party candidates and MPs “who threatened to become serious challengers of the status quo,” Barr explains, “found themselves jailed, bankrupted or driven into *de facto* exile.”<sup>87</sup> Defamation charges became the chosen instrument to muzzle opposition, for the high costs of damages regularly awarded by Singapore courts has made it quite successful.<sup>88</sup> During the 1990s, litigation brought by the PAP against political opponents served to bankrupt oppositional politicians J.B. Jeyaretnam, Chee Soon Juan, and Tang Liang Hong.<sup>89</sup>

After seeing its vote share drop by 13% during the 1984 general elections, enabling the PAP to gain only 64.9% of the total vote, the institutional restructuring

undertaken by the new PAP generation under the leadership of Goh served to first stabilize this electoral decline—the low point was reached in the 1991 general elections when Goh took over as Prime Minister, with the party polling only 61% of the vote and losing four single-member constituencies to the opposition—then reverse it. By the late 1990s Goh's PAP had captured 67% of the vote and 81 out of 83 seats in parliament.<sup>90</sup> Following this success of the 1997 elections, Goh declared that “the people have shown clearly that they support what we have done . . . They have rejected Western-style democracy and freedoms.”<sup>91</sup>

# Chapter 10

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## Conclusion

Throughout this study, institutions standing between the state and society have been at the center of analysis. The focus has been on how variations in institutional patterns across the cases of South Korea, Taiwan, and Singapore were shaped by state structures and the actions of state elites in ways that caused variations in trajectories of social change during rapid industrial development and, subsequently, shaped variations in the mode and type of political change. Using a path dependency approach, the study argues that the origins of these variations in state–society relationships were forged during a critical juncture of state building which took place differently across these cases. The following pages sum up the broad pieces of the argument.

### **10.1 The Historical Argument**

The nationalist KMT elite in Taiwan during the 1950s, the military elites led by Park Chung-hee in Korea after 1961, and the group of PAP elites around Lee Kuan Yew in Singapore after 1959, all undertook substantial programs of reorganizing the state, society, and the institutional nodes connecting the two. The results of these efforts were top-down, revolutionary projects geared towards organizing the collective action needed to overcome underdevelopment and catch up within the international system. Across these cases, state-corporatist organizational relations, coercive and repressive organizations of the state, political organizations, electoral institutions, and top-down ideological campaigns came together in different combinations as state elites attempted to control and mobilize society for this national project. As shown throughout this work, these different institutional configurations conditioned the structure and actions of the state and its relations with social groups, which came to shape and constrain the trajectories of social change in quite different ways as social orders in these countries were transformed during rapid industrial development. At the same time, the institutional

bulwarks of these developmental states were not static. As industrial development unleashed changes in social structure, brought forth new social forces and new forms of social and political conflicts, these dynamics filtered back to effect state structure and the activities of state officials as the latter responded in different ways to bring these forces under control and reproduce the necessities for rapid industrial development. As Wiarda suggests,

economic development and eventually industrialization tend to set new social forces loose, to make society more complex, and to give rise to new social pressures. Faced with these new pressures, traditional corporatist institutions can either try to resist change and stand in its way, or they can seek to accommodate and thus control it in their own ways.<sup>1</sup>

In a path dependent process, however, the ability for state elites to accommodate or resist this change is conditioned by the institutional capacities available to them at that time, which open some options while closing others.

As argued in this study, on the basis of the institutional arrangements arising out of the critical juncture in South Korea, Taiwan, and Singapore, state officials had patterned relations with social groups in different ways, thereby generating different types of pressures arising out of industrial development and making available, at any given time, different institutional nodes for dealing with these new pressures. Clearly the KMT party-state in Taiwan and the PAP government in Singapore were better able to construct sturdy state-corporatist organizational nodes and build political parties and parapolitical organizations with the capacity to control and mobilize diverse groups in society, and incorporate new social forces and pressures arising out of development. While in Taiwan, the party served as the institutional vehicle for co-optation and mobilization, the PAP in Singapore turned to the state bureaucracy and its parapolitical organizations to mobilize and control social groups. Political elites overseeing the state in Korea, however, were not so skillful. Power holders in Korea lacked both a strong political party and the existence of parastatal organizations with the capacity to channel and co-opt new social forces. In addition, its less refined state-corporatist channels, structured for strict exclusionary control, lacked the more incorporative aspects of those found in Taiwan and Singapore. Together, these structures in Korea tended to channel disaffected groups into areas outside formal institutions to voice demands and mobilize collective action while also conditioning responses from state officials to apply coercion and repression in attempt to deal with these undesired pressures and challenges.

Thus, as industrial development began to shift class structures, collective norms and values, power balances and lines of conflict by transforming the social order in these

countries, the trajectories of social change progressed in different ways. These variations were mapped out in detail throughout Part II of this study and summarized in table 6. It is worth briefly recapping these arguments again.

The organizational relationships tying together the developmental alliances between the developmental state and industrial capital shaped the development of private economic and financial power with great variance across cases. Where the Korean developmental state created monstrous private industrial conglomerates by steering business into industrial sectors with cheap-loans and subsidies, a small group of industrial families came to control most of the Korean economy and, with time, turned their high levels of debt into strength as they penetrated the state and entered politics. In Taiwan, the large sector of state-owned enterprises and conservative financial policies of the nationalist state created a structure of private industrial capital and patterned relations with this group much differently than the former. Although growing from more modest origins, this group also transformed their relationship with the state as they penetrated the political realm over time. In contrast to both these cases, the PAP developmental state in Singapore simply sidelined domestic private capitalists from the industrialization strategy, building a massive sector of state businesses in alliance with multi-national manufacturing capital. Not only did this block the development of an autonomous base of financial and economic power potentially conflictual with the state, but came to be a main factor in reproducing the autonomy and capacity of the core state elite at the center of the PAP government's authoritarian power structure.

Part II has also shown how these developmental alliances conditioned the state's institutional modes of controlling and mobilizing industrial labor, both structures which shaped the trajectory of social change among this class in diverse ways. Where rapid proletarianization, exclusionary state-corporatist union organizations, and reactionary repression by state security agencies, police, and employers were the chosen means of South Korean state officials to keep labor mobilized for industrial development, this pattern served to generate increased collective mobilization and radicalization among industrial workers. In contrast, more inclusionary modes of corporatist organization and welfare-based measures in Singapore and Taiwan facilitated the control and mobilization of an extremely more submissive collective group of industrial workers than in the former case. The result was to solidify a state-led labor movement in Singapore over the long-term and condition the development of only a weak labor movement in Taiwan after the state dismantled its marital law controls.

The development of rural society and the urban middle classes in these countries also displayed high levels of cross-case divergence. The creation of a large sector of small, owner-operator farming families and the subsequent expansion and diversification of urban middle-class groups—both brought into being and protected by state policy—was filtered through state institutions and organizational relationships with these groups in diverse ways. While the parastatal associations within the rural sector served to control and mobilize a broad conservative base of status quo political support, the variations found in the state's organizational relations with the growing middle classes served to channel and control activation among these new social forces in quite different ways. Where the KMT one-party state in Taiwan provided strong organizational capacities to include and co-opt politically activated groups into the party apparatus, party-controlled corporatist organizations, and its local electoral party machines, these patterns thereby preempted to a great extent a larger exit of disaffected groups into the electoral channels opened to political opposition. In the case of Singapore, state officials carefully constructed institutional channels to co-opt diversifying, middle-class groups, while undertaking organizational adjustments throughout development to keep social structural and socio-economic change constrained within tight institutional containers. In Korea, exclusionary institutional channels and high doses of coercion and repression served to mobilize and radicalize political contestation from among several non-mainstream middle-class groups—particularly students, church activists, and intellectual dissidents. The more these groups mobilized oppositional challenges and generated pressures on the political regime, the more the state repressed.

The result of these varied patterns of state-society relations on political change was that they produced variations in the socio-structural and state institutional environments in which political change took place. Part III of this study sought to capture these variations on the basis of configurations in the degree of mobilized oppositional challenges from below, on the one hand, and the availability of institutional capacity for regime elites to co-opt and/or repress these forces, on the other hand (see figure 1). As these particular historical combinations conditioned different options available to regime elites during times of political instability or crisis, they impacted in different ways both the mode and substance of political regime transitions in South Korea and Taiwan and regime restructuring in Singapore.

In Korea, the various reactive sequences characterized by the state's use of exclusion and reactionary repression against mobilized collective challenges from

students, dissident church groups and intellectuals, the labor movement, and even the moderate political opposition in the National Assembly, made for reoccurring political conflicts and punctuated periods of political crises. Relying on the coercive capacity of state organizations to supply support to political institutions by smashing mobilized challenges, authoritarian political elites were forced into democratic political reforms when the effective mobilization of this coercive apparatus was not forthcoming in the summer of 1987. After being pressured into a transition to democracy, Korea's incumbent regime elites did not have the availability of institutional capacity to control, channel, and co-opt political participation to a degree that they could maintain control over the transition process and steer it towards desired outcomes. The result was that the Roh Tae-woo government quickly lost control over the substance and pace of democratization after the attempt to co-opt the moderate opposition failed. Ironically, however, it was the continued high levels of mobilized oppositional challenges from among excluded groups which brought together the conservative coalition between the incumbent party and moderate opposition to steer the course of further, more moderate, reform.

In contrast to these socio-structural and state institutional configurations which characterized the transition to democracy in Korea was the process of political liberalization and democratization in Taiwan. The KMT had laid an institutional basis early on that gave the party-state the capacity to include and co-opt various sectors of society into the authoritarian political order. This enabled state elites to undertake pragmatic responses in attempt to deal with pressures stemming from new social forces by opening up the system in two phases of drawn-out political reform, aimed at first liberalizing, then at democratizing, the political regime. In the environment of highly mobilized pressures and challenges from below following the lifting of martial law, the party-state's capacity to continue incorporating diverse social forces gave it the ability to remain in control over both the pace and substance of political change throughout the process of democratization. This broad co-optation strategy, however, worked to undermine the KMT's democratic centralism and aggravate latent divisions among the central elite over the long term, resulting in a full-blown party-split during the process. But by raising the extent of oppositional competition against the existing KMT, the party split ultimately worked to further democratization by consolidating a multi-party system.

Similar to the KMT in Taiwan, the PAP government in Singapore enjoyed strong institutional capacity to incorporate and control new social forces arising out of

development. Yet its ability to limit the spaces within which these forces could become collectively activated proved even more formidable than the former. Both its intermediary organizational nodes and political institutional configurations proved highly capable of controlling sectoral groups and providing selective channels for inclusion over which the PAP government could exercise its hegemony, thereby preempting, to a great extent, the activation of potential opposition into mobilized collective challenges. As a consequence, collective pressures and mobilization among disaffected groups would never reach the high levels seen in Korea and Taiwan. The other consequence of the PAP government's co-optation strategies was that they were never geared towards extensive inclusion of new social forces into the party apparatus and upper-levels of the state bureaucracy, such as the KMT had increasingly done in Taiwan. In contrast to the latter, this kept the core PAP party-state elite insulated from the potentially dis-unifying effects of too much inclusion, and thereby reinforced the strong corporate coherence of this collective group at the power center. Thus, when the first signs of political oppositional challenges appeared in the early 1980s, the PAP government moved swiftly to restructure the political regime by further closing down undesirable channels while opening new, state-controlled institutional arenas for these groups. The result was that challenges to dominant-party rule within Singapore's authoritarian regime continued to be preempted while the mechanisms of government control over potential pressure groups were strengthened.

To sum up, the patterns of social change and political change emerging out of rapid industrial development in these countries reflected to a great extent the institutional capacities available to state officials to use state-corporatist organizational nodes and other political institutions, not only to control and mobilize society for rapid development, but to control, co-opt, and channel the activation and mobilization of new social forces arising out of the developmental process. The stronger the institutional capacities to achieve this—the clearest case being Singapore—the stronger were these political regimes and the less radical was political change. The case of South Korea, marked throughout rapid industrialization by reoccurring political conflict and regime transitions, stands in contrast. Where the institutional configurations conditioning the structures and actions of this state could control and mobilize for industrial development, they did so in ways detrimental to political stability. Taiwan falls somewhere in between

these two cases but its experience lies closer to Singapore in regards to the party-state's institutional and organizational capacity to control, incorporate, and channel mobilized forces while initiating a wide-reaching program of political regime change from above—the difference, of course, being that party-state elites in Taiwan saw political liberalization and democratization as the preferred means of political change while the PAP elite in Singapore looked to the further hybridization of the authoritarian political regime.

This finding rings heavy tones of Samuel Huntington's Cold War hypothesis on *Political Order in Changing Societies*: "In some instances programs of economic development may promote political stability; in other instances they may seriously undermine such stability."<sup>2</sup> The reasons for the former instance, he argued, was the presence of political institutions with a capacity "to stand up against the impact" of new social forces through "mechanisms that restrict and moderate the impact of new groups . . . , slow down the entry of new groups into politics or, through a process of socialization, impel changes in the attitudes and behavior of the most politically active members of the new groups."<sup>3</sup> The institutional configurations of developmental states in South Korea, Taiwan, and Singapore were forged at a critical juncture, thereby conditioning the possibilities available to state officials at latter points to deploy and redesign institutional channels in ways to absorb the impacts of new social forces. Among these states, some were left with more capacity to achieve this task than others. Normative questions regarding worthy developments in modern social and political orders aside, where a developmental state fails in this task, it will produce its gravediggers more rapidly than state officials desire. For the project of the development state, as Cumings argues, is a national project of "artificial class making . . . as part and parcel of full-blown industrialization"—a process whereby the state brings classes "into real historical existence as a matter of state policy."<sup>4</sup>

This study has explained the process of economic development, social change, and political change in these three developmental states as historical routes characterized by path dependent trajectories. Shaping the variations in social change and political change set loose by rapid development in these countries were the institutional configurations conditioning the structure and activities of these states vis-à-vis groups in society. This explanatory scheme offers a way to cut into analysis which avoids a tendency towards teleological assumptions found in older theories of economic development and modernization—and perhaps with less overt overtones, their current

incarnations—as well as highly generalized, structuralist accounts focused on class power and class alliances. It does so by recognizing that the socioeconomic and class structural changes unleashed by rapid industrial development take place within different institutional contexts across time and space. In the context of late-development during the twentieth century in general, but particularly where the state has taken on the leading role of developer by organizing society in ways to subordinate it to the necessities of catching up within the international state system, the structures of the state and the actions undertaken by state elites will greatly shape the pace and substance of this social change in ways that shape and constrain its trajectory. This theoretical approach draws attention away from arguments hypothesizing a universal class-carrier of certain types of political orders or sequential phases of normative and value changes in society that drive correlating political outcomes. It also avoids the strong tendency within voluntarist approaches to political regime transitions to overemphasize the contingent environment of “uncertainty” that may characterize regime transitions, and which is thought to dis-embed actors from any stable, structural context.<sup>5</sup> By positioning the analysis of political regime transitions within the context of their specific, historical configurations of socioeconomic structures and state institutional counterparts—done in this study by focusing on the degree of mobilized oppositional challenges from below and the availability to regime elites of institutions to repress and/or co-opt these challenges during processes of political change—the sometimes contingent “uncertainty,” which may appear at first glance to characterize a transition in political regime, can be greatly narrowed down.

Few of the many political regime transitions throughout the world since the late 1970s have been cases of developmental states—the latter having been a rare phenomenon among the abundance of post-colonial nation states whose nationalist leaders were committed, at least rhetorically, to using the power of the state to bring about economic development. But whether a developmental state, a predatory state, or some intermediary form of state,<sup>6</sup> the structure of the state and the activities undertaken by state officials in their attempt to realize state goals have drastically shaped societies in ways that condition processes and outcomes of political change.

## **10.2 Legacies of the Developmental State**

In closing this work I would like to address a last aspect of political change, only cursorily touched on in the forgoing analysis, regarding the longer-term impact of one

particularly stable structural legacy of the developmental state on the new democratic political regimes that emerged in Korea and Taiwan: the mode of capital accumulation forged by the state's developmental alliances with capital. An underlying argument of this work has been that developmental states are facilitated by authoritarian regimes capable of constructing stable institutional structures of command and control, which can mobilize collective action towards the project of rapid industrialization without being required to represent social interests that may potentially conflict with this goal. For the emergence of political democracy, therefore, these non-pluralist structures securing the developmental state's embedded-autonomy must necessarily be swept away. Developmental states in Korea and Taiwan were progressively dismantled during the 1980s and early 1990s as private industrial and financial capital increasingly penetrated parts of the state to capture economic policy, and programs of economic liberalization—pressured from the inside and outside—were initiated by state officials during this time. Where the former weakened the autonomy of developmental technocrats within the central economic bureaucracies, the latter greatly reduced the capacities of these state organizations to drive targeted industrial programs and maintain control over the activities of private capital. The subsequent democratization in both countries, by making representative institutions the main source of collective decision making, then finished the job of dismantling these development states. Yet even after democratization, the structures of capital accumulation, carved out by these developmental states at much earlier points in time, could not be so easily swept aside. They created adverse consequences for democracy in general, and industrial labor in particular. In order to conclude this work, therefore, a brief look at this lasting legacy shall highlight the limits of democratic political transformation in reshaping these structures.

As a result of democratization in both Korea and Taiwan, private industrial and financial capital found a strong position of power within the new democratic political institutions. In Korea, politicians increasingly became reliant on chaebol finances for winning office in competitive elections as campaign costs skyrocketed, making the lobbying activities of the chaebol's Federation of Korea Industries all the more effective in influencing economic policy. Furthermore, having become too-big-to-fail as a result of the earlier developmental state's industrial policy, the ability of elected politicians to reduce the concentration of the highly-leveraged chaebol became increasingly constrained, leaving them further set out to the economic and financial power of these conglomerates.<sup>7</sup> With the advent of the 1997 Asian financial crisis, of course, the costs

of this chaebol concentration would be socialized as the costs of the massive bailouts were pushed onto the taxpayers—that same year the latter would also learn the extent of massive corruption and graft that had taken place between Kim Young-sam's inner political circle and business groups.

In Taiwan, the entrance of the *guanxiqiye* into politics, which accelerated with Lee Teng-hui's full-blown incorporation of this group into his KMT mainstream faction, led to their dominance of economic and financial policy in the legislature, where they pushed a program to break open the massive state-owned enterprise sector and privatize these industries. What emerged out of this process was a "party-state-private capital bloc," forged around the holding companies and enterprises of the KMT party and *guanxiqiye* elite, who, together with state participation, took over most of these industries. These were then corporatized and made into profitable enterprises, generating finances that could be shoved into the political campaign chests of the KMT and a vast array of jobs and business activities, which could be used to reward political supporters.<sup>8</sup> In effect, this structure reinforced an uneven playing field within the electoral realm to the favor of the KMT's political dominance. Although this study classifies Taiwan as a minimal democracy during this time—i.e. from the first direct, democratic election of the president in 1995—this uneven playing field has given cause for some scholars to classify Taiwan as a "competitive authoritarian" regime—a hybrid, diminished subtype of authoritarianism—until the election of President Chen Shui-bian in 2000, an older Tangwai, Democratic Progressive Party leader.<sup>9</sup> (Chen was later convicted to prison on several charges of political corruption and graft totaling tens of millions during his time in office.)

What this politics of business dominance meant for labor in Korea and Taiwan, was continued exclusion from the democratic political realm. In both cases, the timing of democratization conjuncted with increased competitive pressures arising out of the changing global economy and the spread of neoliberal economic trends. As workers' hard-won wage increases and employee benefits increasingly cut into the competitiveness of Korean and Taiwanese exporters, the calls for labor market flexibility came to dominate national policy reform. As democratization of the political regime in Korea solidified around the conservative coalition of the Democratic Liberal Party, the continuation of legislation preventing multiple unions left the former state-corporatist Federation of Korean Trade Unions with a monopoly on representation, which was reinforced by the continued prohibition of union participation in politics. In Taiwan the

legacy of labor exclusion also carried forth into democratic policy as the ‘one plant, one union’ law and the prohibition of competing federations left the KMT’s Chinese Federation of Labor with a monopoly of representation within the Council of Labor Affairs. Korean labor was granted legislation for competing union federations only in 1997—and this was only due to Korea’s OECD membership requirements. But the chaebol, reinforced by the International Monetary Fund during the financial crisis, drove a hard bargain. In return for recognition, employers were granted increased powers over lay-offs, strike replacements, and the hiring of temporary workers, thereby achieving the labor market flexibility the chaebol had been pushing for since the democratic transition.<sup>10</sup> In Taiwan, the same structural conjuncture took place. When the recognition of competing union federations finally came in 2000, Taiwanese capital had already achieved its desired labor market flexibility, having adopted strategies of employing less-costly temporary and foreign workers, automating production lines or simply moving them to mainland China.<sup>11</sup>

In contrast to these developments, the PAP government in Singapore has not only avoided a democratization of the political regime but it has also prevented the dismantling of the developmental state to any large extent. The PAP’s developmental alliance continues to squeeze domestic private capital between the bulwark of government-linked companies (GLCs) and numerous statutory boards, on the one side, and the activities of multi-national capital, on the other. The state’s developmental strategies since the 1990s have seen the GLCs spearhead an outward regionalization drive with high value-added services and overseas investment programs. While selectively co-opting SME capital into these programs as a minor partner, the government was able to increase its control over the activities of this sector.<sup>12</sup> The massive financial, industrial, and commercial power of the GLCs and statutory boards continues to keep both economic and political power concentrated within the highly autonomous core of bureaucratic-capitalists in the upper-levels of bureaucracy and the government cabinet. In contrast to the private capital–political blocks that emerged out of democratization in Korea and Taiwan, however, this structure continues to undergird the PAP’s exceptional record of clean, non-corrupt governance.

With the state maintaining its position as the biggest stakeholder in the economy, labor continues to be set out to the necessities of the developmental state. Within the PAP government’s alliance with the National Trades Union Confederation (NTUC), any notion of the concept of industrial relations still left in national discourse has been

replaced by the concepts of “human resource management” and “manpower planning.”<sup>13</sup> In the new economy of the twenty-first century, where retrenchment and labor market flexibility have now become the norm, the job of the elite PAP labor-MPs running the NTUC continues to be geared towards subordinating labor to the structural shifts within the international economy and the resulting demands of multi-national and state capital, convincing workers of their national duty to accept this fate and scramble to continuously retool their skills in order to keep up.<sup>14</sup> The continuation of legislative and institutional stability in Singapore’s labor regime suggests that this continued subordination of the working classes to the requirements of the PAP developmental state has proven successful.



# Notes

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## Chapter 1: Introduction: Economic Development, Political Change, and Developmental States

1. Xiaoming Huang, *Politics in Pacific Asia: An Introduction* (New York: Palgrave Macmillan, 2009), chap. 1.

2. *Ibid.*, 9.

3. Timothy Lim, *Doing Comparative Politics: An Introduction to Approaches and Issues* (Boulder CO: Lynne Rienner, 2006), 164.

4. Karl W. Deutsch, "Social Mobilization and Political Development," *The American Political Science Review* 55, no. 3 (1961): 493.

5. *Ibid.*

6. John Sheahan, "The Elusive Balance Between Stimulation and Constraint in Analysis of Development," *Development, Democracy, and the Art of Trespassing: Essays in Honor of Albert O. Hirschman*, ed. Alejandro Foxley, Michael S. McPherson and Guillermo O'Donnell (Notre Dame: University of Notre Dame, 1985), 177.

7. For good examples see Daniel Lerner, *The Passing of Traditional Society* (NY: Free Press of Glencoe, 1964); Seymour M. Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *The American Political Science Review* 53, no.1 (1959): 69–105; and Gabriel A. Almond and James S. Coleman, ed., *The Politics of the Developing Areas* (Princeton: Princeton University Press, 1960).

8. For the most prominent examples see Lipset, "Some Social Requisites"; Larry Diamond, "Economic Development and Democracy Reconsidered," *American Behavioral Scientist* 35 (1992): 450–499; Roland Inglehart and Christian Welzel, *Modernization, Cultural Change, and Democracy: The Human Development Sequence* (Cambridge: Cambridge University Press, 2005); and Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Oklahoma: University of Oklahoma Press, 1991), 66–72.

9. Barrington Moore Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1993); Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge: Cambridge University Press, 1979); Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Cambridge: Polity Press, 1992); Guillermo A. O'Donnell, *Modernization and Bureaucratic Authoritarianism* (Berkeley: Institute of International Studies, University of California, 1973). See also Gregory M. Luebbert, *Liberalism, Fascism, or Social Democracy: Social Classes and the Political Origins of Regimes in Interwar Europe* (Oxford: Oxford University Press, 1991).

10. James Mahoney, "Knowledge Accumulation in Comparative Historical Research: The Case of Democracy and Authoritarianism," in *Comparative Historical Analysis in the Social Sciences*, ed. James Mahoney and Dietrich Rueschemeyer (Cambridge: Cambridge University Press, 2003), 151.

11. For a good overview of this research agenda see Mahoney, "Knowledge Accumulation," 137–152.

12. The most pertinent examples are Carles Biox, *Democracy and Redistribution* (Cambridge: Cambridge University Press, 2003); Daron Acemoglu and James A. Robinson, *The*

*Economic Origins of Dictatorship and Democracy* (Cambridge: Cambridge University Press, 2005); and Mancur Olson, "Dictatorship, Democracy, and Development," *American Political Science Review* 87, no. 3 (1993): 567–576.

13. Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*, 26, 27.

14. See Biox, *Democracy and Redistribution*, chap. 1.

15. For reviews on the explanatory power of these approaches see Mahoney, "Knowledge Accumulation," 167; Stephan Haggard and Robert R. Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995), 4; Dan Slater, "Democracy and Dictatorship Do Not Float Freely: Structural Sources of Political Regimes in Southeast Asia," in *Southeast Asia in Political Science: Theory, Region, and Qualitative Analysis*, ed. Erik Martinez Kuhonta, Dan Slater, and Tuong Vu (Stanford: Stanford University Press, 2008), 62–66; and Jörg Rössel, "Mobilisierung, Staat und Demokratie: Eine Reinterpretation einer modernisierungstheoretischen These," *Kölner Zeitschrift für Soziologie und Sozialpsychologie* 52, no. 4 (2000): 609–635.

16. Terry Lynn Karl, "Petroleum and Political Pacts: The Transition to Democracy in Venezuela," *Latin American Research Review* 22, no. 1 (1987), 65.

17. For a similar argument see Rössel, "Mobilisierung, Staat und Demokratie."

18. Institutions are understood here both as rules and formal organizations which structure authority relations. As Katznelson suggests, institutions can be analyzed as the "connecting tissue . . . linking structure and agency within determinate and contingent historical configurations." Ira Katznelson, "Structure and Configuration in Comparative Politics," in *Comparative Politics: Rationality, Culture, and Structure*, ed. Mark Irving Lichbach and Alan S. Zuckerman (Cambridge: Cambridge University Press, 1997), 102.

19. Robert Wade, *Governing the Market*, 2nd ed. (Princeton: Princeton University Press, 2004), 286.

20. This definition is drawn from Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University, 1985), 7, 8.

21. Skocpol, "States and Social Revolutions," 29.

22. Skocpol, "Bringing the State Back In," 7, 8.

23. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol "States and The Patterning of Social Conflicts," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University, 1985), 253.

24. Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford: Stanford University Press, 1982). For studies on other East Asian cases see in particular: Alice H. Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (Oxford: Oxford University Press, 1989); Jung-en Woo, *Race to the Swift: State and Finance in Korean Industrialization* (New York: Columbia University Press, 1991); Wade, *Governing the Market*; and W.G. Huff, "The Developmental State, Government, and Singapore's Economic Development Since 1960," *World Development* 23 no. 8 (1995): 1421–1438.

25. The following conception of the developmental state has drawn from numerous works. In particular are Johnson's *MITI and the Japanese Miracle* and Peter Evans' *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995). Other important sources consist of several book chapters in *The Developmental State*, ed. Meredith Woo-Cumings (Ithaca: Cornell University Press, 1999), which include Meredith Woo-Cumings, "Introduction: Chalmers Johnson and the Politics of Nationalism and Development," 1–31; T.J. Pempel, "The Developmental Regime in a Changing World Economy," 137–181; and Juhana Vartiainen, "The Economics of Successful State Intervention in Industrial Transformation," 200–234. Still other key sources have been Ziya Öniş, "The Logic of the Developmental State," *Comparative Politics* 24, no. 1 (1991): 109–126; Bruce Cumings, "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences," in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (Ithaca: Cornell University Press, 1987), 44–83; Chalmers Johnson, "Political Institutions and Economic Performance: The Government–Business Relationship in Japan, South Korea, and Taiwan," in *The Political Economy of the New Asian Industrialism*, ed.

Frederic C. Deyo (Ithaca: Cornell University Press, 1987), 136–164; and Amiya Kumar Bagchi, “The Past and the Future of the Developmental State,” *Journal of World-Systems Research* 6, no. 2 (2000): 398–442.

26. Ben Ross Schneider, “The *Desarrollista* State in Brazil and Mexico,” in *The Developmental State*, ed. Meredith Woo-Cumings (Ithaca: Cornell University Press, 1999), 283; Bagchi, “The Past and the Future of the Developmental State,” 398.

27. Johnson, *MITI and the Japanese Miracle*, 24; Pempel, “The Developmental Regime,” 139.

28. Johnson, *MITI and the Japanese Miracle*, 19.

29. Linda Weiss and John M. Hobson, *States and Economic Development: A Comparative Historical Analysis* (Cambridge: Polity Press, 1995), 150. See also Öniş, “Logic of the Developmental State,” 111.

30. Wade, *Governing the Market*, 13.

31. Johnson, *MITI and the Japanese Miracle*, 27. Johnson also refers to this practice as “administrative guidance.” See his “Political Institutions and Economic Performance,” 158–160.

32. Johnson, “Political Institutions and Economic Performance,” 151–158; Evans, *Embedded Autonomy*, chap. 3; Weiss and Hobson, *States and Economic Development*, chap. 5.

33. Skocpol, “Bringing the State Back In,” 9.

34. Evans, *Embedded Autonomy*, 48, 49.

35. *Ibid.*, 12.

36. Skocpol, “Bringing the State Back In,” 9.

37. Evans, *Embedded Autonomy*, 49, 50.

38. Michael Mann, “The Autonomous Power of the State: Its Origins, Mechanisms and Results,” *The State: Critical Concepts*, ed. John A. Hall (London: Routledge, 1994), 334.

39. Evans, *Embedded Autonomy*, 248.

40. The term “social sector” is used throughout this work to refer to particular social groups, whether in a class or socioeconomic sense. It seeks to capture the functional roles of these groups such as private capital, industrial labor, rural society, and professional middle classes as seen from the perspective of state elites seeking to mobilize society for industrial development.

41. The conception of state-corporatism used here is from Wiarda, understood as “a system of social and political organization in which major societal groups or interests . . . are integrated into the governmental system, often on a monopolistic basis or under state guidance, tutelage, and control, to achieve coordinated national development.” Howard J. Wiarda, *Corporatism and Comparative Politics: The Other Great ‘Ism’* (Armonk: M.E. Sharpe, 1997), ix.

42. This figure for Singapore is only for the period 1975–1980. The data are taken from World Bank, “World Development Indicators,” accessed July 21, 2013, <http://data.worldbank.org/data-catalog/world-development-indicators>; and Vei-Lin Chan, “Foreign Direct Investment and Economic Growth in Taiwan’s Manufacturing Industries,” in *The Role of Foreign Direct Investment in East Asian Economic Development*, ed. Takatoshi Ito and Anne O. Krueger (Chicago: University of Chicago, 2000), table 12.1, 353.

43. Richard E. Barrett and Soomi Chin, “Export-oriented Industrializing States in the Capitalist World System: Similarities and Differences,” in *The Political Economy of the New Asian Industrialism*, ed. Fredric C. Deyo (Ithaca: Cornell University Press, 1987), table. 5, 32.

44. *Ibid.*, table, 1, 26.

45. Harry T. Oshima, “The Transition From an Agricultural to an Industrial Economy in East Asia,” *Economic Development and Cultural Change* 34, no. 4 (1986): 783. If the high point of the percentage of the labor force in industry is taken as a secondary measurement then this was 36% in Korea 1991, 45% in Taiwan 1982, and 37% in Singapore 1981. Tun-jen Cheng, “Transforming Taiwan’s Economic Structure in the 20th Century,” *The China Quarterly* 165 (March 2001): table 1, 23; World Bank, “World Development Indicators.”

46. See John Stuart Mill, *A System of Logic, Ratiocinative and Inductive* (N.p.: Forgotten Books, 2012), 255, 256.

47 A political regime can be understood as consisting of the formal and informal institutions which regulate political power and shape the political process. They include the institutional methods regulating access to, and decision-making within, the central political institutions—such as government and legislative assemblies—and also encompass the more general means of generating support and compliance between those governing and those not governing. General patterns along these two dimensions can be generalized into types of political regimes such as a democratic regime, an authoritarian regime, a hybrid regime, or any various subtypes of these. See, James Mahoney, *The Legacies of Liberalism: Path Dependence and Political Regimes in Central America* (Baltimore: The Johns Hopkins University Press, 2001), 46; Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America* (Princeton NJ: Princeton University Press, 1991), 789; and Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore: The Johns Hopkins University Press, 1986), 73n1.

48. James Mahoney, "Path Dependence in Historical Sociology," *Theory and Society* 29, no. 4 (2000): 507-548.

49. Collier and Collier, *Shaping the Political Arena*, 29.

50. Mahoney, *Legacies of Liberalism*, 6.

51. Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton: Princeton University Press, 2004), 11.

52. Arguments of institutional equilibrium or lock-in, Thelen suggests, are "not always relevant to politics," simply for the fact that "politics is characterized by disagreement over goals and disparities in power, and . . . institutions often reinforce power disparities." Following the construction of new institutional arrangements, she continues, "the losers do not necessarily disappear, and their adaptation can mean something very different from embracing and reproducing the institutions." Kathleen Thelen, "Historical Institutionalism in Comparative Politics," *Annual Review of Political Science* 2 (1999): 385.

53. Mahoney, *Legacies of Liberalism*, 10.

54. Terry Lynn Karl, "Dilemmas of Democratization in Latin America," *Comparative Politics* 23, no. 1 (1990): 6. See also Mahoney, *Legacies of Liberalism*, 11.

55. This path dependency approach to political regime transitions is drawn from Karl, "Dilemmas of Democratization in Latin America."

## PART I: THE CRITICAL JUNCTURE

### Introduction

1. Stephen Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca: Cornell University Press, 1990), 23.

2. Hillel David Soifer, "The Causal Logic of Critical Junctures," *Comparative Political Studies* 20, no. 10 (2010): 1–26.

3. See Cumings' discussion in "Origins and Development of the Northeast Asian Political Economy," 59–69.

4. Sources for this paragraph are, Haggard, *Pathways*, 61, 89; Hagen Koo, "The Interplay of State, Social Class and World System in East Asian Development: The Cases of South Korea and Taiwan," in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (Ithaca: Cornell University Press, 1987), 169.

5. Haggard, *Pathways*, 110.

## Chapter 2: The Emergence of Developmental States and Strategic Industrial Shifts

1. The following paragraph quotes from Magruder to Joint Chiefs of Staff, Seoul, May 16, 1961, in *Foreign Relations of the United States, 1961–1963, Vol. 22: North East Asia*

(Washington: United States Government Printing Office, 1996), 449–451. Hereafter all volumes are cited as *FRUS*.

2. For worthy accounts of this period see: Bruce Cumings, *Korea's Place in the Sun: A Modern History*, rev. ed. (New York: W.W. Norton and Company, 2005), 348–350; and George Katsiaficas, *Asia's Unknown Uprisings Vol. 1: South Korean Social Movements in the 20th Century* (Oakland: PM Press, 2012), 131–135. In addition, numerous reports from the US Embassy to Washington D.C. during the period can be found in *FRUS, 1958–1960, Vol. 18: Japan; Korea*, (Washington: United States Government Printing Office, 1994).

3. Department of State to Embassy in Korea, Washington April 1, 1961, in *FRUS, 1961–1963, Vol. 22*, 436–438.

4. Young-ho Lee, “The Politics of Democratic Experiment 1948-1974,” in *Korean Politics in Transition*, ed. Edward Reynolds Wright (London: University of Washington Press, 1975), 13–43; and Cumings, *Korea's Place*, 351.

5. US Embassy in Korea to Department of State, Seoul, October 13, 1960, in *FRUS, 1958–1960, Vol. 18*, 697–696.

6. Cumings, *Korea's Place*, 351.

7. Samuel P. Huntington, *Political Order in Changing Societies* (London: Yale University Press, 1968).

8. See Amsden, *Asia's Next Giant*, 42–52, from which the following discussion is drawn.

9. One estimate gives a figure of US\$12 billion between 1945 and 1965. Cumings, *Korea's Place*, 306.

10. *Ibid.*, 304–309.

11. Quoted in Hyung-A Kim, *Korea's Development Under Park Chung Hee: Rapid Industrialization 1961–1979* (London: RoutledgeCurzon, 2004), 69.

12. The junta's early revolutionary fervor and parts of its incipient economic policy had led US intelligence to question whether the coup had in fact been “communist inspired and directed.” “The Current Regime in the Republic of Korea,” July 18, 1961, in *FRUS, 1961–1963, Vol. 22*, 499–502.

13. Jung-en Woo, *Race to the Swift*, 80.

14. Quoted in Chuung-in Moon and Byung-joon Jun, “Modernization Strategy: Ideas and Influences,” in *The Park Chung Hee Era: The Transformation of South Korea*, ed. Byung-Kook Kim and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 118.

15. Quoted in Don Oberdorfer, *The Two Koreas: A Contemporary History* (n.p.: Basic Books, 1997), 34.

16. “The Current Regime in the Republic of Korea,” July 18, 1961, in *FRUS, 1961–1963, Vol. 22*, 499.

17. Cumings, *Korea's Place*, 355, 256; and Haggard, *Pathways*, 73.

18. Cumings, *Korea's Place*, 301, 302.

19. Koo, “Interplay of State,” 170.

20. *Ibid.*, 171.

21. Cumings, *Korea's Place*, 149, 150.

22. Following purges within the civil service, the National Civil Service Law of 1963 established a system of meritocratic recruitment and promotion. Most incoming higher-level administrators were sent to Seoul's National Defense College for “compulsory ‘thought training’” courses. Kim, *Korea's Development Under Park*, 76.

23. Berger to Secretary of State Rusk, December 15, 1961, in *FRUS, 1961–1963, Vol. 22*, 542–548.

24. Haggard, *Pathways*, 65. The quote is from Tun-jen Cheng, Stephan Haggard and David Kang, “Institutions and Growth in Korea and Taiwan: The Bureaucracy,” in *East Asian Development: New Perspectives*, ed. Yilmaz Akyüz (London: Frank Cass, 1999), 101.

25. Byung-Kook Kim, “The Leviathan: Economic Bureaucracy Under Park,” in *The Park Chung Hee Era: The Transformation of South Korea*, ed. Byung-Kook Kim and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 207.

26. The next two paragraphs draw mainly from Evans, *Embedded Autonomy*, 51–53; and Kim, “Leviathan.”

27. Kim, "Leviathan," 206.
28. *Ibid.*, 207.
29. Kim, *Korea's Development Under Park*, 77.
30. Soohn-Ho Hong, "A Historical Study of Bureaucracy in Korea," in *Korean Politics: Striving for Democracy and Unification*, ed. Korean National Commission for UNESCC (Elizabeth, NJ: Hollym, 2002), 134.
31. Kim, "Leviathan," 206.
32. Berger to Secretary of State Rusk, December 15, 1961, in *FRUS, 1961–1963, Vol. 22*, 542–548.
33. Cumings, *Korea's Place*, 312. This group had been involved in a long list of offenses during the First Republic, including the illegal procurement of state-owned properties and foreign capital, the donation of political funds to government officers and politicians for the purpose of receiving government contracts and preferential bank loans, the evasion of taxes and illegal transfer of wealth abroad, as well as a host of other predatory activities practiced during the 1950s. See Woo, *Race to the Swift*, 83; and Eun Mee Kim, *Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960–1990* (New York: State University of New York, 1997), 115.
34. Berger to Secretary of State Rusk, December 15, 1961, in *FRUS, 1961–1963, Vol. 22*, 542–548.
35. This paragraph also draws from Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (Cambridge: Cambridge University Press, 2004), 97; and Kim, *Korea's Development Under Park*, 81, 82. Big business, or the group of 'illicit profiteers,' was forced into the Promotional Committee for Economic Reconstruction, later renamed the Federation of Korean Industries (FKI), where the economic technocrats divided-up the targeted industries of the first five-year plan among them: Kumsong Textile took cement, Samsung and Samho Textile took fertilizer, Taehan Milling took electricity, Iron went to Taehan Cement, Kukdong Marine, Taehan Industry and Tongyang Cement, synthetic fiber went to Hwasin, Choson Silk Mill and Han'guk Glass.
36. Cumings, *Korea's Place*, 372. Sources for this paragraph also include Jang-jip Choi, "A Corporatist Control of the Labor Union in South Korea," *Korean Social Science Journal* 11 (1984): 33; and Frederic Deyo, Stephan Haggard, and Hagan Koo, "Labor in the Political Economy of East Asian Industrialization," *Bulletin of Concerned Asian Scholars* 19, no. 2 (1987): 47.
37. Sam-soo Kim, "Labor Policy and Industrial Relations in the Park Chung-hee Era," in *Developmental Dictatorship and the Park Chung-hee Era: The Shaping of Modernity in the Republic of Korea*, ed. Lee Byeong-cheon, trans. Eungsoo Kim and Jaehyan Cho (Paramus, NJ: Homa and Sekey, 2006), 159.
38. Young Jo Lee, "The Countryside," in *The Park Chung Hee Era: The Transformation of South Korea*, ed. Kim Byung-kook and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 347.
39. Larry L. Burmeister, "From Parastatal Control to Corporatist intermediation: The Korean Agricultural Cooperative in Transition," in *Corporatism and Korean Capitalism*, ed. Dennis L. McNamara (London: Routledge, 1999), 110.
40. Cumings, *Korea's Place*, 359.
41. Berger to Department of State, Seoul, July 27, 1962, in *FRUS, 1961–1963, Vol. 22*, 591–594.
42. Richard Halloran, "Korea Intelligence: Eyes Seem Everywhere," *New York Times*, October 28, 1979.
43. Embassy in Korea to Department of State, Seoul, December 7, 1962, in *FRUS, 1961–1963, Vol. 22*, 616–618.
44. Cumings, *Korea's Place*, 360.
45. Suk-choon Cho, "The Bureaucracy," in *Korean Politics in Transition*, ed. Edward Reynolds Wright (Seattle: University of Washington Press, 1975), 78–81.
46. In spite of the controls provided to Park by the KCIA and DRP, the political situation in Korea would remain in constant flux, characterized by an extreme factionalism and challenges

between opposition parties and students on the one side, and Park and his DRP on the other. As we will see in later chapters, this relatively open political situation would lead Park to further concentrate executive power and tighten down with extreme controls during the 1970s.

47. This paragraph draws from Haggard, *Pathways*, 68–70.

48. This paragraph draws from Cumings, *Korea's Place*, 318–322; and Woo, *Race to the Swift*, 85–88.

49. Cumings, *Korea's Place*, 321.

50. Steven Phillips, “Between Assimilation and Independence: Taiwanese Political Aspirations Under Nationalist Chinese Rule, 1945–1948,” in *Taiwan: A New History*, rev. ed., ed. Murray A. Rubinstein (London: M.E. Sharpe, 2007), 276.

51. Denny Roy, *Taiwan: A Political History* (Ithaca: Cornell University Press, 2003), 60–67.

52. Phillips, “Between Assimilation,” 276. Taiwan had been a showcase colony of the Japanese Empire. Under colonial rule, the island experienced tremendous socioeconomic improvements to become one of the wealthiest places in East and Southeast Asia, barring the Japanese mainland itself. In addition, native Taiwanese had become well assimilated into Japanese culture.

53. *Ibid.*, 293.

54. For a fuller account see Roy, *Taiwan: A Political History*, 67–70; and Phillips, “Between Assimilation,” 293–296.

55. During colonial times this elite had functioned as middlemen between the central imperial government and the local population. Their social standing had been centered on their economic and social power, which overlapped with their activities in moderate political movements which voiced similar themes, such as more local autonomy and self-governance in local affairs without challenging the colonial state. During Taiwan's retrocession to China they rode their high social standing to mobilize against the economic and social policies of the KMT and sought to gain the political influence they felt was due to them. Phillips, “Between Assimilation,” 286.

56. Roy, *Taiwan: A Political History*, 71.

57. Tillman Durdin, 1947 “Formosa Killings Are Put At 10,000,” *New York Times*, March 29, 1947.

58. “Formosa: the Bloody Hand,” *Newsweek*, April 7, 1947.

59. See Phillips, “Between Assimilation,” 296; and Roy, *Taiwan: A Modern History*, 73.

60. *Ibid.*, 296, 297.

61. Wade, *Governing the Market*, 231–235; Haggard, *Pathways*, 79–83.

62. Quoted in Roy, *Taiwan: A Political History*, 89.

63. The following paragraphs draw mainly from *Ibid.*, 80, 81, 91–93; and Peter Chen-main Wang, “A Bastion Created, A Regime Reformed, An Economy Reengineered, 1949–1970,” in *Taiwan: A New History*, rev. ed., ed. Murray A. Rubinstein (London: M.E. Sharpe, 2007), 321–330.

64. Mikael Mattlin, *Politicized Society: The Long Shadow of Taiwan's One-party Legacy* (Copenhagen: Nordic Institute of Asian Studies, 2001), 39.

65. Wang, “Bastion Created,” 322.

66. *Ibid.*, 323.

67. Roy, *Taiwan: A Political History*, 91.

68. Wang, “Bastion Created,” 330.

69. Roy, *Taiwan: A Political History*, 91.

70. McConaughy to Department of State, Taipei, December 14, 1967, in *FRUS, 1964–1968, Vol. 30: China* (Washington: United States Government Printing Office, 1998), 618–621.

71. For discussions on state capacity laid by the Japanese see: Alice H. Amsden, “The State and Taiwan's Economic Development,” in *Bringing the State Back In*, ed. Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985), 79–82; Wade, *Governing the Market*, 231, 232; and Karl J. Fields, *Enterprise and the State in Korea and Taiwan* (Ithaca: Cornell University, 1995), 79–81.

72. Haggard, *Pathways*, 86, 87; and Wade, *Governing the Market*, 199–202.

73. Haggard, *Pathways*, 86.
74. Wade, *Governing the Market*, 388.
75. This bureaucratic insulation is emphasized by both Haggard, *Pathways*, 86; and Amsden, "State and Taiwan's Economic Development," 83.
76. Mattlin, *Politicized Society*, 42.
77. Frederic C. Deyo, *Beneath the Miracle: Labor Subordination in the New Asian Industrialism* (Berkeley: University of California Press, 1989), 118; Ming-sho Ho "Challenging State Corporatism: The Politics of Taiwan's Labor Federation Movement," *The China Journal* 56 (July 2006): 112.
78. Amsden, "State and Taiwan's Economic Development," 84, 85.
79. Shelley Rigger, *Politics in Taiwan: Voting for Democracy* (London: Routledge, 1999), 77.
80. Thomas B. Gold, "Civil Society in Taiwan: The Confucian Dimension," in *Confucian Traditions in East Asian Modernity: Moral Education and Economic Culture in Japan and the Four Mini-dragons*, ed. Wei-ming Tu (N.p.: American Academy of Arts and Sciences, 1996), 250.
81. Rigger, *Politics in Taiwan*, 76.
82. *Ibid.*, 75.
83. Roy, *Taiwan, A Political History*, 77.
84. *Ibid.*, 84.
85. *Ibid.*, 86.
86. See Wang, "Bastion Created," 327; Joseph Bosco, "Faction Versus Ideology: Mobilization Strategies in Taiwan's Elections," *The China Quarterly* 137 no. 1 (1994): 38; and Yun-han Chu and Jih-wen Lin, "Political Development in 20th-Century Taiwan: State-building, Regime Transformation and the Construction of National Identity," *The China Quarterly* 165 (March 2001): 114, 115.
87. Rigger, *Politics in Taiwan*, 77.
88. Wang, "Bastion Created," 325. Non-military aid to Taiwan totaled roughly \$1.5 billion between 1951 and 1964, with about \$100,000 million flowing into Taiwan annually (*ibid.*). According to Wade, roughly two-thirds of this money was shoved into state enterprises and public agencies. See his *Governing the Market*, 182.
89. Wade, *Governing the Market*, 78; and Haggard, *Pathways*, 76.
90. Wade, *Governing the Market*, 118, 142–145.
91. The following paragraphs draw mainly from Haggard, *Pathways*, 87–91; and Wade, *Governing the Market*, 387–393. Both authors emphasize this cleavage within the economic bureaucracy and the detrimental impact this interest conflict on a clear EOI strategy.
92. Haggard, *Pathways*, 88–89.
- 93 See Tai-Chun Kuo and Ramon H. Myers, *Taiwan's Economic Transformation: Leadership, Property Rights and Institutional Change 1949-1965* (NY: Routledge, 2012), 79; and Haggard, *Pathways*, 88–89. When the IDC drafted the Second Four-Year Plan in 1957 it placed the development of export-oriented industries as top priority. Kuo and Myers, *Taiwan's Economic Transformation*, 79.
94. Kuo and Meyers, *Taiwan's Economic Transformation*, 74.
95. Wade, *Governing the Market*, 389, 390.
96. *Ibid.*, 392.
97. Haggard, *Pathways*, 92.
98. See Kuo and Myers, *Taiwan's Economic Transformation*, 74. Also notable during the policy shift was pressure from US officials on ROC planners to adopt export-oriented policies in order to increase foreign exchange to fill the hole left by the termination of US financial aid. This "helped to tip the balance of decision within the government in favor of a more outward-oriented development strategy." Wade, *Governing the Market*, 83.
99. Wade, *Governing the Market*, 199. The CIECD was renamed the Economic Planning Commission (EPC) in 1973 and then Council for Economic Planning and Development (CEPD) in the late 1970s. The IDC was later renamed the Industrial Development Board (IDB) and maintained its status as the key organization for the targeting of industrial sectors. It was charged

with deciding fiscal incentives, tariffs and import controls, approved import items and worked with national firms to establish domestic linkages, secure export arrangements, oversee price negotiations, approve applications for loans and provide firms with administrative guidance (ibid., 197–202).

100. Tun-Jen Cheng and Yun-Han Chu, “State-Business Relationship in Taiwan: A Political Economy Perspective,” in *Taiwan’s Modernization in Global Perspective*, ed. Peter C.Y. Chow (Westport CT: Praeger Publishers, 2002), 199.

101. Wade, *Governing the Market*, 217.

102. See C.C. Chin, “The United Front Strategy of the Malayan Communist Party in Singapore, 1950-1960s,” in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008), 63–66.

103. Christopher Tremewan, *The Political Economy of Social Control in Singapore* (New York: Macmillan Press, 1994), 19.

104. Chin, “United Front Strategy,” 69, 70.

105. Edwin Lee, *Singapore: The Unexpected Nation* (Singapore: ISEAS Publishing, 2008), 161; and Michael Fernandez and Loh Kah Seng, “The Left-Wing Trade Unions in Singapore, 1945-1970,” in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008), 216, 217.

106. See Thomas J. Bellows, “The Bureaucracy and Development in Singapore,” *Asian Journal of Public Administration* 7, no. 1 (1985): 60; and Lee, *Unexpected Nation*, 161.

107. The following discussion draws from Lee, *Unexpected Nation*, 176–178; Chin, “United Front Strategy,” 70–71; Sunil S. Amrith, “Internationalism and Political Pluralism 1950-1963,” in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008), 46–49; and Fernandez and Seng, “Left Wing Trade Unions,” 217, 218.

108. A.J. Stockwell ed., *British Documents on the End of Empire, Series B, Vol. 8: Malaysia* (London: The Stationary Office, 2004), ix.

109. Quoted in Lee, *Unexpected Nation*, 178.

110. Stockwell, *British Documents*, xli.

111. Ibid., lxi.

112. Amrith, “Internationalism and Political Pluralism,” 46.

113. See Chin, “United Front Strategy,” 71; and Lee, *Unexpected Nation*, 185. One source suggests that between 60% and 80% of party membership, all party branches except two, and 19 of the PAPs 29 organizing secretaries departed with the Barisan. Tremewan, *Political Economy of Social Control*, 27.

114. Fernandez and Seng, “Left Wing Trade Unions,” 216; and Lee, *Unexpected Nation*, 185.

115. Fernandez and Seng, “Left Wing Trade Unions,” 218.

116. Jothie Rajah, *Authoritarian Rule of Law: Legislation, Discourse and Legitimacy in Singapore* (Cambridge: Cambridge University Press, 2012), 69.

117. See Chin Hock Ow, “Development Strategies, Economic Performance, and Relations with the United States: Singapore’s Experience,” *Journal of Asian Economics* 1, no. 1 (1990): 67; Lee, *Unexpected Nation*, 260–261.

118. Haggard, *Pathways*, 110. The following paragraph is drawn from pp. 107–110.

119. See Dan Slater, *Ordering Power: Contentious Politics and Authoritarian Leviathans in Southeast Asia* (Cambridge: Cambridge University Press, 2010), 231, 232. Following the outbreak of the Malayan Emergency in the late 1940s, the British had built out the extractive capacity and infrastructural power of the state administration in Singapore. With the imposition of direct income taxes, previously absent in the entrepôt, the proportion of these new revenues to total revenue rose to roughly 35%. Increases in corporate tax rates also accompanied this. Furthermore, in 1955, the Central Provident Fund was created to force savings among Singaporeans, the accounts of which would remain in public trusts, from which the state could draw (ibid.).

120. See Fernandez and Seng, “Left Wing Trade Unions,” 216.

121. Jon S.T. Quah, *Public Administration Singapore-Style* (Bingley, UK: Emerald Group Publishing, 2010), 133–135.
122. *Ibid.*, 134.
123. Bellows, “Bureaucracy and Development,” 58.
124. Ow, “Development Strategies,” 71.
125. Tremewan, *Political Economy of Social Control*, 28.
126. See Carl A. Trocki 2006. *Singapore: Wealth, Power and the Culture of Control*. London: Routledge, 2008), 149.
127. On this point see *Ibid.*, 146; and Stephen Haggard and Linda Low, “State, Politics, and Business in Singapore,” in *Political Business in East Asia*, ed. Edmund Terence Gómez (London: Routledge, 2002), 308–310.
128. See Sikko Visscher, “Chinese Merchants in Politics: The Democratic Party in the 1955 Legislative Assembly Election,” in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008), 91.
129. See Stephan Haggard and Tun-jen Cheng, “State and Foreign Capital in the East Asian NICs,” in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (London: Cornell University Press, 1987), 103; and Haggard, *Pathways*, 102.
130. W.G. Huff, “The Developmental State, Government,” 1431.
131. Haggard, *Pathways*, 111.
132. Heng Chee Chan, “Politics in an Administrative State: Where has the Politics Gone?,” in *Trends in Singapore*, ed. Seah Chee Meow (Singapore: Singapore University Press, 1975), 62.
133. See Haggard, *Pathways*, 113; and Ow, “Development Strategies,” 66.
134. Bellows, “Bureaucracy and Development,” 60.
135. Michael Hill and Lian Kwen Fee, *The Politics of Nation Building and Citizenship in Singapore* (London: Routledge, 1995), 118.
136. See Garry Rodan, “Singapore: Economic Diversification and Social Divisions,” in *The Political Economy of South-East Asia: An Introduction*, ed. Garry Rodan, Kevin Hewison and Richard Robinson (Oxford: Oxford University Press, 1997), 153; Mee-Kau Myaw and Chan Chan-leong, “Structure and Development Strategies of the Manufacturing Industries in Singapore and Hong Kong: A Comparative Study,” *Asian Survey* 22, no. 5 (1982): 460; and Christopher Joseph Leggett, “Strategic Choice and the Transformations of Singapore’s Industrial Relations” (PhD diss., Griffith University, Australia, 2005), 111.
137. Lee, *Unexpected Nation*, 267.
138. Quoted in Haggard, *Pathways*, 113.
139. Galbraith to Department of State, Singapore, January 3, 1968, in *FRUS, 1964-1968, Vol. 26, Indonesia; Malaysia; Singapore; Philippines* (Washington: United States Government Printing Office, 2000), 642–645.
140. *Ibid.*
141. After riding to power in 1959 the PAP government immediately abolished the existing city council and centralized government power around the prime minister and his cabinet. Haggard and Low, “State, Politics, and Business,” 303.
142. Chan, “Politics in an Administrative State,” 53–54.
143. *Ibid.*, 60.
144. Bellows, “Bureaucracy and Development,” 60.
145. The following paragraph draws from Walter B. Kimball’s early study of Singapore’s People’s Associations for the US intelligence community, “Singapore’s People’s Associations,” *Studies in Intelligence* 12, no. 4 (1968): 47–55, accessed October 19, 2012, [https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol12no4/html/v12i4a05p\\_0001.htm](https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol12no4/html/v12i4a05p_0001.htm).
146. *Ibid.*, 49, 50.
147. *Ibid.*
148. *Ibid.*, 54.
149. Sikko Visscher, *The Business of Politics and Ethnicity: A History of the Singapore Chinese Chamber of Commerce & Industry* (Singapore: NUS Press, 2007), 184.

150. Diane K. Mauzy and R.S. Milne, *Singapore Politics Under the People's Action Party* (London: Routledge, 2002), 131.

151. See David Brown, "The Corporatist Management of Ethnicity in Contemporary Singapore," in *Singapore Changes Guard: Social Political and Economic Directions in the 1990s*, ed. Garry Rodan (Melbourne: St. Martin's Press, 1993), 16–33.

152. Hill and Fee, *Politics of Nation Building*, 167.

153. Norman Vasu, "Governance Through Difference in Singapore," *Asian Survey* 52, no. 4 (2012): 736.

154. Trocki, *Singapore: Wealth, Power*, 122.

## PART II: THE DEVELOPMENTAL STATE, ORGANIZED SOCIETY AND RAPID INDUSTRIALIZATION

### Introduction

1. Skocpol, "Bringing the State Back In," 21.
2. *Ibid.*, 16.
3. See Mahoney, *Legacies of Liberalism*, 10, 11.

### Chapter 3: Developmental Alliances: The State and Capital

1. Ziya Öniş, "The Logic of the Developmental State," 112.
2. Evans, *Embedded Autonomy*, 228.
3. *Ibid.*, 39.
4. Peter B. Evans, Dietrich Rueschemeyer and Theda Skocpol, "Introduction to Part I: States as Promoters of Economic Development and Social Redistribution," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985), 42.
5. Evans, *Embedded Autonomy*, 231.
6. Cumings, *Korea's Place*, 326.
7. Woo, *Race to the Swift*, 149.
8. Carter J. Eckert, "The South Korean Bourgeoisie: A Class in Search of Hegemony," in *State and Society in Contemporary Korea*, ed. Hagen Koo (London: Cornell University, 1993), 98, 99. Woo warns that the extent of this class should not be exaggerated. The existence of Koreans who were able to accumulate capital and expertise via collaboration with Japanese rule and who went on to become wealthy in the Republic of Korea was not a "wide-spread phenomenon" and the Japanese presence "was much too overbearing for one to argue the case of successful entrepreneurial continuity." Woo, *Race to the Swift*, 40.
9. For a detailed discussion of the political economy built by Rhee see Woo, *Race to the Swift*, 60–69; and Amsden, *Asia's Next Giant*, 38–41.
10. Woo, *Race to the Swift*, 66, 67.
11. This paragraph is drawn from Woo, *Race to the Swift*, 11–13; Karl J. Fields, *Enterprise and the State*, 92–94; and Eun Mee Kim, *Big Business, Strong State*, 106–110.
12. In only 10% of commercial loans were the private borrowers held responsible for repayment. The other 90% was backed by the state. Kim, *Big Business, Strong State*, 110.
13. Estimates suggest that the international discrepancy between the official rates and real costs of credit built into these policy loans allowed the chaebol to profit from them to the tune of some US\$ 5 billion during the 1960s and 1970s. Fields, *Enterprise and the State*, 97.
14. Kim, *Korea's Development Under Park*, 83.
15. Kyo Park Moon, "Interest Representation in South Korea The Limits of Corporatist Control," *Asian Survey* 27, no. 8 (1987): 906, 907.
16. Oberdorfer, *Two Koreas*, 35.

17. Value added manufacturing output in constant 2005 US\$. World Bank, "World Development Indicators."

18. Woo, *Race to the Swift*, 129, 130.

19. *Ibid.*, 141.

20. David C. Kang, "Cut From the Same Cloth: Bureaucracies and Rulers in South Korea, 1948–1979," in *Transformations in Twentieth Century Korea*, ed. Chang Yun-Shik and Steven Hugh Lee (London: Routledge, 2006), 209.

21. Fields, *Enterprise and the State*, 183. Figures on chaebol growth are from Amsden, *Asia's Next Giant*, 116.

22. This point is emphasized by Woo, *Race to the Swift*, 12; Fields, *Enterprise and the State*, 96; and Kim, *Big Business, Strong State*, 96. The ratio of chaebol debt to equity reached enormous ratios by the 1980s. In 1985 the average debt/equity ratio of the chaebol was around 350%, with individual firms running as high as 1,000%. In comparison, large Taiwanese firms were running average debt/equity ratios of roughly 150% (Fields, 6; and Woo, 12).

23. Amsden, *Asia's Next Giant*, 15.

24. One estimate has put such commissions at between 10% and 15% of the loan. Woo, *Race to the Swift*, 108.

25. Kang, "Cut from the Same Cloth," 186. Even foreign firms active in Korea understood the political price for doing business. Gulf oil channeled US\$ 1 million in 1967 and US\$ 3 million in 1971 into Park's presidential campaigns, Caltex Petroleum also kicked in US\$ 4 million. Cumings, *Korea's Place*, 369. Japanese firms were also tied into the political financing of the ruling party in return for preferential treatment. It is thought that six firms channeled US\$ 66 million into the DRP in the first half of the 1960s. Woo, *Race to the Swift*, 107.

26. Kang, "Cut from the Same Cloth," 187.

27. John Lie, "What Makes Us Great: Chaebol Development, Labor Practices, and Managerial Ideology," in *Transformations in Twentieth Century Korea*, ed. Chang Yun-Shik and Steven Hugh Lee (London: Routledge, 2006), 142, 143.

28. Fields, *Enterprise and the State*, 127–131.

29. Amsden, *Asia's Next Giant*, 146.

30. Sources for this paragraph are Fields, *Enterprise and the State*, 136–139; and Wade, *Governing the Market*, 257–264.

31. Thomas B. Gold, *State and Society in the Taiwan Miracle* (Armonk: M.E. Sharpe, 1986), 39–45; Haggard, *Pathways*, 79.

32. Gold, *State and Society*, 70.

33. Sources for this paragraph are Gold, *State and Society*, 70–72; and Fields, *Enterprise and the State*, 67, 68.

34. Figures are from Barrett and Chin, "Export-oriented Industrializing States," 32.

35. Gold, *State and Society*, 88.

36. Ping-Chun Hsiung, *Living Rooms as Factories: Class, Gender, and the Satellite Factory System in Taiwan* (Philadelphia: Temple University Press, 1996), 33. Hsiung (65) relates the ad-hoc nature of production in these smaller enterprises: "Piles of half-sewn caps in someone's corridor, living room, or backyard have become a common scene in many local communities in Taiwan. I was often amazed by the number of factories in the middle of rice fields, of workshops on the second or third floor of apartment buildings, and of homeworkers tending their small children, buying vegetables when the peddler comes by, and simultaneously packaging screws for the factory." The rural sprawl of light manufacturing was extensive in Taiwan's industrialization. By the beginning of the 1970s, roughly 50% of industrial enterprises and 55% of all manufacturing factories were found in rural areas. Deyo, *Beneath the Miracle*, 20.

37. Hill Gates, "Dependency and the Part-Time Proletariat in Taiwan," *Modern China* 5, no. 3 (1979): 398, 399.

38. Cheng and Chu, "State-Business Relationship in Taiwan," 200, 201. In fact, the financial bureaucrats and industrial planners in Taiwan were not as tightly connected as the EPB and MOF in Korea.

39. Fields, *Enterprise and the State*, 1995, 143; quotation from p. 146.

40. See Alice H. Amsden, “Big Business and Urban Congestion in Taiwan: The Origins of Small Enterprise and Regionally Decentralized Industry (Respectively),” *World Development* 19, no. 9 (1991): 1126, 1127.

41. See Gold, *State and Society*, 73.

42. This paragraph draws from Fields, *Enterprise and the State*, 63–66.

43. Gold, *State and Society*, 89. The growth of the guanxiqiye, however, continued to be constrained by the state. When these groups sought to break into new sectors that increased competition with SOEs or undertook activities that raised the eyebrows of state officials wary of expanding private economic power, the state could—and did on several occasions—selectively adjust its policies on tariffs, raw imports or industrial licensing to block guanxiqiye projects. See Wade, *Governing the Market*, 186, 187.

44. Wade, *Governing the Market*, 264; and Fields, *Enterprise and the State*, 86.

45. Fields, *Enterprise and the State*, 6.

46. In terms of production and manufacturing output, the private sector had over taken the SOE sector during the 1960s, the latter which made up 20% in the early 1970s and 14.5% by 1980. Amsden, “Big Business and Urban Congestion,” 1123. However, this did not mean that the economic power between the public and private sectors had flipped. The state still maintained its protective monopolies in the commanding heights and its SOEs were often the main targets of strategic industrial policy—either to develop sectors directly or give production pushes to indirectly influence private firms. Thus, although its share of production had fallen below that of the private manufacturing sector, in terms of assets and sales, the public sector continued to dominate. See Wade, *Governing the Market*, 178; and Hsin-Huang Michael Hsiao, “The State and Business Relations in Taiwan,” *Asia Pacific Business Review* 1, no. 3 (1995), 81.

47. The following paragraph draws from Wade’s discussion of connections with the private sector in *Governing the Market*, 276–286.

48. Cheng and Chu, “State-Business Relationship in Taiwan,” 201.

49. Linda Low, *The Political Economy of a City-State Revisited* (Singapore: Marshall Cavendish, 2006), 46.

50. Catherine Paix, “The Domestic Bourgeoisie: How Entrepreneurial? How International?,” in *Singapore Changes Guard: Social, Political and Economic Directions in the 1990s*, ed. Garry Rodan (NY: St. Martin’s Press, 1993), 186.

51. Haggard and Low, “State, Politics, and Business,” 206. The small sector of local firms involved in light manufacturing—such as leather, footwear, food and beverage processing—were generally low-capacity, small family establishments running on family labor. Larger industries that were either producing for the public sector or, in the case of those with the capacity for export—such as the chemical and petroleum sector—were highly dependent on foreign capital.

52. On the HDB project see Ow, “Development Strategies,” 70; and Hill and Fee, *Politics of Nation Building*, 118. On the Jurong estate and harbor see W.G. Huff, “Turning the Corner in Singapore’s Developmental State?,” *Asian Survey* 39, no. 2 (1999): 221; and Trocki, *Singapore: Wealth, Power*, 152, 153.

53. Ow, “Development Strategies,” 67.

54. Tremewan, *Political Economy of Social Control*, 34.

55. Huff, “The Developmental State,” 1425, 1426.

56. Low, *Political Economy of a City-State*, 168

57. Visscher, *Business of Politics and Ethnicity*, 185.

58. Paix, “Domestic Bourgeoisie,” 190.

59. See Trocki, *Singapore: Wealth, Power*, 151.

60. Paix, “Domestic Bourgeoisie,” 188.

61. Sources for this section are Ow, “Development Strategies,” 70–71; and Mukul G. Asher, “Some Aspects of the Role of the State in Singapore,” *Economic and Political Weekly* 29, no. 14 (1994): 800.

62. Ian Chalmers, “Loosening State Control in Singapore: The Emergence of Local Capital as a Political Force,” *Southeast Asian Journal of Social Science* 20, no. 2 (1992): 63.

63. Kevin Grice and David Drakakis-Smith, "The Role of the State in Shaping Development: Two Decades of Growth in Singapore," *Transactions of the Institute of British Geographers* 10, no. 3 (1985): 354.

64. Low, *Political Economy of a City-State*, 208. With the economic strategy of regionalization during the 1990s, the GLCs have greatly expanded into markets outside of Singapore within the region. By 2000, Singapore had roughly 70 statutory boards and over 1,000 GLCs in manufacturing and commercial sectors, the latter holding total assets of S\$ 10.6 billion. Trocki, *Singapore: Wealth, Power*, 157. At the turn of the century, Temasek Holdings, one of the two biggest holding companies of the government, held GLCs whose output made up one-tenth of the country's total output and one-fourth of local stock market capitalization. Haggard and Low, "State, Politics, and Business," 305.

65. The following draws on Huff's "Turning the Corner," 230, and "The Developmental State," 1426–1428.

66. Grice and Drakakis-Smith, "Roll of the State," 354. Capital accumulation from domestic savings increased massively by the 1980s, rising from roughly 10% to almost 50% of gross fixed capital formation (measured as percent of GNP). Ow, "Development Strategies," 77.

67. See Low, *Political Economy of a City-State*, 123; and Haggard, *Pathways*, 114.

68. Tremewan, *Political Economy of Social Control*, 2.

69. As Barr emphasizes, the council was kept secret until the mid-1980s. "Even today its membership is not known to the public and its existence is not acknowledged in the Singapore Government Directory." See Michael D. Barr, *The Ruling Elite of Singapore: Networks of Power and Influence* (London: I.B. Tuaris, 2014), 61, 62.

70. Low, *Political Economy of a City-State*, 221. One study finds a tight overlap between the most important 2,000–3,000 government officials and the upper-level positions in the GLC and statutory boards. Trocki, *Singapore: Wealth, Power*, 157.

71. Garry Rodan, *Transparency and Authoritarian Rule in Southeast Asia: Singapore and Malaysia* (London: Routledge, 2004), 50.

72. Trocki, *Singapore: Wealth, Power*, 160.

73. This paragraph draws from Christopher M. Dent, "Transnational Capital, the State and Foreign Economic Policy: Singapore, South Korea and Taiwan," *Review of International Political Economy* 10, no. 2 (2003): 255–260.

74. Bellows, "Bureaucracy and Development," 67.

75. Rodan, *Transparency and Authoritarian Rule*, 50, 51.

76. Huff, "Turning the Corner," 225. Even within the EDB's programs to assist local SMEs, which arose only in the 1980s, local capital reportedly "perceived the Board (apparently correctly) as relatively little interested in them; They tended to mistrust the EDB and its motives" (*ibid.*).

77. See Grice and Drakakis-Smith, "Roll of the State," 355; Paix, "The Domestic Bourgeoisie," 196.

78. The figures clearly support this charge. Foreign MNCs continue to account for over 50% of production, employment and investment in this sector and take the lion's share (80%) of Singapore's manufactured exports. Dent, "Transnational Capital," 255. Regarding competition from GLC activities within the traditional sectors of Chinese businesses, a 1977 report from the Singapore Chinese Chamber of Commerce and Industry (SCCCI) identified over 100 GLCs that were in direct competition with the private sector. Haggard, *Pathways*, 149.

79. See Stephan Haggard and Tun-jen Cheng, "State and Foreign Capital in the East Asian NICs," in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (London: Cornell University Press, 1987), 119, 120; and Haggard, *Pathways*, 147.

80. Chalmers, "Loosening State Control," 64.

81. This position is taken by Woo, *Race to the Swift*; Kim, *Big Business, Strong State*; Fields, *Enterprise and the State*. Quote is from Evans, *Embedded Autonomy*, 53. For a newer interpretation, which is dealt with below, see David C. Kang, "Bad Loans to Good Friends: Money Politics and the Developmental State in Korea," *International Organization* 56 no. 1 (2002): 177–207.

82. This is emphasized by Kim, *Big Business, Strong State*, 136, 151.

83. The quote is from Woo, *Race to the Swift*, 112. See also Kim, *Big Business, Strong State* (149) on this point. The political necessities of business, however, should not be overestimated. The transition to the Yushin regime during 1971–1972 was precipitated and pushed forth by a conjuncture of events outside the economic realm, including shifts in South Korea’s geopolitical environment and changing political power constellations in the domestic arena. At the center of this conjuncture, however, stood issues of further industrial development. See Hyug Baeg Im, “The Rise of Bureaucratic Authoritarianism in South Korea,” *World Politics* 39, no. 2 (1987): 231–257. When the political transition began in December 1971 with Park’s announcement of an “emergency situation” and the necessity for extraordinary measures to ensure national security, then Prime Minister Kim Jong-pil explained to US Ambassador Phillip Habib the reasons: “[The] emergency declaration and extraordinary powers . . . are [a] direct outcome of [Park’s] desire to prepare [the] nation for the uncertainties of the general international situation over the next few years. In particular Park is determined to increase ROK self-reliance and [the ROK’s] ability to deal on its own with North Korea over the longer run.” Habib to Department of State, Seoul, December 22, 1971, in *FRUS, 1969–1976, Vol. 19, Pt. 1, Korea, 1969–1972* (Washington: United States Government Printing Office, 2010), 307–310. This achievement of self-reliance, as envisioned by Park, was to be brought about by the construction of Korea’s own military industrial complex, which the HCI program was to create. Combining ISI deepening into capital-intensive heavy industry and undertaking export upgrading into higher value-added products simultaneously, the big push necessitated a healthy group of chaebol and the October bailout effectively resuscitated them almost overnight. Thus, if it cannot be clearly argued that the necessities of big business were sufficient for the establishment of the Yushin dictatorship, it is certainly the case that the coming HCI program necessitated a healthy group of chaebol to achieve the economies of scale demanded by the tasks that lay ahead.

84. Kang, “Bad Loans to Good Friends,” 191.

85. This argument is emphasized by Edward M. Graham *Reforming Korea’s Industrial Conglomerates* (Washington: Institute for International Economics, 2003), 40; and Kang, “Cut From the Same Cloth.”

86. National Foreign Assessment Center, “The Outlook for President Pak and South Korea’s Dissidents,” June, 1979, Kwangju Declassified, accessed August 31, 2012, [http://timshorrock.com/?page\\_id=540](http://timshorrock.com/?page_id=540).

87. Henry Scott Stokes, “Seoul Army Charges Foe Plotted Revolt,” *New York Times*, May 22, 1980.

88. Henry Scott Stokes, “Cracking Down in Korea,” *New York Times*, October 19, 1980.

89. *Ibid.*

90. *Ibid.*

91. National Foreign Assessment Center, “The Outlook for President Pak.”

92. See Woo, *Race to the Swift*, 180, 181; 190, 191.

93. Sources for this paragraph are Amsden, *Asia’s Next Giant*, 132; Fields, *Enterprise and the State*, 54, 55; and David Hundt, *Korea’s Developmental Alliance. State, Capital and Politics of Rapid Development* (London: Routledge, 2008), 78.

94. *Ibid.*, 183.

95. See Amsden, *Asia’s Next Giant*, 134, 136; and Haggard, *Pathways*, 134, 135.

96. This paragraph draws from Fields, *Enterprise and the State*, 98–105; and Graham, *Reforming Korea’s Industrial Conglomerates*, 62.

97. Susan Chira, “Korea’s Unpopular Giants,” *New York Times*, January 4, 1985. In 1990, for example, 135 markets were found to be dominated by the chaebol which should have been broken-up by the anti-trust law, but were not. Graham, *Reforming Korea’s Industrial Conglomerates*, 57.

98. Fields, *Enterprise and State*, 56.

99. Average tariff rates across the board were brought down from 31.7% in 1982 to 21.9% in 1983 between 1982–1984 and reached 18% by 1988. Woo, *Race to the Swift*, 187.

100. *Ibid.*, 195–198.

101. By 1990 the top 30 chaebol had captured almost 50% of all life insurance companies, over 60% of securities firms, over 20% of merchant banks, and almost 30% of

investment trust companies. Graham, *Korea's Industrial Conglomerates*, 62–64. In addition, it is believed that in spite of the ownership limits placed on bank privatization the chaebol were able to capture large parts of these institutions. Amsden, *Asia's Next Giant*, 133.

102. Fields, *Enterprise and the State*, 37.

103. Woo, *Race to the Swift*, 203. Kim suggests a qualitative difference between a 'comprehensive' and 'limited' developmental state, in that the latter type focuses on other policy goals than just industrial development and takes on more regulatory roles in sectors that are organized with a market rationale. See her discussion in *Big Business, Strong State*, 5, 6.

104. Yun Tae Kim, "Neoliberalism and the Decline of the Developmental State," *Journal of Contemporary Asia* 29, no. 4 (1999): 446.

105. On intermarriages between the families of chaebol and political elites see Cumings, *Korea's Place*, 329.

106. Woo, *Race to the Swift*, 201.

107. Kim, *Big Business, Strong State*, 190.

108. In Jun, "Korea Employer's Federation and Korean Industrial Relations" (PhD diss., University of New South Wales, Australia, 2007), 108.

109. Quoted in Kim, *Big Business, Strong State*, 198.

110. Woo, *Race to the Swift*, 200.

111. *Ibid.*, 198.

112. Amsden, *Asia's Next Giant*, 133.

113. Government inquiries into the political slush funds of Chun and his successor Roh Tae-woo in 1995 exposed conspiracies with at least a dozen chaebol elites involving political campaign funds of more than US\$ 900 million to Chun and more than US\$ 500 million to Roh. Cumings, *Korea's Place*, 330.

114. This point has been made by Wade, *Governing the Market*, 246; Gold, *State and Society*, 90; and Fields, *Enterprise and the State*, 86.

115. Gold, *State and Society*, 90.

116. Fields, *Enterprise and the State*, 88.

117. Cheng and Chu, "State-Business Relationship," 202.

118. This paragraph draws heavily from Chyuan-Jenq Shiau, "Elections and the Changing State-business Relationship," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 213–225; and Hsiao, "State and Business Relations," 87–90.

119. Shiau, "Elections and Changing State-Business," 218.

120. Hsiao, "State and Business Relations," 91.

121. Ichiro Numazsaki, "Networks of Taiwanese Big Business: A Preliminary Analysis." *Modern China* 12, no. 4 (1986): 517, 525.

122. Numazsaki, "Networks of Taiwanese," 517.

123. Fields, *Enterprise and the State*, 86. The following also draws from Gold, *State and Society*, 130.

124. Hsiao, "State and Business Relations," 91.

125. Fields, *Enterprise and the State*, 90.

126. The group's organization included over 100 companies ranging from banks, department stores, hotels, plastics, insurance, constructing shipping and advertising, with assets equaling 4.2% of Taiwan's gross national product. Fields, *Enterprise and the State*, 171.

127. Kathy Chang, "Wealthy family entangled in financial scandal," Associated Press, March 12, 1985, accessed June 14, 2013, <http://www.apnewsarchive.com/1985/Wealthy-Family-Entangled-in-Financial-Scandal/id-1578669b66c0269d67d872bb839534d9>.

128. Gregory W. Noble, *Collective Action in East Asia: How Ruling Parties Shape Industrial Policy* (Ithaca: Cornell University Press, 1998), 87. In the aftermath of the scandal, Minister of Finance Xu Lide was forced to resign. Xu was a Mainlander KMT without links to the SOE sector and had moved into the Ministry of Economics where he began to develop an agenda to strengthen private sector growth and create an institutionalized public-private forum. "Whether Xu Lide actually accepted bribes or political favors from the Cai family or simply lacked the courage to follow the recommendation of his aides at the Ministry of Finance to take

control of their increasingly unstable financial empire, the fact remained that the autonomy and institutional integrity of the KMT regime was challenged by corrupt social groups and Xu did not stand up to them” (ibid.).

129. Fields, *Enterprise and the State*, 91.

130. Gold, *State and Society*, 119.

131. Yun-han Chu and Lee Pei-shan, “Globalization and Economic Governance in Taiwan,” in *Growth and Governance in Asia*, ed. Yoichiro Sato (Honolulu: Asia-Pacific Center for Security Studies, 2004), 16.

132. See Haggard, *Pathways*, 143, 144; and Fields, *Enterprise and the State*, 180, 181.

133. On these measures see: Chu and Lee, “Globalization and Economic Governance,” 50; and Robert E. Baldwin, Tain-Jy Chen and Douglas Nelson, *Political Economy of U.S.-Taiwan Trade* (Michigan: University of Michigan Press, 1995).

134. Kristen Nordhaug, “Development Through Want of Security: The Case of Taiwan,” *Forum for Development Studies* 7, no. 1 (1998): 148.

135. Chalmers, “Loosening State Control,” 61.

136. Haggard, *Pathways*, 149.

137. Garry Rodan, “Preserving the One-Party State in Contemporary Singapore,” in *Southeast Asia in the 1990s: Authoritarianism, Democracy and Capitalism*, ed. Kevin Hewison, Richard Robison and Garry Rodan (St. Leonards, Australia: Allen and Unwin, 1993), 89.

138. Chalmers, “Loosening State Control,” 68–69.

139. Rodan, “Preserving the One-Party State,” 90. Trocki also makes this point in *Singapore: Wealth, Power*, 157–159.

140. Haggard and Low, “State, Politics, and Business,” 316. On this point see also Garry Rodan, “Singapore: Economic Diversification and Social Divisions,” in *The Political Economy of South-East Asia: An Introduction*, ed. Garry Rodan, Kevin Hewison and Richard Robinson (Oxford: Oxford University Press, 1997), 159.

141. Haggard, *Pathways*, 150.

142. Quote from Trocki, *Singapore: Wealth, Power*, 158. As Trocki emphasizes, the regionalization drive in the 1990s targeted a large number of Chinese SMEs within the SCCCI to serve as an economic bridge into China and other expanding markets in the region. The result was that the targeted overseas investments were monopolized by GLCs, which brought in local SMEs as a minor partner and thereby increased the government’s involvement and control over the activities of these businesses (ibid.).

143. Rodan, “Singapore: Economic Diversification,” 160.

144. Dietrich Rueschemeyer and Peter B. Evans, “The State and Economic Transformation: Toward and Analysis of the Conditions Underlying Effective Intervention,” in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985), 69.

#### Chapter 4: Labor Repression: The State and Industrial Workers

1. For the most pointed arguments on this relationship see: Frederic C. Deyo 1987, “State and Labor: Modes of Political Exclusion in East Asian Development,” in *The Political Economy of the New Asian Industrialism*, ed. Frederic C. Deyo (London: Cornell University Press, 1987); Haggard and Koo, “Labor in the Political Economy;” and Frederic C. Deyo, “Labor and Development Policy in East Asia,” *Annals of the American Academy of Political and Social Science* 505 (September 1989): 152–161. Regarding the charge by Barbara Geddes that this causal inference has arisen out of methodologically flawed comparisons and therefore holds no validity (see her article “How the Cases You Choose Affect the Answers You Get: Selection Bias in Comparative Politics,” *Political Analysis* 2, no. 1 (1990): 131–150), Gary Goertz and James Mahoney have demonstrated that the relationship holds when labor repression is comparatively analyzed as a necessary, but not sufficient condition of rapid industrial development in East Asia. See chapter 14 in their book *A Tale of Two Cultures: Qualitative and*

*Quantitative Research in the Social Sciences* (Princeton: Princeton University Press, 2012), 177–191.

2. Figures are taken from the World Bank, “World Development Indicators.” See also table 3 in chap. 1 of this work.

3. See Yow-Suen Sen and Hagan Koo, “Industrial Transformation and Proletarianization in Taiwan,” *Critical Sociology* 19 (1992): 47–49.

4. By 1971, a time when Taiwan’s manufacturing export platform was in full throttle, factories employing less than 10 workers made up almost 70% of all factories in the manufacturing sector—including factories employing between 10 and 30 workers the number rises to 86%. Large factories employing more than 500 workers made up less than 1% of all enterprises in this sector. See Hsiung, *Living Rooms as Factories*, 31.

5. Sen and Koo, “Industrial Transformation and Proletarianization,” 57. If all production sectors are taken into account, 50% of the total labor force was employed in firms with less than 30 workers (*ibid.*).

6. The following description is taken from Hsiung, *Living Rooms as Factories*, 111.

7. *Ibid.*, 34.

8. Hill Gates, “Dependency and the Part-Time Proletariat,” 402.

9. On this point see Joseph S. Lee, “Economic Development and the Evolution of Industrial Relations in Taiwan, 1950–1993,” in *Employment Relations in the Growing Asian Economies*, ed. Anil Verma, Thomas A. Kochan and Russell D. Lansbury (London: Routledge, 1995), 89.

10. This point is made by Sen and Koo, “Industrial Transformation and Proletarianization,” Yow Suen Sen, “The Proletarianization Process and the Transformation of Taiwan’s Working Class” (PhD diss. University of Hawaii, 1994); John Minns and Robert Tierney, “The Labour Movement in Taiwan,” *Labour History* 85 (November 2003): 103–128; Hsiung, *Living Rooms as Factories*; and Deyo, *Beneath the Miracle*, 161, 162. The following paragraphs draw from these sources.

11. Sen and Koo, “Industrial Transformation and Proletarianization,” 53.

12. Sen, “Proletarianization Process,” 30.

13. Gates, “Dependency and the Part-Time Proletariat,” 369.

14. Deyo, *Beneath the Miracle*, 162.

15. Hsiung, *Living Rooms as Factories*, 144.

16. Minns and Tierney, “Labour Movement in Taiwan,” 111.

17. Sen and Koo, “Industrial Transformation and Proletarianization,” 58.

18. Hsiung, *Living Rooms as Factories*, 33.

19. Deyo, *Beneath the Miracle*, 163.

20. Kim, “Labor Policy and Industrial Relations,” 153.

21. Hagan Koo, “From Farm to Factory: Proletarianization in Korea,” *American Sociological Review* 55, no. 5 (1990): 672, 673.

22. *Ibid.*, 675.

23. Seung-Ho Kwon and Michael O’Donnell, “Repression and Struggle: The State, the Chaebol and Independent Trade Unions in South Korea,” *The Journal of Industrial Relations* 41, no. 2 (1999): 281.

24. Figures of comparisons with Taiwan are from Hsiung, *Living Rooms as Factories*, 31.

25. This point is made by Hagan Koo, *Korean Workers, The Culture and Politics of Class Formation* (London: Cornell University Press, 2001), 44.

26. Koo, “From Farm to Factory,” 675.

27. *Ibid.*, 675.

28. Data from World Bank, “World Development Indicators.”

29. Sen and Koo, “Industrial Transformation and Proletarianization,” 52; and Koo, “From Farm to Factory,” 676. To compare with urban migration in Taiwan, a study in the 1970s found that for every four Taiwanese who migrated to major cities there were three who left these cities, “most of them probably returning to their original places of residence.” Alden Jr. Spere,

“Urbanization and Migration in Taiwan,” *Economic Development and Cultural Change* 22, no. 2 (1974): 319.

30. This point is made in Koo, “From Farm to Factory,” 676.

31. Koo, *Korean Workers*, 64.

32. Cumings, *Korea's Place*, 374, 375. Reverend Cho Chi Song, leader of the Urban Industrial Mission in Seoul, gave a concise description of this group of female workers in the late 1970s: “These girls know nothing of urban industrial life . . . All they know is to do what the foreman says.” In effect, this meant “work days as long as 20 hours, compulsory payless overtime, no vacation, unexplained payroll deductions, verbal abuse and beatings, according to the women themselves.” Andrew H. Malcolm, “South Korean Labor Force Shows Increasing Unrest,” *New York Times*, August 8, 1977.

33. Koo, *Korean Workers*, 64, 65.

34. Kwon and O'Donnell, “Repression and Struggle,” 281. A western correspondent related a story in the mid-1970s of a plant-union head in a textile mill being beaten unconscious by factory guards on the order of the company boss, an ex-military officer, because the worker had addressed him in informal, personal terms during a company party. Fox Butterfield, “South Korea Keeps Labor Costs Down through Exploitation of Work Force,” *New York Times*, August 17, 1974.

35. This argument is made in Koo, *Korean Workers*, 44; and Kwon and O'Donnell, “Repression and Struggle,” 281.

36. Pang Eng Fong, *Education, Manpower and Development in Singapore* (Singapore: Singapore University Press, 1982), 20.

37. W.G. Huff, “Patterns in the Economic Development of Singapore,” *The Journal of Developing Areas* 21, no. 3 (1987): 312.

38. Mee-Kau Nyaw and Chan-leong, “Structure and Development Strategies of the Manufacturing Industries in Singapore and Hong Kong: A Comparative Study,” *Asian Survey* 22, no. 5 (1982): 458.

39. Deyo, *Beneath the Miracle*, 41.

40. See Ernest Koh, “Gender and Discipline in ‘The Singapore Story’: The Female Chinese Factory Workers in Perspective, 1980–1990,” in *Reframing Singapore: Memory, Identity, Trans-regionalism*, ed. Derek Heng and Syed Muhd Khairudin Aljunied (Amsterdam: Amsterdam University Press, 2009), 116.

41. The following draws heavily from Tremewan's arguments in the chapter “Public Housing: The Working-class Barracks” in his book, *Political Economy of Social Control*.

42. *Ibid.*, 46–49. Already by 1966, HDB housing units had 23% of the population living in them. By 1978, approximately 60% of the population was in HDB housing. Since the end of the 1980s between 85% and 90% of Singaporeans live in the public flats (*ibid.*, 47, 51). Tremewan (p. 66) gives the following figures for ethnic limits within HDB estates: 84% for Chinese, 22% for Malay, and 13% for Indians and others.

43. *Ibid.*, 57.

44. Koh, “Gender and Discipline,” 116.

45. Tremewan, *Political Economy of Social Control*, 52.

46. Singapore also imported skilled workers and professionals on a longer-term basis during this second wave. These were high qualified and/or wealthy Chinese from Malaysia, Hong Kong, Taiwan, Indonesia and other Southeast Asian countries working in the non-manual sectors and are not discussed here. Fong and Lim, “Foreign Labor and Economic Development,” 549.

47. See Pang Eng Fong and Linda Lim, “Foreign Labor and Economic Development in Singapore,” *International Migration Review* 16, no. 3 (1982): 558.

48. This argument can be found in Grice and Drakakis-Smith, “The Role of the State,” 354; and Deyo, *Beneath the Miracle*, 206.

49. Deyo, *Beneath the Miracle*, 107.

50. Sources for this paragraph and the next are Ho, “Challenging State Corporatism,” 109–113; Deyo, *Beneath the Miracle*, 115–118; and Ming-sho Ho, “The Rise and Fall of Leninist Control in Taiwan's Industry,” *The China Quarterly* 189 (March 2007): 168–171.

51. Deyo makes this point in *Beneath the Miracle*, 134, 135; and “State and Labor,” 184, 185.
52. Minns and Tierney, “Labour Movement in Taiwan,” 111.
53. Deyo, *Beneath the Miracle*, 133, 134.
54. The following draws from Ho, “Manufacturing Loyalty,” 566–569.
55. *Ibid.*, 569.
56. *Ibid.*, 563.
57. This point is emphasized by Deyo in *Beneath the Miracle*, 118.
58. *Ibid.*, 133.
59. Ho, “Manufacturing Loyalty,” 566.
60. Frederic Deyo, Stephan Haggard, and Hagan Koo, “Labor in the Political Economy of East Asian Industrialization,” *Bulletin of Concerned Asian Scholars* 19 no. 2 (1987): 48.
61. Ho, “Rise and Fall of Leninist Control,” 174–176.
62. Ho, “Manufacturing Loyalty,” 581.
63. The rest of this paragraph draws from Hsiung, *Living Rooms as Factories*, 49–54.
64. *Ibid.*, 49.
65. This position is taken by Minns and Tierney, “Labour Movement in Taiwan”; and Ho, “Manufacturing Loyalty.”
66. Quoted in Ho, “Challenging State Corporatism,” 113.
67. This is emphasized by Grice and Drakakis–Smith, “The Role of the State,” and Yuen Chi Ching and Lim Ghee Soon, “Globalization, Labour Market Deregulation and Trade Unions in Singapore,” *Asia Pacific Business Review* 6, no. 4 (2000): 154–173.
68. See Deyo on this point in “State and Labor,” 197.
69. See Leggett, “Strategic Choice,” 113.
70. See Rodan, “Singapore: Economic Diversification,” 153; and Nyaw and Chan, “Structure and Development Strategies,” 460.
71. Quoted in Grice and Drakakis–Smith, “The Role of the State,” 350.
72. Quoted in Michael D. Barr, “Trade Unions in an Elitist Society: The Singapore Story,” *Australian Journal of Politics and History* 46, no. 4 (2000): 492.
73. Leggett, “Strategic Choice,” 117.
74. *Ibid.*, 110; Ching and Soon, “Globalization, Labour Market Deregulation,” 157.
75. See Christopher Leggett, “Trade Unionism in Singapore since 1945,” in *Trade Unionism Since 1945: Towards a Global History, Vol.2*, ed. Craig Phelan (Bern: Peter Lang, 2009), 224.
76. The paragraph draws on Ng Sek Hong and Cheng Soo May, “Transition to More Cooperative and Consensual Pattern of Labour-Management Relations: Singapore and Hong Kong Compared,” *Asia Pacific Journal of Management* 10, no. 2 (1993): 222.
77. See Leggett, “Trade Unionism in Singapore,” 199.
78. See Werner Vennewald, *Singapur: Herrschaft der Professionals und Technokraten — Ohnmacht der Demokratie?* (Opladen: Leske + Budrich, 1994), 128–132.
79. Deyo, “State and Labor,” 186.
80. Leggett, “Trade Unionism in Singapore,” 199.
81. Ching and Soon, “Globalization, Labour Market Deregulation,” 156.
82. For an in-depth discussion on the necessities of this shift in Singapore’s labor regime towards more paternalistic forms of state-corporatism see Leggett, “Strategic Choice,” 137–132. The main sources for the following paragraphs dealing with the characteristics of this shift and its consequences for Singapore workers are Leggett, “Trade Unionism in Singapore,” 203–210; and Barr, “Trade Unions in an Elitist Society.”
83. Trade Unions Act, 2004, c. 333, pt.1.
84. Deyo, *Beneath the Miracle*, 141.
85. See *Ibid.*, 141; Vennewald, *Herrschaft der Professionals*, 168; and Leggett, “Strategic Choice,” 144.
86. Hong and May, “Transition to More Cooperative and Consensual Pattern,” 226. This reading is supported in a 1983 report by the Ministry of Labor’s Committee on Productivity: “In reinforcing company identification, one should generate identification with a particular company

and also establish in the minds of the workers that their benefits and welfare depend on the company's future. . . . The committee believes that house unions should be promoted because it [sic] helps workers to identify with the company and its future." Quoted in Deyo, *Beneath the Miracle*, 142.

87. See Pak-wai Liu, review of *Dependent Development and Industrial Order: An Asian Case Study*, by Frederic C. Deyo, *Economic Development and Cultural Change* 31, no. 3 (1983): 665.

88. Barr, "Trade Unions in an Elitist Society," 481.

89. See United States, Department of Labor, *Labor Rights Report: Singapore*, July 2003, accessed November 1, 2013, <http://www.dol.gov/ilab/reports/pdf/HR2739SingaporeLaborRights.pdf>.

90. Linda Rosa, "The Singapore State and Trade Union Incorporation," *Journal of Contemporary Asia* 20, no. 4 (1990): 492.

91. Quoted in Barr, "Trade Unions in an Elitist Society," 486.

92. *Ibid.*, 282.

93. Alan Chong, "Singapore's Political Economy, 1997–2007: Strategizing Economic Assurance for Globalization," *Asian Survey* 47, no. 6 (2007): 973.

94. Rosa 1999, "Singapore State and Trade Union," 491.

95. Neil M. Coe and Philip F. Kelly, "Languages of Labour: Representational Strategies in Singapore's Labour Control Regime," *Political Geography* 21 (2002): 342. This discursive basis of labor control was laid down by Minister for Labour and Foreign Affairs, S. Rajaratnam at a NTUC seminar as early as 1969. Speaking of the attitudinal changes demanded of workers he argued: "The old style trade unionist who (fights) to promote the interests of the workers without the regard to the national interest . . . is a menace to the future of Singapore." Quoted in Grice and Drakakis-Smith, "The Role of the State," 350. Rajaratnam continued by laying out the national interest to the unions:

No responsible government can permit the promotion of sectional interests . . . at the expense of national interests . . . In the Singapore of today modernization and economic development are the overriding considerations . . . [and] are goals which require discipline, restraint and sacrifices on the part of workers and citizens in general . . . Undertaken as a joint effort by Government, entrepreneurs and workers . . . means that all three must make modernization and economic development their common objective and overriding consideration . . . No sectional demand or sectional conflict should be allowed to hamper the impetus to economic growth provided by recent measures and legislation initiated by the Government." Quoted in Leggett, "Strategic Choice," 128, 129.

96. Rosa, "Singapore State and Trade Union," 494.

97. Deyo makes this point in "State and Labor," 185. See also Kim, "Labor Policy and Industrial Relations," 157–159.

98. Sources for this paragraph are Michael A. Launius, "The State and Industrial Labor in South Korea," *Bulletin of Concerned Asian Scholars* 16, no. 4 (1984): 5; and Laura Watson, "Labor Relations and the Law in South Korea," *Pacific Rim Law & Polity Journal* 7, no. 1 (1998): 234.

99. Kim "Labor Policy and Industrial Relations," 171.

100. See Launius, "State and Industrial Labor," 1984, 5; and Choi, "Corporatist Control of the Labor Union," 33.

101. Choi, "Corporatist Control of the Labor Union," 37. See also Deyo, *Beneath the Miracle*, 100.

102. *Ibid.*, 36, 37. A western correspondent reported on the efforts of a group of female textile workers to organize a union in their factory in the early 1970s. One of the union organizers explained her astonishment at the outcome of the project: "We were very naïve. We didn't realize that the owners finally consented to the union because the union leaders we picked are relatives of the owner's family." Butterfield, "South Korea Keeps Labor Costs Down." Often the unions would come under the guidance of the so-called *Oyong* union leader, a type of

“organizing cadre” fostered by the state for the purpose of controlling the union. Choi, “Corporatist Control of the Labor Union,” 36.

103. See Deyo, Haggard and Koo, “Labor in the Political Economy,” 185; and Deyo, *Beneath the Miracle*, 121.

104. See Cumings, *Korea’s Place*, 375, 376.

105. See Choi, “Corporatist Control of the Labor Union,” 40, 41.

106. Sources for this paragraph are Kim, “Labor Policy and Industrial Relations,” 160–164; and Deyo, Haggard and Koo, “Labor in the Political Economy,” 47.

107. Kim, “Labor Policy and Industrial Relations,” 170.

108. *Ibid.*, 175.

109. Choi, “Corporatist Control of the Labor Union,” 53, 54.

110. Kim, “Labor Policy and Industrial Relations,” 175, 176.

111. This point is made in *ibid.*, 170; and Choi, “Corporatist Control of the Labor Union,” 43.

112. See Kim, “Labor Policy and Industrial Relations,” 176.

113. Choi, “Corporatist Control of the Labor Union,” 43, 44.

114. *Ibid.*; Launius, “State and Industrial Labor,” 7; Kim, “Labor Policy and Industrial Relations,” 176.

115. Butterfield, “South Korea Keeps Labor Costs Down.” All members of the organization were eventually arrested for their work and jailed on charges of a Communist plot to overthrow the government.

116. Cumings, *Korea’s Place*, 377.

117. Launius, “State and Industrial Labor,” 5.

118. Cumings, *Korea’s Place*, 384.

119. Launius, “State and Industrial Labor,” 5, 6; and Deyo, *Beneath the Miracle*, 138, 139.

120. Sources for this paragraph are Watson, “Labor Relations and the Law,” 235, 236; Deyo, *Beneath the Miracle*, 138, 139; and Launius, “State and Industrial Labor,” 5, 6.

121. Cumings, *Korea’s Place*, 383, 384.

122. Deyo, *Beneath the Miracle*, 139.

123. See Launius, “State and Industrial Labor,” 6.

124. Although such measures were pushed by the state at the enterprise-level during the 1970s and 1980s, particularly in the large chaebol where workers remained non-unionized, evidence suggests that these schemes were quite limited in comparison with the range of benefits available in Taiwan’s SOEs and the NTUC welfare services in Singapore. The few company welfare schemes that were introduced in the chaebol were restricted to the ranks of supervisors and management. Kwon and O’Donnell, “Repression and Struggle,” 282, 283. Even some tripartite forums were set up during the 1970s that brought together representatives from the unions, management, and government. The Central Consultative Assembly of Labor and Management was set up at the industry-wide level in 1975, but remained an unofficial organization focused only on limited issues such as industrial accidents. A Deliberation Committee for Welfare of Workers including government officials, labor unions, and management was started in the Labor Administration in 1978, but again, the issues were related mostly to production, with only limited results related to welfare policies. Kim, “Labor Policy and Industrial Relations,” 177.

125. These figures are from Deyo, *Beneath the Miracle*, 69–73.

126. Koo, *Korean Workers*, 19.

127. *Ibid.*

128. Regarding the docility of Taiwanese labor see: Deyo, *Beneath the Miracle*; Paul G. Buchanan and Kate Nicholls, “Labour Politics and Democratic Transition in South Korea and Taiwan,” *Government and Opposition* 38, no. 2 (2003): 203–237; and Yin-wah Chu, “Labor and Democratization in South Korea and Taiwan,” *Journal of Contemporary Asia* 28, no. 2 (1998): 193, 194. For positions on labor militancy in Taiwan see in particular Jou-jou Chu, “Labor Militancy in Taiwan: Export Integration vs. Authoritarian Transition,” *Journal of Contemporary*

*Asia* 31 no. 4 (2001): 441–465; and Ming-sho Ho, “Challenging State Corporatism: The Politics of Taiwan’s Labor Federation Movement,” *The China Journal* 56 (July 2006): 107–127.

129. Chu, “Labor and Democratization,” 193, 194.

130. Out of the 6,060 registered disputes in Taiwan between 1981–1985, for example, only 189, or 3.1% remained unresolved; between 1986–90, the period following the lifting of martial law, only 236 cases, or 2.9% of the 8,211 registered disputes remained unresolved. See Chu, “Labor Military in Taiwan,” 454, 455.

131. See in particular Koo, *Korean Workers*; Goo Mook Chai, “Intellectuals in the South Korean Labor Movement in the 1980s,” *International Journal of Politics, Culture and Society* 10, no. 2 (1996): 273–290; and Katsiaficas, *Asia’s Unknown Uprisings Vol. 1*, chap.10.

132. See Koo, *Korean Workers*, chap. 4.

133. Namhee Lee, “Representing the Worker: The Workers-Intellectual Alliance of the 1980s in South Korea,” *The Journal of Asian Studies* 64, no. 4 (2005): 914.

134. See Koo, *Korean Workers*, 85, 86; and Cumings, *Korea’s Place*, 378, 379.

135. Data from Deyo, *Beneath the Miracle*, 62, 63.

136. Lee, “Representing the Worker,” 917, 918. Also see Koo, *Korean Workers*, 104, 105; and Chai, “Intellectuals,” 278.

137. The government called these student-laborers ‘disguised workers.’ Various estimates put their numbers at 800, to as many as 3,000. Cumings, *Korea’s Place*, 385; and Chai, “Intellectuals,” 283. Chai (280) cites a government report in 1985 which identified at least 160 politically motivated students with industrial jobs in the Seoul metropolitan area who had led 54 of the 145 labor disputes during the first half of 1985. The Chun government took steps to crackdown on this group of dissidents by requiring management to thoroughly screen the employment, educational and family background of applications. To overcome this hurdle, activists would take assumed identities with forged papers representing backgrounds that would fit an average worker. Lee, “Representing the Worker,” 920.

138. Chai, “Intellectuals,” 279, 280.

139. See in particular Koo’s discussion in *Korean Workers*, 143–146; as well as the discussion by Katsiaficas, *Asia’s Unknown Uprisings, Vol. 1*, 250–251; Also see Lee, “Representing the Worker”; and Chai “Intellectuals.”

140. Koo, *Korean Workers*, 143.

141. Chai, “Intellectuals,” 285, 286.

142. Data are from International Labour Organization LABORSTA (Strikes and Lockouts, accessed July 1, 2013), <http://laborsta.ilo.org>.

143. Koo, *Korean Workers*, 678.

144. See Deyo, “State and Labor.”

145. The most notable and clearest hypothesis is made in Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*.

## Chapter 5: The Developmental State and the Rural Sector

1. Eric Hobsbawm, *The Age of Revolution 1789–1848* (London: Abacus, 2007), 47.

2. Larry L. Burmeister, “From Parastatal Control to Corporatist intermediation: The Korean Agricultural Cooperative in Transition,” in *Corporatism and Korean Capitalism*, ed. Dennis L. McNamara (London: Routledge, 1999), 132.

3. Diane E. Davis, “With Capital, Labor, or On Their Own? The Middle Class Foundations of Development in East Asia and Latin America,” in *East Asian Middle Classes in Comparative Perspective*, ed. Hsin-Huang Michael Hsiao (Taipei: Academia Sinica, 1999), 467.

4. Val Burris, “Late Industrialization and Class Formation in East Asia,” *Research in Political Economy* 13 (1992): 262.

5. Val Burris, “The Old Middle Class in Newly Industrialized Countries: Historical Comparative and Theoretical Perspective,” in *East Asian Middle Classes in Comparative Perspective*, ed. Hsin-huang Michael Hsiao (Taipei: Academia Sinica, 1999), 441.

6. For an excellent analysis of rural relations under Japanese colonialism see Bruce Cumings, *The Origins of the Korean War: Liberation and the Emergence of Separate Regimes, 1945–1947* (Princeton: Princeton University Press, 1981), chap. 2.

7. Cumings provides a discussion of these events in *The Origins of the Korean War, Vol. 2: The Roaring of the Cataract, 1947–1950* (Princeton: Princeton University Press, 1990), chaps. 7, 8.

8. See Young Jo Lee, “The Countryside,” in *The Park Chung Hee Era: The Transformation of South Korea*, ed. Kim Byung-kook and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 335.

9. Sources for this paragraph are: *ibid.*, 348, 349.; Burmeister, “From Parastatal Control,” 114–116; and Penelope Franks, Johanna Boestel, and Choo-hyop Kim, *Agriculture and Economic Development in East Asia: From Growth to Protectionism in Japan, Korea and Taiwan* (London: Routledge, 1999), 126–127.

10. Other special purpose cooperatives were also established throughout the development drive dealing with horticulture and non-grain goods such as livestock. However, the sheer organizational size, membership, and resources commanded by the NACF made it the most important state channel into the rural areas.

11. The state hot-housed a domestic fertilizer industry in the early 1960s through joint ventures with US firms. Protected behind high tariffs that blocked cheaper imports the state had a monopoly over the domestic fertilizer market. See Burmeister, “From Parastatal Control,” 115; and Larry L. Burmeister, “State, Industrialization and Agricultural Policy in Korea,” *Development and Change* 21 (1990): 211, 212.

12. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 109.

13. Lee, “The Countryside,” 357–359. Lee finds the state fertilizer monopoly to be the key mechanism of the agrarian squeeze during this time, which pushed its rather high production costs onto farmers, forcing the latter “to de facto subsidize South Korea’s uncompetitive fertilizer industry” (358).

14. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 41.

15. *Ibid.*, 35.

16. *Ibid.*, 115, 37.

17. This section draws from Lee, “The Countryside,” 362–365; and Mick Moore, “Mobilization and Disillusion in Rural Korea: The Saemaul Movement in Retrospect,” *Pacific Affairs* 57, no. 4 (1985): 284–290.

18. Moore, “Mobilization and Disillusion,” 587. See also Daniel A. Pinkston, “The Evolution of South Korea’s Rural Institutions: The Political Economy of Export Promotion and Market Protection,” *Journal of East Asian Studies* 7, no. 1 (2007): 61–92.

19. This point is made by Lee in “The Countryside,” 363.

20. See Burmeister, “State, Industrialization and Agricultural Policy,” 214.

21. Stephan Haggard and Chung-in Moon, “The State, Politics, and Economic Development in Postwar South Korea,” in *State and Society in Contemporary Korea*, ed. Hagan Koo (London: Cornell University Press, 1993), 86; Lee, “The Countryside,” 346.

22. On this point see, Burmeister, “From Parastatal Control,” 119, 120; and Lee, “The Countryside,” 348–350. The following paragraph draws on both these sources.

23. Lee, “The Countryside,” 349.

24. *Ibid.*

25. The close presidential elections in 1971 are thought to have made Park’s political operatives worry about the government’s support base in the rural areas, who saw the rising income gap between rural and urban households as threatening further losses of political support in rural areas. Particularly in those regions such as the Chōlla provinces, which had been excluded from the development policies and where income gap was clearly on a regional basis of inequality. Burmeister, “From Parastatal Control,” 206, 207. At the same time, however, the general regional voting patterns in Korea’s presidential elections also explain much of the voting pattern, as Park’s challenger, Kim Dae Jung, was the home-son of the Chōlla provinces. See Cumings, *Korea’s Place*, 366.

26. National Foreign Assessment Center, "The Outlook for President Pak and South Korea's Dissidents," June, 1979, Kwangju Declassified, accessed August 31, 2012, [http://timshorrock.com/?page\\_id=540](http://timshorrock.com/?page_id=540).

27. Ibid.

28. Moore, "Mobilization and Disillusion," 579, 580.

29. Susan Chira, "New Tools Alter Old Life on Korea's Farms," *New York Times*, April 7, 1987.

30. Lee, "The Countryside," 246.

31. Following Chun Doo-hwan's coup d'état in the summer of 1980, news reports from the Chungcheong provinces showed strong support for him. Even in the midst of an extremely poor rice crop harvest, a farmer could still comment that although "we have nothing to eat . . . we have supreme confidence in the new president. . . . President Chun is a man of the country . . . [and] will make sure we get food." Rural Koreans saw Chun not as "the tyrannical ogre portrayed in much of the Western press and by Korean activists," but "in Confucian terms, [simply] the new father of the Korean family, the village headman, the all-provident king." When asked about Chun's pledge to hold presidential elections in 1981 under a revised constitution a villager commented: "Why do we need an election? Chun Doo Hwan is already President." Mike Tharp, "In South Korean Countryside, the New President is a Hero," *New York Times*, September 28, 1980. State control and censorship of media, of course, greatly helped direct attitudes in the countryside and garner conservative support. When opposition politician Kim Dae Jung was charged with organizing the revolt in Kwangju as a communist plot and sentenced to death, a 70-year-old farmer was of the opinion that "Kim Dae Jung should be killed . . . We watch television every evening . . . and according to what television has to say about his crimes he caused much confusion" (ibid.).

32. Burmeister, "From Parastatal Control," 125. Indeed, rural voters showed support for Chun's Democratic Justice Party (DJP) in the 1981 National Assembly elections, which swept the party into parliament with a majority. B.C. Koh, "The 1985 Parliamentary Election in South Korea," *Asian Survey* 25, no. 9 (1985): 890.

33. Haggard and Moon, "State, Politics, and Economic Development," 86, 87; Franks, Boestel, and Kim, *Agriculture and Economic Development*, 149.

34. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 139.

35. Burmeister, "From Parastatal Control," 118. For a detailed discussion see Franks, Boestel, and Kim, *Agriculture and Economic Development*, chap. 6.

36. Chira, "New Tools Alter Old Life."

37. Moore, "Mobilization and Disillusion," 595.

38. Burmeister, "From Parastatal Control," 118.

39. Ibid., 120, 122, table 7.5.

40. Ibid., 120.

41. For example, this is suggested by Haggard and Moon in "State, Politics, and Economic Development," 86, 87; and Moore in "Mobilization and Disillusion," 591.

42. Moon, "Interest Representation in South Korea," *Asian Survey* 27, no. 8 (1987): 914.

43. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 149.

44. By the end of the decade, increasing trade liberalization did become a pressing issue for farmers. In 1988 more concessions to US pressures were made as import quotas on tobacco and beef were relaxed, a move which brought farmers into the streets to protest government agricultural policy. In turn, "farmers received large price increases for rice, barley, and tobacco . . . , perhaps as a quid pro quo for unpopular trade concessions." Again in 1990, farmers joined students and workers in mass demonstrations "in which agricultural trade liberalization pressure from the U.S. were condemned." Larry L. Burmeister, "South Korea's Rural Development Dilemma: Trade Pressures and Agricultural Sector Adjustment," *Asian Survey* 30, no. 7 (1990): 718.

45. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 115.

46. Koh, "The 1985 Parliamentary Election," 890.

47. Ibid.

48. Amsden, "State and Taiwan's Economic Development," 84, 85.

49. Wang, "Bastion Created," 324.
50. Rigger, *Politics in Taiwan*, 68.
51. Kerr, George H. Kerr, *Formosa Betrayed*, 2nd ed. (Upland, CA: Taiwan Publishing Company, 1992), 420.
52. Roy, *Taiwan: A Political History*, 101.
53. Sources for this paragraph are: Franks, Boestel, and Kim, *Agriculture and Economic Development*, 182–184; and Rigger, *Politics in Taiwan*, 77–80.
54. Rigger, *Politics in Taiwan*, 77.
55. Wang, "Bastion Created," 325.
56. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 184.
57. Dennis L. Chinn, "Rural Poverty and the Structure of Farm Household Income in Developing Countries: Evidence from Taiwan," *Economic Development and Cultural Change* 27 no. 2 (1979): 285.
58. Roy, *Taiwan: A Political History*, 102; Wade, *Governing the Market*, 76.
59. Amsden, "State and Taiwan's Economic Development," 85.
60. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 38.
61. Roy, *Taiwan: A Political History*, 102. As Roy explains, the fertilizer-for-rice program traded one ton of fertilizer for one ton of rice, with market prices of rice greatly running ahead of fertilizer. In 1949, for example, the market price for one ton of fertilizer was \$70 compared to \$170 per ton of rice, greatly turning the terms of trade against farmers. This relative difference even grew throughout the 1950s and 1960s.
62. *Ibid.*; and Amsden, "State and Taiwan's Economic Development," 86.
63. For estimates of the total amount of capital outflow during this period, see Tsu-tan Fu and Shun-yi Shei, "Agriculture as the Foundation for Development: The Taiwanese Story," in *Taiwan's Development Experience: Lessons on Roles of Government and Market*, ed. Erik Thorbecke and Henry Wan Jr (NY: Springer Science and Business, 1999), 214.
64. Amsden, "State and Taiwan's Economic Development," 87.
65. Wade, *Governing the Market*, 263.
66. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 194.
67. *Ibid.*, 35.
68. The following draws from Fu and Shei, "Agriculture as the Foundation for Development," 220–226.
69. Frank, Boestel, and Kim, *Agriculture and Economic Development*, 205.
70. Wade, *Governing the Market*, 77.
71. Frank, Boestel, and Kim, *Agriculture and Economic Development*, 175.
72. Wade, *Governing the Market*, 242.
73. Franks, Boestel, and Kim, *Agriculture and Economic Development*, 186.
74. Joseph Bosco, "Taiwan Factions: Guanxi, Patronage, and the State in Local Politics." *Ethnology* 31, no. 2 (1992): 174.
75. *Ibid.*, 164.
76. Joseph Bosco, "Faction Versus Ideology," 35.
77. Rigger, *Politics in Taiwan*, 77.
78. *Ibid.*, 136.
79. Quoted in *ibid.*, 78.
80. Bosco, "Faction Versus Ideology," 38.
81. Frank, Boestel, and Kim, *Agriculture and Economic Development*, 189, 190. In addition, compared to Korea, which was pumping in roughly 7% of its budget into agrarian support and protection in the mid-1980s, the KMT government had been directing a mere 2.7% for this purpose. James D Seymour, "Taiwan in 1988. No More Bandits," *Asian Survey* 29, no. 1 (1989): 55.
82. Frank, Boestel, and Kim, *Agriculture and Economic Development*, 211.
83. Bosco, "Faction Versus Ideology," 38.
84. World Bank, "World Development Indicators."
85. "Our History," Agri-Food and Veterinary Authority of Singapore, accessed November 29, 2014, <http://www.ava.gov.sg/about-ava>.

86. World Bank, "World Development Indicators."

87. D.S. Gibbons and Chan Heng Chee, "Political Tutelage in Rural Singapore: The Measurement and Analysis of the Cognitive Political Culture of some Chinese Farmers," *Journal of Southeast Asian Studies* 2, no. 2 (1971): 101.

88. *Ibid.*, 102.

89. Where the number of family farms in Korea declined by 25% between 1975 and 1990, they remained stable in Taiwan, falling a slight 4% during this time. Additionally, the smallest farm households in Taiwan actually increased in their numbers between 1975 and 1990 from 41.7% to 46.8% of all farms, while the rapid rural-urban migration in Korea took many of these smallest farmers with it as they declined from 33% to 28.6% during this time. While shifts towards larger farming emerged in Korea this trend did not take place in Taiwan, where the number of these larger areas actually declined. Figures are from Frank, Boestel, and Kim, *Agriculture and Economic Development*, 29, 30.

## Chapter 6: The Emergence of the Middle Classes

1. Sources used for these definitions and categories are: Val Burris, "Late Industrialization and Class Formation"; Hagen Koo, "Middle Classes, Democratization, and Class Formation: The Case of South Korea," *Theory and Society* 20, no. 4 (1991): 485–509; Erik Olin Wright, *Class Counts: Comparative Studies in Class Analysis* (Cambridge: Cambridge University Press, 1997), chap. 1; Ruth Berins Collier and David Collier, *Shaping the Political Arena* (Princeton: Princeton University Press, 1991), 785. Unlike other categorical schemes for middle class definitions, I have chosen to include the group of lower-level, white-collar wage-employees such as salespersons and clerics within the sector of the new middle classes. In addition, this chapter also deals with university students. Although this group came from diverse sectors of society in these rapidly developing countries, including the sector of rural family farmers and urban working classes, they were posed to take up positions within the rapidly growing middle sectors with relative ease due to their higher educational qualifications. They have therefore been a part of the middle class phenomenon in these countries. Particularly within the case of South Korea, students have been an essential group effecting national political dynamics. The terms middle sectors and middle classes, when used throughout, refer to a more general formulation encompassing these diverse groups within both the old and new middle class categories. Lastly, as the group of owner-operator farmers has been dealt with in the previous chapter, it will not be analyzed here.

2. The classic thesis is Lipset, "Some Social Requisites." Newer formulations that have received much attention include the discussion provided by Huntington in *The Third Wave*, 66–72; and Inglehart and Welzel, *Modernization, Cultural Change, and Democracy*.

3. Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*, for example, found the middle classes to have the most variance in their collective behavior regarding support for democratic political change.

4. David Martin Jones, "Democratization, Civil Society, and Illiberal Middle Class Culture in Pacific Asia," *Comparative Politics* 30, no. 2 (1998): 147–169; and David Martin Jones and David Brown, "Singapore and the Myth of the Liberalizing Middle Class," *The Pacific Review* 7, no. 1 (1994): 79–87.

5. Koo, "Middle Classes, Democratization, and Class Formation."

6. Jones, "Illiberal Middle Class."

7. Burris, "Late Industrialization and Class Formation," 256. While available figures on the structural size of Korea's middle classes vary among studies using various census reports and different classification schemes, they show more or less agreement. Comparable estimates to the figures given by Burris can be found in the data of Arita Shin, "The Growth of the Korean Middle Class and Its Social Consciousness," *The Developing Economies* 41, no. 2 (2003): 204, table 2; Koo, "Middle Classes, Democratization, and Class Formation," 488, table 1; Eui-hang Shin, "Social Change, Political Elections and the Middle Class in Korea," *East Asia* 17, no. 3

(1999): 33, table 1, although these latter estimates show a larger sized sector of independent farmers than the figure given by Burris.

8. Burris, "Late Industrialization and Class Formation," 256. For these percentages I have figured Burris' category of "new middle class" together with his category of "nonmanual workers." Eighty percent of this latter category is made up of "clerical and related workers" and "sales workers," which reflect lower-level white-collar occupations. The other remaining 20% of these clerical and sales workers Burris has already figured into his category of "new middle class" (278n3). For figures on Taiwan and Singapore that cite Burris' data throughout the follow pages, I have figured the percentage of the new middle classes the same way. Regarding the figures cited by this note, Shin, "Social Change, Political Elections," 33, gives similar estimates, putting the growth of the new middle class—including all white-collar workers—from 9.4% to 18.7% between 1970 and 1985, and to 23.0% in 1990.

9. Koo, "Middle Classes, Democratization, and Class Formation," 488. If lower-level white-collar sales and service employees are included, the new middle classes made up roughly 25% of the workforce by 1985.

10. Jung-Whan Lee, "Industrialization and the Formation of the New Middle Class in Korea," *Korea Journal of Population and Development* 23, no. 1 (1994): 80–85. Attesting to the growth of private business bureaucracies, managers in the private sector shot up from 1.5% of the workforce in 1970 to 5.1% by 1985, while managers in the public sector rose only from 1.8% to 2.1% during this time. Koo, "Middle Classes, Democratization, and Class Formation," 488.

11. Andrew H. Malcolm, "In South Korea, a New Group is Emerging: A Middle Class," *New York Times*, June 20, 1978.

12. This point is made by Amsden in *Asia's Next Giant*, 229. Korea's wage gap gave relatively high returns on education, with "the well-educated in Korea probably [earning] a premium by the standards of most developing countries" (ibid., 231).

13. Data can be found in Doowon Suh, *Political Protest and Labor Solidarity in Korea: White-Collar Labor Movements After Democratization, 1987–1995* (London: Routledge, 2009), 67, 69.

14. Koo, "Middle Classes, Democratization, and Class Formation," 495; Suh, *Political Protest and Labor Solidarity*, 90.

15. Burris, "Late Industrialization and Class Formation," 264; Koo, "Middle Classes, Democratization, and Class Formation," 489.

16. Susan Chira, "Boom Time in South Korea: An Era of Dizzying Change," *New York Times*, April 7, 1987.

17. Haggard and Moon, "State, Politics, and Economic Development," 78. By the mid-1980s the effects of Chaebol expansion on independent petty-producers were extreme. Their unfair trade practices, price and market manipulation squeezed numerous sectors. When the Hyundai chaebol began fitting its apartment buildings with built-in Hyundai furniture, for example, small furniture makers suffered. When another chaebol began promoting spin-off bakeries, they undercut small bakeries. Within chaebol subcontracting networks control over domestic suppliers placed them in dependency. As Samsung Semiconductor and Telecommunications Company President, Kang Jin Ku remarked in the 1980s: "Without a locomotive pulling them, how will they survive?" Susan Chira, "Korea's Unpopular Giants," *New York Times*, January 4, 1985.

18. Burris, "Late Industrialization and Class Formation," 256. The figure for independent farmers in 1988–1989 appears to be underestimated the size of independent farmers. More likely its size in 1988 was somewhat larger due to the blurring of on-farm petty manufacturing in addition to farm activities in semi-urban areas. A figure of 20.5% for this period is given by Shiu-hing Lo, "Taiwan: Business People, Intellectuals, and Democratization," *The Pacific Review* 5, no. 4 (1992): 382.

19. Burris, "Late Industrialization and Class Formation," 264.

20. Ibid., 256.

21. Wade, *Governing the Market*, 218.

22. Jia-You Sheu, "Middle Classes in Taipei: Specifications, Estimations and the Socio-Economic Profiles," in *East Asian Middle Classes in Comparative Perspective*, ed. Hsin-Huang Michael Hsiao (Taipei: Academia Sinica, 1999), 137.
23. Fox Butterfield, "Taiwan, a New Sense of Confidence," *New York Times*, May 6, 1984.
24. Ibid.
25. Steve Lohr, "New Times on Taiwan as Old Guard Eases Grip," *New York Times*, May 30, 1984.
26. Nicholas D. Kristof, "A Dictatorship That Grew Up," *New York Times*, February 16, 1992.
27. Murray A. Rubenstein, "Taiwan's Socioeconomic Modernization, 1971–1996," in *Taiwan: A New History*, ed. Murray A. Rubenstein, rev. ed. (Armonk NY: M.E. Sharpe, 2007), 387. Well into the 1980s, Taiwan's higher-level university graduates were entering the public sector to a much greater extent than the private sector. Of university masters' and doctoral graduates entering the job market in the mid-1980s 69.2% took up jobs in the public sector of government, public enterprises, education and research, while only 23.2% entered the private business sector. Wade, *Governing the Market*, 218.
28. Wade, *Governing the Market*, 218.
29. Lo, "Taiwan: Business People," 383; Rubenstein, "Taiwan's Socioeconomic Modernization," 387.
30. Lo, "Taiwan: Business People," 387. See also Bruce J. Dickson, "The Kuomintang Before Democratization: Organizational Change and the Role of Elections," in *Taiwan's Electoral Politics and Democratic Transition: Riding the third Wave*, ed. Hung-mao Tien (Armonk, NY: M.E. Sharpe, 1996), 55.
31. Rubenstein, "Taiwan's Socioeconomic Modernization," 387.
32. Ibid., 387.
33. Burris, "Late Industrialization and Class Formation," 256.
34. Ibid.
35. The rest of the figures listed in this paragraph are sourced from Keiko T. Tamura, "The Emergence and Political Consciousness of the Middle Class in Singapore," *The Developing Economies* 41, no. 2 (2003): 186; Garry Rodan, "Singapore: Emerging Tensions in the 'Dictatorship of the Middle Class,'" *The Pacific Review* 5, no. 4 (1992): 374; and Garry Rodan, "The Growth Of Singapore's Middle Class and its political Significance," in *Singapore Changes Guard: Social Political and Economic Directions in the 1990s*, ed. Garry Rodan (Melbourne: St. Martin's Press, 1993), 55. The figures in all three of these works are highly correlated as the same government census reports are used. All figures after 1990 are from Tamaru.
36. Henry Kamm, "In Mosaic of Southeast Asia, War, Poverty and Prosperity," *New York Times*, November 8, 1981.
37. Barbara Crossette, "The Opulence of Singapore," *New York Times*, December 16, 1984.
38. Ibid.
39. Trocki, *Singapore: Wealth, Power*, 132,
40. For an excellent analysis of Singapore's education system see Michael D. Barr and Zlatko Skrbiš, *Constructing Singapore: Elitism, Ethnicity and the Nation-Building Project*, (Copenhagen: NIAS Press, 2008), chap. 7, 8, and 9.
41. Tamura, "Emergence and Political Consciousness," 186.
42. Brown, "Corporatist Management of Ethnicity," 17.
43. Barr and Skrbiš, *Constructing Singapore*, 230–234; Mauzy and Milne, *Singapore Politics*, 48.
44. Several scholars have emphasized this dependency of Singapore's middle classes on the PAP state. See in particular: Choon-Heng Leong, "The Construction of a Contented and Cautious Middle Class," in *East Asian Middle Classes in Comparative Perspective*, ed. Hsin-Huang Michael Hsiao (Taipei: Institute of Ethnology, Academia Sinica, 1999), 177–122; Trocki, *Singapore: Wealth, Power*, chap. 5; David Martin Jones and David Brown, "Myth of the Liberalizing Middle Class"; Rodan, "Emerging Tensions"; Rodan, "Growth of Singapore's

Middle Class”; and Peng Er Lam, “Singapore: Rich State, Illiberal Regime,” in *Driven by Growth: Political Change in the Asia-Pacific Region*, ed. James W. Morley (Armonk NY: M.E. Sharpe, 1999). The following paragraph draws from these sources.

45. Tamura, “Emergence and Political Consciousness,” 189.

46. Rodan, “Emerging Tensions,” 372; M. Ramesh, *Social Policy in East and Southeast Asia: Education, Health, Housing, and Income Maintenance* (London: RoutledgeCurzon, 2004), 123.

47. Trocki, *Singapore: Wealth, Power*, 129; Ramesh, *Social Policy in East and Southeast Asia*, 122.

48. Leong, “Contented and Cautious Middle Class,” 206.

49. Lau-Fong Mak, “The Middle Classes and the Government,” in *East Asian Middle Classes in Comparative Perspective*, ed. Hsin-Huang Michael Hsiao (Taipei: Institute of Ethnology, Academia Sinica, 1999), 259.

50. Leong, “Contented and Cautious Middle Class,” 206.

51. This argument is found in Jones, “Illiberal Middle Class Culture,” from which the rest of this paragraph is drawn.

52. *Ibid.*, 151.

53. Cumings, *Korea’s Place*, 303.

54. Koo, *Korean Workers*, 12.

55. Wade, *Governing the Market*, 244.

56. Gold, “Civil Society in Taiwan,” 250; Rigger, *Politics of Taiwan*, 72.

57. Quoted in Central Intelligence Agency Directorate of Intelligence, “Singapore on the Eve of Lee Kuan Yew’s Visit to the US,” October 6, 1967, doc. no. 0000261024, Freedom of Information Act Collection, Central Intelligence Agency, accessed June 11, 2015, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000261024.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000261024.pdf).

58. Tremewan, *Political Economy of Social Control*, 91.

59. Barr and Skrbiš, *Constructing Singapore*, 187.

60. See in particular Jones 1998, “Illiberal Middle Class Culture,” and Tamio Hattori and Tsuruyo Funatsu, “The Emergence of the Asian Middle Classes and Their Characteristics,” *The Developing Economies* 41, 3 (2003): 140-160. For case studies on Singapore see Jones and Brown, “Myth of the Liberalizing Middle Class”; and Barr and Skrbiš, *Constructing Singapore*, chap. 10.

61. Jones, “Illiberal Middle Class Culture,” 156.

62. Hattori and Funatsu, “Emergence of the Asian Middle Classes.”

63. Jones, “Illiberal Middle Class Culture,” 156.

64. Moon, “Interest Representation in South Korea,” 916.

65. *Ibid.*, 908–910.

66. Myung-lim Park, “*The Chaeya*,” in *The Park Chung Hee Era: The Transformation of South Korea*, ed. Byung-kook Kim and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 287; Katsiaficas, *Asia’s Unknown Uprisings, Vol. 1*, 143, 144.

67. Park, “*The Chaeya*,” 374.

68. *Ibid.*, 387.

69. Cumings, *Korea’s Place*, 344–345. See also Namhee Lee, “The South Korean Student Movement: Undongkwon as a Counterpublic Sphere,” in *Korean Society: Civil Society, Democracy and the State*, ed. Charles K. Armstrong (London: Routledge, 2002), 95, 96. In addition traditional Confucian esteem for education gave South Korea’s students a respected position within society and their views were taken seriously, serving to reinforce their role as the conscience of society.

70. Central Intelligence Agency National Foreign Assessment Center, “South Korean Students: The Potential for Unrest,” April 1980, doc. no. 0000829815, Freedom of Information Act Collection, Central Intelligence Agency, accessed June 11, 2015, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000829815.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000829815.pdf).

71. For short overviews of these events see Katsiaficas, *Asia’s Unknown Uprisings, Vol. 1*, 140–144.

72. Lee, "The South Korean Student Movement," 107. When the government mandated compulsory military training for all university students in October 1971 an explosion of student protest against the measure was met with the arrest of almost 2,000 students and forced service registration of 12,000 others. The state then "disbanded seven student governments, banned 14 publications, barred 74 students clubs from meeting, and expelled 177 students (all of whom were inducted immediately into the military)." Katsiaficas, *Asia's Unknown Uprisings*, vol. 1, 143.

73. Park, "The Chaeya," 393.

74. Ibid., 394.

75. This observation is made by several scholars, including Yong-Jick Kim, "The Security, Political, and Human Rights Conundrum, 1974–1979," in *The Park Chung Hee Era: The Transformation of South Korea*, Kim Byung-kook and Ezra F. Vogel (Cambridge: Harvard University Press), 461; Lee, "South Korean Student Movement," 107; and Park, "Chaeya," 395.

76. Donald N. Clark, 2007 "Protestant Christianity and the State: Religious Organizations as Civil Society," *Korean Society: Civil Society, Democracy and the State*, ed. Charles K. Armstrong, rev. ed. (New York: Routledge, 2007), 197.

77. Park, "The Chaeya," 396.

78. Clark, "Protestant Christianity and the State," 177.

79. "South Korea Christians in New Conflict with Regime," *New York Times*, May 8, 1978.

80. Memorandum From Acting Assistant Secretary for International Security Affairs in the Department of Defense Harry E. Bergold, "Impact of Recent Korean Political Developments," March 16, 1976, in *FRUS, 1969-1976, Vol. E-12, Documents of East and Southeast Asia, 1973-1976* (Washington: Government Printing Office, 2011), doc. 275.

81. Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, 148.

82. Andrew H. Malcolm, "Park and the Opposition Shift Tactics in Korea," *New York Times*, May 21, 1979.

83. Clark, "Protestant Christianity and the State," 180.

84. US Central Intelligence Agency Directorate of Intelligence, "South Korea: Seoul's Campus Strategy." April 4, 1984, doc. no. 0000759367, Freedom of Information Act Collection, Central Intelligence Agency, accessed September 9, 2014, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000759367.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000759367.pdf).

85. C. I. Eugene Kim, "South Korea in 1986: Preparing for a Power Transition," *Asian Survey* 27, no. 1 (1987), 71.

86. Cumings, *Korea's Place*, 362, 364.

87. Kim, "South Korea in 1986," 67.

88. National Intelligence Estimate, "The Outlook in South Korea," July 17, 1969, in *FRUS, 1969-1976, Vol. 19, Pt. 1, Korea, 1969-1972*, (Washington: Government Printing Office, 2010), 77–78.

89. US Embassy in Korea to Secretary of State, March, 12 1980, Kwangju Declassified, accessed July 11, 2015, [http://timshorrock.com/?page\\_id=540](http://timshorrock.com/?page_id=540).

90. Central Intelligence Agency National Foreign Assessment Center, "South Korea: Factors for Political Stability," November 1, 1980, doc. no. 0000829491, Freedom of Information Act Collection, Central Intelligence Agency, accessed September 9, 2013, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000829491.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000829491.pdf).

91. National Foreign Assessment Center, "The Outlook for President Pak."

92. Cumings, *Korea's Place*, 393.

93. Teh-fu Huang, "Elections and the Evolution of the Kuomintang," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (Armonk, NY: M.E. Sharpe, 1996), 108.

94. Hsin-Huan Michael Hsiao, "Social Foundations of Political Vitality," in *The Vitality of Taiwan: Politics, Economics, Society and Culture*, ed. Steve Tsang (Basingstoke: Palgrave-Macmillan, 2012), 43.

95. Rigger, *Politics in Taiwan*, 141;

96. Both quotes are from Roy, *Taiwan: A Political History*, 155.

97. The following draws on Rigger, *Politics in Taiwan*, 113, 114

98. Sources for this paragraph are Huang, "Elections and the Evolution of the Kuomintang," 111; Rigger, *Politics in Taiwan*, 16; Dickson, "The Kuomintang Before Democratization," 60.

99. Alan M. Wachman, *Taiwan: National Identity and Democratization* (London: M.E. Sharpe, 1994), 138.

100. This paragraph draws information from short résumés of several Tangwai candidates that were regularly printed in a Tangwai opposition magazine *Taiwan Communiqué*, the official journal of the International Committee for the Defense of Human Rights in Taiwan, which began publishing in 1980. All back issues can be accessed electronically on the host website, New Taiwan Ilha Formosa, accessed June 12, 2015. <http://www.taiwandc.org/twcom/index.html>.

101. Rigger, *Politics in Taiwan*, 114.

102. Sources for this paragraph are Gold, *State and Society*, 116–117; Roy, *Taiwan: A Political History*, 158–160; Rigger, *Politics in Taiwan*, 113.

103. Skimming the pages of various editions of the *Taiwan Communiqué*, one will regularly encounter long catalogs of oppositional publications that were subject to government bans, censorship, confiscation, and suspension throughout the 1980s.

104. Shelly Rigger, *From Opposition to Power: Taiwan's Democratic Progressive Party*, (Boulder CO: Lynne Rienner, 2001), 19–21; Roy, *Taiwan: A Political History*, 158–159.

105. This paragraph draws from Roy, *Taiwan: A Political History*, 166–167; and Murray A. Rubinstein, "Political Taiwanization and Pragmatic Diplomacy: The Eras of Chiang Ching-kuo and Lee Teng-hui, 1971-1994," in *Taiwan: A New History*, ed. Muray A. Rubinstein, rev. ed. (Armonk, NY: M.E. Sharpe, 2007), 441–442.

106. "10,000 in Taiwan City Clash With Police on Rights Issue," *New York Times*, December 11, 1979; "Taiwan Regime Arrests 14 Foes," *New York Times*, December 14, 1979.

107. "Taiwan is Planning Open Trials Soon for Dissidents," *New York Times*, January 24, 1980. See also "Taiwan Stepping Up Arrests of Dissidents in Wake of Anti-Regime Riot," *New York Times*, January 3, 1980; and "Taiwan Regime Arrests 14 Foes," *New York Times*, December 14, 1979, for reports on the early round ups of "insidious plotters" immediately following the incident. By the end of January 1980, sixty-five persons were being held by security for investigation into their involvement in the incident, from which thirty-seven were transferred to civil courts by February in the light of insufficient evidence to support the sedition charges. "Taiwan Indicts Eight After Anti-Government Rally," *New York Times*, February 20, 1980.

108. "Eight Foes of Taiwan Government Get Long Prison Terms for Sedition," *New York Times*, April 19, 1980.

109. Roy, *Taiwan: A Political History*, 169.

110. Rigger, *Politics in Taiwan*, 113.

111. "Ruling Party Wins Taiwan Vote, But Some Foes are Easy Victors," *New York Times*, December 8, 1980.

112. Rigger, *From Opposition to Power*, 23–24; Rubinstein, "Pragmatic Diplomacy," 444.

113. Hsin-Huang Michael Hsiao and Ming-sho Ho, "Civil Society and Democracy-Making in Taiwan: Reexamining the Link," in *East Asia's New Democracies: Deepening, Reversal, Non-liberal Alternatives*, ed. Chu Yin-wah and Wong Siu-lun (London: Routledge, 2010), 48.

114. *Ibid.*, 46.

115. *Ibid.*, 59.

116. On this point see, Rubinstein, "Pragmatic Diplomacy," 445; and Hsiao and Ho, "Civil Society and Democracy-Making," 208.

117. This paragraph draws on Teresa Wright, "Student Mobilization in Taiwan: Civil Society and its Discontents," in *The Politics of Modern Taiwan, Vol. 2: Democratisation and Consolidation*, ed. Dafydd Fell (London: Routledge, 2008), 221–228; Gold, *State and Society*, 1996, 250; and Wang, "A Bastion Created," 323.

118. George Katsiaficas, *Asia's Unknown Uprisings Vol. 2: People Power in the Philippines, Burma, Tibet, China, Taiwan, Bangladesh, Nepal, Thailand, and Indonesia* (Oakland, CA: PM Press, 2013), 191; Wright, "Student Mobilization in Taiwan," 223.

119. Rubinstein, "Pragmatic Diplomacy," 445. Though used sparingly by Tangwai dissident activists, especially after Kaohsiung, street protests and demonstrations were often nipped in the bud by the security apparatus before conflicts could develop, with riot police dispersing crowds to avoid violence. On May 19, 1986 for example, the Tangwai held a political gathering in Taipei in protest of martial law, reported as the largest since the Kaohsiung Incident. After 1,500 police officers arrived and prevented the group from marching on the presidential palace, the demonstration simply "ended—without any incidents." *Taiwan Communiqué*, May 1986. When preemptive measures failed, the government made sure that demonstration organizers carried the costs of mobilization. In local elections during November 1985, for example, oppositional charges of electoral "harassment, intimidation and fraud by the Kuomintang authorities" led to a five-hour demonstration organized by supporters of a loosing Tangwai candidate for the mayoral seat in Hsin-chu. Police dispersed the crowd with tear-gas and 10 persons involved in organizing the event were arrested and charged with "disturbing the peace and obstruction of official duties." *Taiwan Communiqué*, May 1986.

120. Hsin-Huang Michael Hsiao and L.C. Russell Hsiao, "Examining the Middle Class—Civil Society—Democracy Links in Taiwan and Its Implications for China" (Paper presented at conference on Civil Society in Greater China, Oxford, UK, August, 2010), 8, accessed December 2, 2014, [http://db1n.sinica.edu.tw/textdb/papago/en/report/report\\_brief.php?rid=18756](http://db1n.sinica.edu.tw/textdb/papago/en/report/report_brief.php?rid=18756).

121. Roy, *Taiwan: A Political History*, 162.

122. Fox Butterfield, "Taiwan, A New Sense of Confidence," *New York Times*, May 6, 1984.

123. Clyde Haberman, "Wary Taiwan Keeps Tight Rein on Free Expression," *New York Times*, May 22, 1983.

124. Clyde Haberman, "Independent Taiwan: Risky Idea May Be Gaining," *New York Times*, January 18, 1988.

125. Nicholas D. Kristof, "A Dictatorship That Grew Up," *New York Times*, February 16, 1992.

126. Haberman, "Risky Idea May Be Gaining."

127. See Barr, *Ruling Elite of Singapore*, chap. 2.

128. Garry Rodan, "Preserving the One-Party State in Contemporary Singapore," in *Southeast Asia in the 1990s: Authoritarianism, Democracy and Capitalism*, ed. Kevin Hewison, Richard Robison and Garry Rodan (St. Leonards, Australia: Allen and Unwin, 1993), 78.

129. Rodan, "Emerging Tensions," 370.

130. Chan, "Politics in an Administrative State."

131. Tremewan, *Political Economy of Social Control*, 156.

132. Tamura, "Emergence and Political Consciousness, 185.

133. For examples see: Jones 1998, "Illiberal Middle Class Culture," 153; Peng Er Lam "Singapore: Rich State, Illiberal Regime," in *Driven by Growth: Political Change in the Asia-Pacific Region*, ed. James W. Morley (Armonk NY: M.E. Sharpe, 1999), 274; Tamura, "Emergence and Political Consciousness," 185.

134. Tamura, "Emergence and Political Consciousness, 192.

135. Lam, "Rich State, Illiberal Regime," 274. See also Beng-Huat Chua 1995, *Communitarian Ideology and Democracy in Singapore* (London: Routledge, 1995), 208, for a similar argument.

136. Leong, "Contented and Cautious Middle Class," 208.

137. Trocki, *Singapore: Wealth, Power*, 142.

138. Jones, "Illiberal Middle Class Culture," 153.

139. Steven Erlanger, "Singapore Plugs Loopholes of Dissent," *New York Times*, June 3, 1989.

140. He Lichao, “‘Neo-Middle Class’ and the State in Democratic Transition in Asia,” (Paper presented at the annual meeting of the Southern Political Science Association, New Orleans, LA, January 2008).

141. Tremewan, *Political Economy of Social Control*, 155. See also Rajah’s chapter “Punishing Bodies, Securing the Nation” in *Authoritarian Rule of Law* for the PAP government’s use of the Vandalism Act and similar measures to constrain public discourse.

142. Mauzy and Milne, *Singapore Politics*, 132. Such state action has been taken against religious groups such as the Jehovah’s Witnesses, the Unification Church, and the Divine Light Mission.

143. Brown, “Corporatist Control of Ethnicity,” 29, 30.

144. Chan, “Politics in an Administrative State,” 56.

145. Hill and Fee, *Politics of Nation Building*, 179.

146. Rodan, “Preserving the One-Party State,” 84.

147. Chan, “Politics in an Administrative State,” 56, 57.

148. Rodan, “Growth Of Singapore’s Middle Class,” 57.

149. Quoted in Tremewan, *Political Economy of Social Control*, 159.

150. Quoted in Rodan, “Preserving the One-Party State,” 84.

151. *Ibid.*; Mauzy and Milne, *Singapore’s Politics*, 55.

152. See for example Rodan, “Growth Of Singapore’s Middle Class,” 57, 58; Mauzy and Milne, *Singapore’s Politics*, 60. This includes not only the PAP’s elitist belittlement of opposition parties and MPs but also the social engineering excesses of the Graduate Mother Scheme in 1984. The Graduate Mother Scheme, at its core a state eugenics program, targeted females within the professional classes with subsidies and other incentives to raise marriage and reproduction rates while also directing incentives at less educated, lower-income females to lower reproduction rates and/or undertake voluntary sterilization. Newspapers were flooded with letters, Mauzy and Milne (60) write, accusing the government “of engaging in eugenics, attempting social engineering, and meddling in the bedrooms of the nation” in attempt to “turn graduate women into prize breeding stock.” That the opposition made an issue of the program during the 1984 elections, certainly “cost the PAP some electoral support” among the groups targeted by the program (*ibid.*).

153. Mauzy and Milne, *Singapore’s Politics*, 155.

## PART III: POLITICAL CHANGE: PROCESSES AND OUTCOMES

### Introduction

1. Terry Lynn Karl, “Petroleum and Political Pacts: The Transition to Democracy in Venezuela,” *Latin American Research Review* 22, no. 1 (1987), 6.

2. O’Donnell and Schmitter, *Transitions from Authoritarian Rule*, 21.

3. Eva Bellin, “The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective,” *Comparative Politics* 36, 2 (2004): 143. Skocpol’s structuralist framework for explaining social revolutions can be found in her book, *States and Social Revolutions*, chap. 1.

4. Bellin, “The Robustness of Authoritarianism,” 146.

5. Slater, *Ordering Power*, 11.

6. This has become a key hypothesis within the rational choice school of democratic transitions. See in particular Biox, *Democracy and Redistribution*; and Acemoglu and Robinson, *The Economic Origins of Dictatorship and Democracy*.

7. The factor of “uncertainty” in shaping regime transitions from an authoritarian regime “toward an uncertain ‘something else’” through the potential “surprises and difficult dilemmas” which may result, figures prominently in O’Donnell and Schmitter’s voluntarist approach to political change. See their *Transitions from Authoritarian Rule*, 3–5.

8. Particularly in highly personalist regimes, Geddes argues, when faced with a destabilizing crisis, the core regime elite—generally a very small clique—may perceive only a

zero-sum outcome with possible losses so great that it will “circle the bandwagon” and fight until death if necessary. Barbara Geddes, “What Do We Know About Democratization After Twenty Years?” *Annual Review of Political Science* 2 (1999): 131–150.

9. *Ibid.*, 129.

10. *Ibid.*, 135.

11. The classic hypothesis from the ‘transitology’ literature is that “there is no transition whose beginning is not the consequence—direct or indirect—of important divisions within the authoritarian regime itself.” O’Donnell and Schmitter, *Transitions from Authoritarian Rule*, 19. If viewed within this perspective, strategies of co-optation through inclusion have the potential to be a direct cause for elite splits. By itself, however, such a strategy is not sufficient for this.

12. Geddes, argues that this condition is built into the institutional design of one-party regimes via strong incentive structures for party cadres to remain loyal and choose cooperation with all inter-party groups. See Geddes, “What Do We Know,” 129, 134–135. As the case study of Taiwan in chapter 8 shall show, however, these incentives could not stop the breakdown in the KMT’s democratic centralism and hold back the factional struggles which came on the tails of increased incorporation strategies.

## Chapter 7: South Korea: Reactionary Political Change

1. Special National Intelligence Estimate, “The Political Outlook in South Korea,” September 4, 1972, doc. no. 0001218026, Freedom of Information Act Collection, Central Intelligence Agency, accessed June 15, 2015, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0001218026.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0001218026.pdf).

2. US Ambassador Philip C. Habib to Department of State, November 22, 1972, in *FRUS, Vol. 19, Part 1, Korea, 1969–1972* (Washington: United State Government Printing Office, 2010), 430–431.

3. On these events see Katsiaficas, *Asia’s Unknown Uprisings, Vol. 1*, 152–378, 379; and Cumings, *Korea’s Place*, 155.

4. Cumings, *Korea’s Place*, 379. It is unclear why Kim Chae-gyu, after shooting Park’s bodyguard, turned his gun on the president, but it is known that a discussion took place over dinner regarding solutions to the current unrest in Korea’s industrial cities and the political crisis in the National Assembly. As Kim explains, the

discussion became heated, with crude but obsequious Cha Chi-chol [Park’s personal bodyguard] berating reticent and even shy Kim Chae-gyu in front of Park for his inability or unwillingness to suppress the Pusan-Masan demonstrations and for his failure to instigate a revolt against Kim Young-sam within the opposition NDP. Kim Chae-gyu advocated a ‘political solution’ without explaining what that was and how it could be brought about amid mass revolt and political deadlock, while Cha Chi-chol unambiguously took the hardline position, seeking a military crackdown. Joo-Hong Kim, “The Armed Forces.” in *The Park Chung Hee Era*, ed. Byung Kook Kim and Ezra F. Vogel (Cambridge: Harvard University Press, 2011), 196–197.

For more on this split between Park’s Blue House entourage and the KCIA director, see also Oberdorfer’s discussion in *The Two Koreas*, 109.

5. Henry Scott Stokes, “Seoul Orders Officials to Prepare for Release of Political Prisoners,” *New York Times*, November 16, 1979.

6. Central Intelligence Agency National Foreign Assessment Center, “South Korea: Factors for Political Stability,” November 1, 1980, doc. no. 0000829491, Freedom of Information Act Collection, Central Intelligence Agency, accessed September 9, 2013, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000829491.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000829491.pdf).

7. “Riot Policemen Seize 96 Dissidents at Anti-Government Rally in Seoul,” *New York Times*, November 27, 1979; Henry Scott Stokes, “Army Ruler in Seoul Criticizes Opponent,” *New York Times*, December 1, 1979.

8. “Opposition Asks Free Elections Next August,” *New York Times*, December 7, 1979.

9. Many student dissidents, for example, glorified Kim Chae-gyu's assassination of President Park as an act for democracy and were protesting against his death sentence. The political opposition refused to comment on the issue and were criticized by dissident activists: "It's wonderful how some people accept the opening toward democracy and an end to years of harsh oppression, and are willing to let the man who made this possible hang." Henry Scott Stokes, "Fate of Park's Killer is a Major Political Issue in Seoul," *New York Times*, March 10, 1980.

10. Henry Scott Stokes, "South Korea Rebels Bide Time in Hiding," *New York Times*, June 10, 1980.

11. Henry Scott Stokes, "South Korea Leader Voices Worry on Student Unrest," *New York Times*, April 10, 1980.

12. Two hundred six work stoppages were recorded during this time, which doubled the 1979 annual average. The number of workers participating reached roughly 50,000, compared to 14,000 in 1979. Data from Deyo, *Beneath the Miracle*, 61.

13. "More Unrest in South Korea," *New York Times*, April 27, 1980.

14. "50,000 Battle Police in Seoul Protests," *New York Times*, May 15, 1980; "Korea's Premier Moves to Placate Student Protesters," *New York Times*, May 15, 1980.

15. Quoted in Tim Shorrock, "Reading the Egyptian Revolution Through the Lens of US Policy in South Korea Circa 1980: Revelations in US Declassified Documents," *The Asia-Pacific Journal: Japan Focus*, accessed November 3, 2014, <http://www.japanfocus.org/-Tim-Shorrock/3561/article.html>.

16. James P. Sterba, "Tough Steps Taken by Seoul to Quell Students' Protests," *New York Times*, May 18, 1980.

17. Henry Scott Stokes, "Cabinet Resigns in South Korea as Riots Grow," *New York Times*, May 21, 1980.

18. Cumings, *Korea's Place*, 383–384; Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, chap. 6; and Chong-Sik Lee, "South Korea in 1980: The Emergence of a New Authoritarian Order," *Asian Survey* 21, no. 1 (1981): 125–143. It was in Kwangju where laborers mounted a strong, clear challenge to the political order and state power as they took to the barricades during the armed insurrection that developed out of the original student demonstrations. The military's figures show that out of the 730 people arrested and held for interrogations, industrial workers made up the largest group (22%); they also made up the largest group of all deaths during the incident (30%). Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, 205, 206.

19. Kim Dae-jung was charged with inciting the riots and insurgency in Kwangju and found guilty in a military court of conspiracy to overthrow the government. He received the death sentence in late 1980, which Chun latter commuted on the strong prodding from Washington. Caroline Rand Herron and Michael Wright, "The Nation in Summary; Reagan and Chun Exchange Favors," *New York Times*, February 8, 1981.

20. Oberdorfer, *The Two Koreas*, 132.

21. National Foreign Assessment Center, "South Korea: Factors for Political Stability."

22. Henry Scott Stokes, "Seeds of South Korean Protest Were Sown by New Prosperity," *New York Times*, October 21, 1979.

23. Myung-Ji Yang, "What Sustains Authoritarianism? From State-Based Hegemony to Class-Based Hegemony During the Park Chung Hee Regime in South Korea," *The Journal of Labor and Society* 9, no. 4 (2006): 440.

24. Jang Jip Choi, "Political Cleavages in South Korea," in *State and Society in Contemporary Korea*, ed. Hagen Koo (London: Cornell University, 1993), 31.

25. National Foreign Assessment Center, "South Korea: Factors for Political Stability."

26. Sung-joo Han and Yung Chul Park, "South Korea: Democratization at Last," in *Driven by Growth: Political Change in The Asia-Pacific Region*, ed. James E. Morley (London: M.E. Sharpe, 1993), 174. On this point see also Yang, "What Sustains authoritarianism?"

27. Choi, "Political Cleavages in South Korea," 35.

28. National Foreign Assessment Center, "South Korea: Factors for Political Stability."

29. Richard Halloran, "U.S. Officers Fear Seoul's Security is Threatened by Conflicts in Army," *New York Times*, January 15, 1980.

30. Bernard Gwertzman, "Continuing Unrest in Korea is Feared," *New York Times*, May 28, 1980.
31. National Foreign Assessment Center, "South Korea: Factors for Political Stability."
32. "Korea's Premier Moves to Placate Student Protestors," *New York Times*, May 16, 1980.
33. The following draws on Cumings, *Korea's Place*, 385; Oberdorfer, *The Two Koreas*, 120, 121; and Kim, "The Armed Forces," 184, 185.
34. Kim, "The Armed Forces," 184.
35. John A. Wickham, *Korea on the Brink: From the '12/12 Incident' to the Kwangju Uprising, 1979-1980* (Washington: National Defense University, 1999), 19.
36. Kim, "The Armed Forces," 198.
37. Sources of this paragraph are Oberdorfer, *The Two Koreas*, 117–121; and Wickham, *Korea on the Brink*, 54–63.
38. Oberdorfer, *The Two Koreas*, 116, 117.
39. As discussed previously, the personal and symbolic connections that bound the Hanahoe together in these organizations also extended into the business community, where many retired soldiers from Chun's 11th class had been moved into the business world during the 1970s and were brought into the government as Chun reshuffled Choi's cabinet in April 1980.
40. On May 24, three days before the military retook the city of Kwangju, a report by General Wickham highlights the cohesiveness generated by Chun within the coercive institutions: "Chun's internal security apparatus with the KCIA and DSC enable him to detect and suppress dissension. Concern for the unity of the army as an institution also would tend to militate against opposition to Chun. . . . As a consequence, for the near term, Chun's position and military unity seem assured." Wickham, *Korea on the Brink*, 139, 140.
41. The incidents of infiltration and the shift to high alert among North Korean forces put the Combined Forces Command (CFC) on high alert. As Wickham recounts (*ibid.*, 91), it was clear that "the North Koreans either were trying to improve their intelligence about the political unrest and military dispositions in the South or were augmenting their already extensive agent network in preparation for a possible attack."
42. *Ibid.*, 128, 129.
43. The new electoral system displayed highly disproportionate mechanical effects to the favor of the ruling party. For a discussion see Aurel Croissant, "Electoral Politics in South Korea," in *Electoral Politics in Southeast and East Asia*, ed. Aurel Croissant (Singapore: Friedrich-Ebert-Stiftung, 2002), 233–276.
44. Cumings, *Korea's Place*, 384.
45. Henry Scott Stokes, "South Korea under Chun: A New Sense of Vigor," *New York Times*, March 4, 1982; Henry Scott Stokes, "Seoul Urged to Ease Up on Prisoners," *New York Times*, March 15, 1982.
46. "Seoul Announces Amnesty for 1,765 in Reconciliation," *New York Times*, December 22, 1983; Clyde Haberman, "South Korean Leader Warns Students on Disorder," *New York Times*, September 28, 1984.
47. Directorate of Intelligence, "South Korea: Seoul's Campus Strategy."
48. Carl J. Saxer, *From Transition to Power Alternation: Democracy in South Korea, 1987-1997* (New York: Routledge, 2002), 45.
49. Clyde Haberman. "After Pause, Seoul Renews Crackdown on Dissent," *New York Times*, October 7, 1985; Clyde Haberman, "Seoul Arrests 26 in Security Case," *New York Times*, October 30, 1985.
50. Department of State to US Embassy in Seoul, "South Korea: Government Response to Student Opposition Role," September 4, 1981, National Security Archive, The George Washington University, Washington DC, accessed December 11, 2014. <http://nsarchive.gwu.edu/NSAEBB/NSAEBB306/doc08.pdf>.
51. Clyde Haberman, "Seoul Student's Torture Death Changes Political Landscape," *New York Times*, January 31, 1987.
52. Clyde Haberman, "President of South Korea Orders a Halt to Debate on Constitution," *New York Times*, April 13, 1987.

53. Clyde Haberman, "Political Division Widening in Seoul," *New York Times*, May 15, 1987.

54. "Students Clash with Police for 6th day in South Korea," *New York Times*, May 17, 1987. In addition to its coercive presence on the streets, the government also began cracking down on political oppositional politicians, hindering some party leaders and national assemblymen with legal investigations, jailing others, and using house arrest for still others in the hopes of constraining any further expressions and actions of opposition towards the ruling party and government.

55. "South Korea Party Chooses Successor For the Presidency," *New York Times*, June 3, 1987; Clyde Haberman, "Candidate Named by South Koreans," *New York Times*, June 10, 1987.

56. Clyde Haberman, "Violent Protests Rock South Korea," *New York Times*, June 11, 1987.

57. Clyde Haberman, "Sit-in at Church in Seoul is Ended Amid New Clashes," *New York Times*, June 15, 1987; Clyde Haberman, "Street Protests by South Koreans Resume and Grow," *New York Times*, June 16, 1987.

58. Clyde Haberman, "Clashes Continue in Center of Seoul," *New York Times*, June 13, 1987.

59. Clyde Haberman, "Street Protests by South Koreans," *New York Times*, June 16, 1987. The protest wave involved violent 'skirmishes' between students and riot police in over half a dozen cities involving over 60,000 students and 45 colleges.

60. On the founding and organizational structure of the National Coalition for a Democratic Constitution see Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, 282–285.

61. *Ibid.*, 297.

62. Clyde Haberman, "Seoul Protestors Again Face Police in Fierce Clashes," *New York Times*, June 27, 1987.

63. Clyde Haberman, "Seoul Authorities Report Preparing New Concessions," *New York Times*, June 28, 1987.

64. "Excerpts From Speech By South Korea President," *New York Times*, July 1, 1987.

65. Figures on the total number of participants throughout all demonstrations in June have been cited as high as four million. Kwnag-Yeong Shin, "Globalisation and the Working Class in South Korea: Contestation, Fragmentation and Renewal," *Journal of Contemporary Asia* 40, no. 2 (2010), 214.

66. Such framing is wide spread in the literature. For a sample of the general view see, in particular, Koo, "Middle Classes, Democratization"; Eui-hang Shin, "Social Change, Political Elections, and the Middle Class in Korea," *East Asia* 17, no. 3 (1999), 28–60; and Charles K. Armstrong, "Introduction," in *Korean Society: Civil Society, Democracy and the State*, ed. Charles K. Armstrong, 2nd ed. (NY: Routledge, 2002), 1–9.

67. Cumming, *Korea's Place*, 393.

68. Susan Chira, "For Korean Middle Class, a Process of Politicization," *New York Times*, June 19, 1987. As Jones emphasizes, at one point during the demonstrations, "the Korean middle class somewhat surreally took to the streets chanting the decidedly unrevolutionary slogan 'order.'" Jones, "Illiberal Middle Class Culture," 159, 160. This desire for order was evident throughout the weeks of June. During the height of the protests, explained a correspondent, Koreans would "take to the streets at night here [in Seoul] and other cities to demonstrate against the Government, but during the day they are hard at work, driving an economy that booms even amid political turmoil." Susan Chira, "South Koreans Riot in Night, then Go Dutifully to Work," *New York Times*, June 24, 1987.

69. Chira, "For Korean Middle Class, A Process of Politicization."

70. *Ibid.*

71. This point is emphasized in Koo, *Korean Workers*; and Shin, "Globalisation and the Working Class in South Korea," 211–229.

72. Although some labor activists led protests in some regions there was no organized labor protests occurring. One reason may be found in a comment given by a Korean worker to a foreign correspondent: "When students demonstrated, if workers participated, they were afraid of

losing their jobs.” Susan Chira, “Thousands Gather in Seoul to Mark Democratic Gains,” *New York Times*, August 16, 1987. Another explanation is offered by Chu, in his article “Labor and Democratization in South Korea and Taiwan,” who suggests that the militancy which had been growing among labor groups since the early 1980s had been greatly “diluted” by 1987 with the arrest and imprisonment of many radical labor leaders and student-workers following the Inchon riot in 1986. “It lowered the guard of the staunch supporters of the movement, who watched passively as the transition took place” (ibid., 199).

73. This argument is taken up by Chu in “Labor and Democratization in South Korea and Taiwan,” 197–199.

74. Nigel Harris, “New Bourgeoisies?,” *The Journal of Development Studies* 24, no. 2 (1988): 237–249.

75. Clyde Haberman, “Sound and Fury, and Now the First Death,” *New York Times*, June 21, 1987.

76. “Delivering the Mail and Avoiding Martial Law in South Korea, 1987,” Interview with Thomas Dunlop (Political Counselor in Seoul, 1983-1987) by Charles Stuart Kennedy, July 1996, *Association for Diplomatic Studies and Training*, accessed Dec. 5, 2014. <http://adst.org/2013/06/avoiding-martial-law-in-south-korea-1987/>. As a report on the rioting in Seoul on July 18 recounts, the center city was turned into a “battle zone” as tens of thousands of students took control of the streets from riot police units:

At one point, thousands of young people controlled a central square in front of the Bank of Korea, as well as major boulevards that spread from there in four directions. In the middle of the square, demonstrators overpowered 50 helmeted officers who had run low on tear gas. They roughed them up and stripped them of gas masks and other riot gear. The equipment was thrown into a pile and set on fire, creating a towering pillar of black smoke. Clyde Haberman, “Student Protests Gain in Intensity in Center of Seoul,” *New York Times*, June 19, 1987.

For similar instances of police units losing control in other cities see Katsiaficas, *Asia’s Unknown Uprisings*, Vol. 1, 297.

77. Oberdorfer, *The Two Koreas*, 169, 170.

78. Clyde Haberman, “Fury and Turmoil: Days that Shook Korea,” *New York Times*, July 6, 1987. Officials close to the government and the US Embassy would also later report that the country “had come much nearer to military intervention than most South Koreans realized at the time” (ibid.).

79. Oberdorfer, *The Two Koreas*, 171.

80. Haberman, “Fury and Turmoil.”

81. Oberdorfer, *The Two Koreas*, 171.

82. Haberman, “Fury and Turmoil.”

83. On June 18, Olympic officials expressed public concern that the continued unrest would interfere with Korea’s hosting of the 1988 Summer Games. Michael Janofsky, “U.S. Olympic Officials Monitor South Korea Unrest,” *New York Times*, June 18, 1987.

84. Oberdorfer, *The Two Koreas*, 171.

85. Clyde Haberman, “Seoul Promises Strong Actions to Curb Unrest,” *New York Times*, June 20, 1987.

86. Ibid.

87. Clyde Haberman, “Seoul Authorities Report Preparing New Concessions,” *New York Times*, June 28, 1987.

88. Oberdorfer, *The Two Koreas*, 168.

89. Association for Diplomatic Studies and Training, “Delivering the Mail.”

90. David A. Adesnik and Sunhyuk Kim, “South Korea: The Puzzle of Two Transitions,” in *Transitions to Democracy: A Comparative Perspective*, ed. Kathryn Stoner and Michael McFaul (Baltimore: Johns Hopkins University, 2013), 267.

91. Susan Chira, “Korea’s Press Awaits the Promised Freedom,” *New York Times*, July 1, 1987; Susan Chira, “Seoul Rivals Meet for the First Time in a Surprise Visit,” *New York Times*, July 3, 1987. The committee consisted of four senior lawmakers from the DJP and four members Kim Young-sam’s oppositional faction. Two minor opposition parties, the Korea

National Party and New Korea Democratic Party as well as the Kim Dae-jung oppositional faction were excluded in the negotiations. Saxer, *From Transition to Power Alternation*, 89n68.

92. Clyde Haberman, "Seoul Government and Opposition Reach Agreement on Constitution," *New York Times*, September 1, 1987.

93. This paragraph draws on Kwang-Yeong Shin, "Dilemmas of Korea's New Democracy in an Age of Neoliberal Globalisation," *Third World Quarterly* 33, no. 2 (2012): 296–297; Kwnag-Yeong Shin, "Globalisation and the Working Class in South Korea," 213; and Saxer, *From Transition to Power Alternation*, 64–67.

94. Shin, "Dilemmas of Korea's New Democracy," 296.

95. Cumings, *Korea's Place*, 394; Saxer, *From Transition to Power Alternation*, 64–65.

96. Koo, *Korean Workers*, 153.

97. Susan Chira, "Strikes Mounting in South Korea," *New York Times*, August 12, 1987.

98. "Strikes Shut Korea's Car Plants," *New York Times*, August 13, 1987.

99. See Koo, *Korean Workers*, chap. 7; and Katsiaficas, *Asia's Unknown Uprisings*, Vol. I, chap. 10.

100. Koo, *Korean Workers*, 157.

101. Data are from International Labour Organization LABORSTA. Compare these 1987 figures with the 276 strikes involving less than 500,000 workers and 72,000 days lost per worker in 1986, which at that point was the most radical year since EOI began.

102. Nicholas D. Kristof, "South Korea's Dissatisfied Students: A Battle is won; They Want More," *New York Times*, August, 4, 1987; Nicholas D. Kristof, "Sour Mood in Seoul; Opposition Factions at Knives Drawn as South Korea's Talk of Democracy," *New York Times*, July 22, 1987.

103. For examples see, Nicholas D. Kristof, "Seoul Protesters Stage Huge Rally," *New York Times*, July 10, 1987; Susan Chira, "Thousands Gather in Seoul to Mark Democratic Gains," *New York Times*, August 16, 1987; and Clyde Haberman, "In Seoul, Colleges are Open and Student Protests Begin," *New York Times*, September 2, 1987.

104. Kim Young-sam had already sent signals to Chun during their meeting in June that moderate political change was acceptable. As published excerpts from the meeting show, Kim had emphasized to Chun that "nothing must be done that would give a pretext to the radical minority or push the situation beyond the control of the law-enforcement authorities . . . If we implement democracy the voice of the radicals will fade away . . . We should be careful that their voice doesn't grow louder throughout society." "Excerpts From Talks Between South Korea President and Opposition Chief," *New York Times*, June 25, 1987.

105. Susan Chira, "Seoul is Alive with Sounds of Politicians," *New York Times*, November 8, 1987.

106. Explanations of Roh Tae-woo's election in December often raise the argument that had the opposition fielded only one candidate—either Kim Young-sam or Kim Dae-jung—Roh would not have won. For an example see John Kie-chaing Oh, *Korean Politics: The Quest for Democratization and Economic Development* (Ithaca NY: Cornell University Press, 1999), 109. This hypothesis, however, is difficult to sustain when the factors of regional voting are taken into account, the patterns of which might not have transferred in an unproblematic way to either of the two Kims, as either Roh or the forth contender, Kim Jong-pil could have siphoned votes away. On this point see Saxer, *From Transition to Power Alternation*, 76.

107. Clyde Haberman, "Dissidents Step Up Protests in Seoul," *New York Times*, December 20, 1987.

108. Saxer, *From Transition to Power Alternation*, 67-70; Shin, "Dilemmas of Korea's New Democracy," 297.

109. Clyde Haberman, "Korean's Install New President," *New York Times*, February 25, 1988.

110. The DJP took 125 seats; Kim's DPP took 71 seats; Kim Young-sam's Reunification Democratic Party (RDP) took 59 seats; and Kim Jong-pil's New Democratic Republican Party (NDRP) took 35 seats. Saxer, *From Transition to Power Alternation*, 79. For a detailed analysis of the election see Hong Nack Kim, "The 1988 Parliamentary Election in South Korea," *Asian Survey* 29, no. 5 (1989): 480–495.

111. John Kie-chaing Oh, *Korean Politics: The Quest for Democratization and Economic Development* (Ithaca NY: Cornell University Press, 1999), 111.
112. Katsiaficas, *Asia's Unknown Uprisings Vol. 1*, 338.
113. Cumings, *Korea's Place*, 394.
114. Seth Mydans, "Korean Now Faces Problem of Chun," *New York Times*, November 15, 1988; Seth Mydans, "Korean Ex-President Offers His Apology for Abuse of Power," *New York Times*, November 23, 1988.
115. Sources for this paragraph are: Fields, *Enterprise and the State*, 98–99; Eckert, "The South Korean Bourgeoisie," 129; Hundt, *Korea's Developmental Alliance*, 80–83.
116. Eckert, "The South Korean Bourgeoisie," 129.
117. Hundt, *Korea's Developmental Alliance*, 83.
118. Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, 339; and Hagan Koo, "The Dilemmas of Empowered Labor in Korea: Korean Workers in the Face of Global Capitalism," *Asian Survey* 40, no. 2 (2000): 234.
119. Koo, *Korean Workers*, 194, 198.
120. For detailed accounts of the bigger industrial actions during this period see Katsiaficas, *Asia's Unknown Uprisings, Vol. 1*, Chaps. 10, 11.
121. Steven R. Weisman, "Korea Addresses Abuses of Its Past," *New York Times*, May 24, 1989.
122. "2,900 Arrested as Students Protest in Downtown Seoul," *New York Times*, "May 1, 1989.
123. Data are from International Labour Organization LABORSTA.
124. Buchanan and Nicholls, "Labour Politics and Democratic Transition," 218. Compared these rises to the average annual increase of 5.7% throughout the period 1981 to 1986.
125. Susan Chira, "Motorola's Labor War," *New York Times*, February 19, 1989.
126. Saxer, *From Transition to Power Alternation*, 119.
127. Korean Chief Orders an End to Restraint Against Unrest," *New York Times*, "May 10, 1989. The reactivated state intervention was seen clearly at the massive Hyundai shipyards' strike during 1989, which was put down after 109 days by a corps of 20,000 riot police which stormed the work-area to break the strike. José Alemán, "Protest and Democratic Consolidation: A Korean Perspective," *International Journal of Korean Studies* 9, no. 1 (2005), 78.
128. Weisman, "Korea Addresses Abuses."
129. Saxer, *From Transition to Power Alternation*, 80.
130. Katsiaficas, *Asia's Unknown Uprisings Vol. 1*, 342–349; Alemán, "Protest and Democratic Consolidation," 78; and Saxer, *From Transition to Power Alternation*, 125.
131. Buchanan and Nicholls, "Labour Politics and Democratic Transition," 219; For proportions of arrests to strikes see Suh, *Political Protest and Labor Solidarity*, 117.
132. Data are from International Labour Organization LABORSTA.
133. David E. Sanger, "Crackdown in a 'Freer' Korea Puzzles Opposition," *New York Times*, August 3, 1990.
134. Hong Yung Lee, "South Korea in 1991: Unprecedented Opportunity, Increasing Challenge," *Asian Survey* 32, no. 1 (1992): 66.
135. James Sterngold, "Seoul's Two Sides Seem Frustrated," *New York Times*, May 12, 1990; "Economic-Political Unrest Erupts in Violent Protests in South Korea," *New York Times*, May 10, 1990. David E. Sanger, "Seoul is Planning to Convert Its Raucous Politics Into Gray Japanese model," *New York Times*, Feb. 6, 1990.
136. See Saxer, *From Transition to Power Alternation*, 101, 102.
137. Hong Yung Lee, "South Korea in 1991: Unprecedented Opportunity, Increasing Challenge," *Asian Survey* 32, no. 1 (1992): 66.
138. Saxer, *From Transition to Power Alternation*, 224.
139. National Foreign Assessment Center, "The Outlook for President Pak."

## Chapter 8: Taiwan: Pragmatic Political Change

1. Roy, *Taiwan: A Political History*, 155; Huang, "Elections and the Evolution of the Kuomintang," 108.

2. On this point there is strong agreement in the literature. See: Rubinstein, "Pragmatic Diplomacy," 438, 439; Bruce J. Dickson, "The Kuomintang Before Democratization: Organizational Change and the Role of Elections," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 48, 49; The-fu Huang, "Elections and the Evolution of the Kuomintang," *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 108; Chu and Lin, "Political Development in 20th-Century Taiwan," 128; Ching-fen Hu, "Taiwan's Geopolitics and Chiang Ching-Kuo's Decision to Democratize Taiwan," *Stanford Journal of East Asian Affairs* 5, no. 1 (2005): 26–44.

3. Roy, *Taiwan: A Political History*, 154.

4. Dickson, "The Kuomintang Before Democratization," 53–56.

5. *Ibid.*, 49.

6. Taipei Office of the American Institute in Taiwan to the Washington Office of the American Institute in Taiwan, Taipei, September 29, 1979, in *FRUS 1977-1980, Vol. 13, China* (Washington DC: Government Printing Office, 2013), 995–1000.

7. *Ibid.*

8. *Ibid.*

9. Rubinstein, "Pragmatic Diplomacy," 442, 443.

10. *Ibid.*, 443.

11. Dickson, "The Kuomintang before Democratization," 56.

12. Steve Lohr, "New Times on Taiwan as Old Guard Eases Grip," *New York Times*, May 30, 1984.

13. Fox Butterfield, "Taiwan, a New Sense of Confidence," *New York Times*, May 6, 1984.

14. Rubinstein, "Pragmatic Diplomacy," 446. In March 1986, Chiang promoted Li Huan, the KMT General Secretary who oversaw the Taiwanization policy in the 1970s, and younger Taiwanese into the KMT Central Standing Committee, a move clearly "portending liberal reform." Roy, *Taiwan: A Political History*, 172.

15. The following draws on Roy, *Taiwan: A Political History*, 170, 171; Rubinstein, "Pragmatic Diplomacy," 446, 447; and Yangsun Chou and Andrew J. Nathan, "Democratizing Transition in Taiwan," *Asian Survey* 27, no. 3 (1987): 282, 283.

16. The opposition had organized a massive rally against martial law following the first meeting, for which the government mobilized 1,500 police officers and also moved during this time to persecute a group of magazine editors for their stance on independence. See *Taiwan Communiqué*, nr. 26, August 1986.

17. Attesting to the middle-class origins of the Tangwai opposition, the meeting at which the DPP was founded took place at "Taipei's opulent Grand Hotel, which lodged most of the foreign dignities who visited the island" and had been booked under the name of the Rotary Club. Roy, *Taiwan: A Political History*, 172.

18. *Taiwan Communiqué*, nr. 31, September 1987.

19. Teh-fu Huan, "Party Systems in Taiwan and South Korea," in *Consolidating the Third Wave Democracies: Themes and Perspectives*, ed. Larry Diamond, Marc F. Plattner, Yun-han Chu, and Hung-mao Tien (Baltimore: The Johns Hopkins University Press, 1997), 142.

20. Hsin-Huang Michael Hsiao and Hagen Koo, "The Middle Classes and Democratization," in *Consolidating the Third Wave Democracies: Themes and Perspectives*, ed. Larry Diamond, Marc F. Plattner, Yun-han Chu, and Hung-mao Tien (Baltimore: The Johns Hopkins University Press, 1997), 312.

21. Roy, *Taiwan: A Political History*, 162. Likewise, the US government, whose pressure on the domestic political realm in Taiwan appears to have been quite moderate under President Reagan's administration, did not particularly welcome the emergence of the DPP due

to its vocal expressions of independence among the more radical factions as it served as “a potential cause of tension in U.S.-China relations” (Ibid., 174).

22. This point is particularly emphasized by Hu in his article “Taiwan’s Geopolitics.”
23. *Taiwan Communiqué*, nr. 31, September 1987.
24. Hu, “Taiwan’s Geopolitics,” 26.
25. Quoted in Hsiao and Koo, “The Middle Classes and Democratization,” 323.
26. Roy, *Taiwan: A Political History*, 154, 155.
27. Dickson, “The Kuomintang Before Democratization,” 58.
28. Fox Butterfield, “Taiwan, A New Sense of Confidence.”
29. Chu and Lin, “Political Development in 20th-Century Taiwan,” 128, 129.
30. Rubenstein, “Pragmatic Diplomacy, 447; Roy, *Taiwan: A Political History*, 155.
31. Yu-shan Wu, “Marketization of Politics: The Taiwan Experience,” *Asian Survey* 24, no. 4 (1989): 392.
32. Katsiaficas, *Asia’s Unknown Uprisings Vol. 2*, 194.
33. Hsiao and Ho, “Civil Society and Democracy-Making in Taiwan,” 50; Jiunn-Rong Yeh, “Constitutional Reform and Democratization in Taiwan, 1945–2000,” in Peter C.Y. Chow, *Taiwan’s Modernization in Global Perspective*, ed. Peter C.Y. Chow (Praeger: Westport, CT, 2002), 51, 52; Rigger, *Politics in Taiwan*, 129; Katsiaficas, *Asia’s Unknown Uprisings Vol. 2*, 194.
34. O’Donnell and Schmitter, *Transitions from Authoritarian Rule*, 48, 49.
35. Hsiao and Ho, “Civil Society and Democracy-Making,” 50; Katsiaficas, *Asia’s Unknown Uprisings, Vol. 2*, 197; Roy, *Taiwan: A Political History*, 177–179; Michael Stainton, “Aboriginal Self-Government: Taiwan’s Uncompleted Agenda,” in *Taiwan: A New History*, ed. Murray A. Rubinstein, rev. ed. (Armonk, NY: M.E. Sharpe, 2007), 419–435.
36. Katsiaficas, *Asia’s Unknown Uprisings Vol. 2*, 194; Susan Chira, “In Taiwan, Change Sweeps Out Taboos,” *New York Times*, May 4, 1988; *Taiwan Communiqué*, no. 31, September 1987; *Taiwan Communiqué*, nr. 32, December 1987.
37. Shyh-er Chen, Jyh-er Roger Ko, and John Lawler, “Changing Patterns of Industrial Relations in Taiwan,” *Industrial Relations* 42, no. 3 (2003): 322.
38. Katsiaficas, *Asia’s Unknown Uprisings, Vol. 2*, 196; Ho, “Challenging State Corporatism,” 114; Yin-wah Chu, “Democracy and Organized Labor in Taiwan: The 1986 Transition,” *Asian Survey* 36, no. 5 (1996): 502.
39. Chu, “Democracy and Organized Labor,” 501; Ho, “Challenging State Corporatism,” 116.
40. Chu, “Democracy and Organized Labor,” 502. By 1991 the number of workdays lost per worker to strike actions had dropped to 23.
41. Ibid., 502; Chen, Ko, and Lawler, “Changing Patterns of Industrial Relations,” 324. The number of disputes reached 19,943 in 1989, involving 62,319 workers. Out of these, 489 related to wage disputes and 710 to breaches of labor contract such as dismissal and wrongful severance.
42. Hsiao and Ho “Civil Society and Democracy-Making,” 50.
43. Ibid., 51; See also Rigger, *Politics in Taiwan*, 129.
44. *Taiwan Communiqué*, nr. 31, September 1987.
45. *Taiwan Communiqué*, nr. 32, December 1987.
46. *Taiwan Communiqué*, nr. 31, September 1987.
47. “200 Hurt In Protests on Taiwan,” *New York Times*, May 21, 1988; *Taiwan Communiqué*, nr. 35, August 1988.
48. See Ho, “Challenging State Corporatism,” 114.
49. Hsiao and Ho, “Civil Society and Democracy-Making,” 52.
50. Wright, “Student Mobilization in Taiwan,” 232.
51. On the competencies of the Council of Labor Affairs see Chen, Ko, and Lawler, “Changing Patterns of Industrial Relations,” 326.
52. Ibid., 133.
53. Ibid., 138, 139.

54. The main sources used for this discussion on Lee and his consolidation of power are: Rubinstein, "Pragmatic Diplomacy," 447–449; Roy, *Taiwan: A Political History*, 179–181, 183–185; Ming-Chang Tsai, "Dependency, the State and Class in the Neoliberal Transition of Taiwan," *Third World Quarterly* 22, no. 3 (2001): 368, 369; and Yun-han Chu and Tse-min Lin, "The Process of Democratic Consolidation in Taiwan: Social Cleavage, Electoral Competition and the Emerging Party System," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 87, 88.

55. Rigger, *Politics in Taiwan*, 131, 132.

56. Tsai, "Dependency, the State and Class," 369.

57. Rubinstein, "Pragmatic Diplomacy," 448.

58. Shiau, "Elections and Changing State-Business," 223; Hsin and Hsiao, "State and Business Relations," 93.

59. For example, Taiwanese chairmen of the three peak business organizations and many prominent guanxiqiyie elite were appointed into the KMT Central Committee and Central Standing Committee. In addition a new KMT elite business club was formed which provided a platform for sectoral interaction between government and business. Cheng and Chu, "State-Business Relationship in Taiwan," 204.

60. Rubinstein, "Pragmatic Diplomacy," 449.

61. Following the violence of the Yunlin FA protest in May 1988, for example, KMT hardliners were calling for a crackdown on oppositional groups across the board and the reinstatement of martial law. In response the Lee government dealt out harsh court sentences to the protest organizers to calm the hardliners while also taking steps two months later to meet one of the main demands of the protests regarding a new health insurance plan for farmers. Katsiaficas, *Asia's Unknown Uprisings, Vol. 2*, 197.

62. Wu, "Marketization of Politics," 396.

63. Rigger, *Politics in Taiwan*, 134, 135.

64. Sources for this paragraph and the next are Rigger, *Politics in Taiwan*, chap. 2; and John Fuh-sheng Hsieh, "The SNTV System and Its Political Implications," in *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 193–212.

65. For example, if an electoral district has five seats, then a candidate can secure successful election with 20% of the vote + 1. Thus, if a party running five candidates receives exactly 20% of the vote for each, it would take all five seats. The key is for the five candidates to take the five highest vote shares in order to maximize wins. Thus, if one candidate were to capture 50% of the vote, then vote shares among the four other candidates within the party may subsequently be too low to place within the next highest positions and an opposition candidate may take a seat with much less than 20% of the vote—in this case with just 12.5% of the vote.

66. On the SVMM system in Taiwan see in addition to the chapter "Learning to Vote" in Rigger's *Politics in Taiwan*, her book, *From Opposition to Power*.

67. Rigger, *Politics in Taiwan*, 41.

68. Ming-tong Chen, "Local Factions and Elections in Taiwan's Democratization," *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 189; Rigger, *Politics in Taiwan*, 150.

69. Rigger, *Politics in Taiwan*, 141.

70. Katsiaficas, *Asia's Unknown Uprisings, Vol. 2*, 198–200; Rubenstein, "Pragmatic Diplomacy," 450–451.

71. "Thousands Gather in Taiwan to Press Democratic Cause," *New York Times*, March 19, 1990.

72. Sheryl WuDunn, "Taiwan President Re-elected," *New York Times*, March 22, 1990.

73. Sheryl WuDunn, "Talks in Taiwan Urge a Popular Presidential Vote," *New York Times*, July 15, 1990; Quote is from Rubinstein, "Pragmatic Diplomacy," 451.

74. This point is made in Jon Higley, Tong-yi Huang, and Tse-min Lin, "Elite Settlements in Taiwan," in *The Politics of Modern Taiwan: Volume II Democratization and Consolidation*, ed. Dafydd Fell (London: Routledge, 2008), 117.

75. Roy, *Taiwan: A Political History*, 184–186; Rubinstein, “Pragmatic Diplomacy,” 453–456.
76. Rubinstein, “Pragmatic Diplomacy,” 455.
77. James C.Y. Soong, “Explaining Taiwan’s Transition,” in *Consolidating the Third Wave Democracies: Regional Challenges*, ed. Larry Diamond, Marc F. Plattner, Yun-han Chu, and Hung-mao Tien (Baltimore: The Johns Hopkins University Press, 1997), 206.
78. Higley and Lin, “Elite Settlements in Taiwan,” 118, 119; Chen, “Local Factions and Elections,” 188.
79. Dafydd Fell, *Party Politics in Taiwan: Party Change and the Democratic Evolution of Taiwan, 1991-2004* (London: Routledge, 2005), 15. See also Roy, *Taiwan: A Political History*, 192, 193.
80. Kristof, “A Dictatorship that Grew Up.”
81. Hung-mao Tien and Yun-han Chu, “Building Democracy in Taiwan,” *The China Quarterly* 148 (1996): 1148. On this point also see Roy, *Taiwan: A Political History*, 162.
82. Even former Tangwai politician Hsu Hsin-liang, who had returned from political exile and taken the DPP chairmanship, could not deny that although the PRC threat could be exaggerated at times, “there was some risk of attack from the mainland. Nicholas D. Kristof, “As Free Election Comes to Taiwan, Will the End of Claims to China Follow?,” *New York Times*, December 21, 1991. Although promoting independence was illegal according to Central Election Commission guidelines, the ROC National Security Council did not move to arrest the politicians, but police did arrest some, and the Executive Yuan’s Political Parties Screening Committee threatened to dissolve the DPP. What is interesting is that the “private sector fought back as well, with corporations and other organizations sponsoring advertisements against independence.” Roy, *Taiwan: A Political History*, 192, 193.
83. Cal Clark, “Taiwan Enters Troubled Waters: The Elective Presidencies of Lee Teng-hui and Chen Shui-bian,” in *Taiwan: A New History*, ed. Murray A. Rubinstein, rev. ed., (London: M.E. Sharp, 2007), 506.
84. Rigger, *Politics in Taiwan*, 159, 160.
85. Chen, “Local Factions and Elections,” 188.
86. Mattlin, *Politicized Society*, 41.
87. Rigger, *Politics in Taiwan*, 148, 149.
88. Huang, “Elections and the Evolution of the Kuomintang,” 127.
89. This paragraph draws on the following sources: Shiau, “Elections and Changing State-Business,” 214, 218; Ts’ai Ling and Ramon H. Myers, “Winds of Democracy: The 1989 Taiwan Elections,” *Asian Survey* 30, no. 4 (1990): 369, 370; Fields, *Enterprise and the State*, 92; Chu and Lin, “The Process of Democratic Consolidation, 88; and Hung-mao Tien, “Elections and Taiwan’s Democratic Development,” *Taiwan’s Electoral Politics and Democratic Transition: Riding the Third Wave*, ed. Hung-mao Tien (London: M.E. Sharpe, 1996), 19.
90. Rigger, *Politics in Taiwan*, 183. The steep costs of Taiwanese elections left even US observers flabbergasted to learn that candidates for the Legislative Yuan were spending anywhere between US\$ 1.2 to 3.2 million. Ling and Myers, “Winds of Democracy,” 369, 370.
91. Cheng and Chu, “State-Business Relationship in Taiwan,” 203.
92. Shiau, “Elections and Changing State-Business,” 223.
93. Fields, *Enterprise and the State*, 92.
94. Tien, “Elections and Taiwan’s Democratic Development,” 20.
95. Rigger, *Politics in Taiwan*, 162.
96. *Ibid.*, 162.
97. Andrew J Nathan, “The Legislative Yuan Elections in Taiwan: Consequences of the Electoral System,” *Asian Survey* 33, no. 4 (1993): 433.
98. Rigger, *Politics in Taiwan*, 164–167. For a similar analysis of the 1992 elections also see Nathan, “The Legislative Yuan Elections in Taiwan.”
99. Huang, “Elections and the Evolution of the Kuomintang,” 127.
100. Election data are from Yu-shan Wu, “Taiwan in 1993: Attempting a Diplomatic Breakthrough,” *Asian Survey* 34, no. 1 (1994): 46–54.
101. *Ibid.*, 69.

102. Wachman, *Taiwan: National Identity and Democratization*, 157.

## Chapter 9: Singapore: Preemptive Political Change

1. Barr, *The Ruling Elite of Singapore*, 14.
2. Quoted in Garry Rodan, "Accountability and Authoritarianism: Human Rights in Malaysia and Singapore," *Journal of Contemporary Asia* 39, no. 2 (2009): 192.
3. Barr, *Ruling Elite of Singapore*, 12, 13. See also Chan's early analysis in "Politics in an Administrative State."
4. Barr, *Ruling Elite of Singapore*, 14. On this point see also Mauzy and Milne, *Singapore Politics*, 45.
5. Quoted in Rodan, "Accountability and Authoritarianism," 192.
6. Barr, *Ruling Elite of Singapore*, 48, 49.
7. Sources for this paragraph are Garry Rodan, "Singapore 'Exceptionalism'? Authoritarian Rule and State Transformation" (Working paper no. 131, Asia Research Centre, Murdoch University, Australia, 2006), 11; and Mauzy and Milne, *Singapore Politics*, 46–48.
8. On some of the conflicts caused by old guards during the transition see the discussion by Mauzy and Milne, *Singapore's Politics*, 45.
9. Barr, *Ruling Elite of Singapore*, 59.
10. Seth Mydans, "With Vote Secure, Singapore Now Plots a Younger Future," *New York Times*, September 5, 1988.
11. Mauzy and Milne, *Singapore's Politics*, 117.
12. Garry Rodan, "Goh's Consensus Politics of Authoritarian Rule," in *Impressions of the Goh Chok Tong Years in Singapore*, ed. Bridget Welsh, James Chin, Arun Mahizha, and Tan Tarn How (Singapore: Singapore University Press, 2009), 62.
13. Mauzy and Milne, *Singapore Politics*, 117.
14. Hussin Mutalib, "Illiberal Democracy and the Future of Opposition in Singapore," *Third World Quarterly* 21, no. 2 (2000): 330.
15. Rodan, "Accountability and Authoritarianism," 191, 192.
16. Rodan, "Goh's Consensus Politics of Authoritarian Rule."
17. *Ibid.*, 65.
18. Rodan, "Preserving the One-Party State"; Lenore Lyons, "Internalised Boundaries: AWARE's Place in Singapore's Emerging Civil Society," in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008); Michael D. Barr, "Singapore's Catholic Social Activists: Alleged Marxist Conspirators," in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: NUS Press, 2008), 228.
19. See Tremewan's chronology titled the "Criminalization of Joshua Benjamin Jeyaretnam," in *Political Economy of Social Control*, 206–209.
20. Colin Campbell, "Singapore, Citing Unity, Again Reins in the Press," *New York Times*, July 20, 1982.
21. *Ibid.*
22. Sources for this paragraph are Rajah, *Authoritarian Rule of Law*, chap. 4; Cherian George, "History Spiked: Hegemony and the Denial of Media Diversity," in *Paths Not Taken: Political Pluralism in Post-War Singapore*, ed. Michael D. Barr and Carl A. Trocki (Singapore: National University of Singapore, 2008), 264–280; and Mauzy and Milne, *Singapore's Politics*, 137, 138.
23. George, "History Spiked," 271. In 1977 further amendments to the Newspapers and Printing Presses Act prevented family ownership and control over newspapers by limiting family shares to a maximum of 3% of all ordinary shares. Rajah, *Authoritarian Rule of Law*, 144.
24. Rajah, *Authoritarian Rule of Law*, 119.
25. Alex S. Jones, "Singapore Action Troubling Press," *New York Times*, November 28, 1985.

26. Quoted in Rajah, *Authoritarian Rule of Law*, 150, 151.
27. *Ibid.*, 151.
28. Barbara Crossette, "Singapore Curbs Asia New Weekly," *New York Times*, December 28, 1987.
29. Anthony Lewis, "How Tyranny Creeps," *New York Times*, May 22, 1988.
30. Rajah, *Authoritarian Rule of Law*, 151.
31. Mauzy and Milne, *Singapore's Politics*, 157.
32. George, "History Spiked," 271. See also George's article, "Consolidating Authoritarian Rule: Calibrated Coercion in Singapore," *The Pacific Review* 20, no. 2 (2007): 127–145.
33. Rajah, *Authoritarian Rule of Law*, 182.
34. Quoted in Tremewan, *Political Economy of Social Control*, 199. Lee was also "asserting that Seow was unfit" to lead the Law Society because he was in debt. Rajah, *Authoritarian Rule of Law*, 187.
35. Tremewan, *Political Economy of Social Control*, 198; Rodan, "Preserving the One-Party State," 92.
36. Barbara Crossette, "Singapore is Holding 12 in 'Marxist Conspiracy,'" *New York Times*, June 21, 1987. As Minister for Home Affairs and Law, S. Jayakumar, later explained, what activated the government's moves were the use of "methods typical of what we call Communist united front activities"—i.e. "the infiltration of lawful societies to use them for political agitation outside their charters." Steven Erlanger, "Singapore Plugs Loopholes of Dissent," *New York Times*, June 3, 1989. Thus, the case was quite similar to that of the Law Society.
37. See Barr, "Singapore's Catholic Social Activists," 237–240; and Rajah, *Authoritarian Rule of Law*, 231–233.
38. Barr, "Singapore's Catholic Social Activists," 240.
39. Quoted in *ibid.*, 241.
40. Quoted in Rajah, *Authoritarian Rule of Law*, 233, 234.
41. Barr, "Singapore's Catholic Social Activists," 241.
42. Crossette, "Singapore is Holding 12 in 'Marxist Conspiracy'"; Lewis, "How Tyranny Creeps." One of the lawyers, Patrick Seong, was released shortly thereafter.
43. Barbara Crossette, "Singapore Releases 3 Held as Political Detainees," *New York Times*, May 22, 1988; Barbara Crossette, "Asian Exemplar Moves Toward Authoritarianism," *New York Times*, May 12; Lewis, "How Tyranny Creeps."
44. Shortly after their release, some of the individuals, including those of the Law Society stated that their aim had not been a Marxist conspiracy but to "advocate more democracy, less elitism, protection of individual freedoms and civil rights, greater concern for the poor and the less privileged and less interference in the private lives of citizens." Quoted in Rajah, *Authoritarian Rule of Law*, 207, 208.
45. Mauzy and Milne, *Singapore's Politics*, 131.
46. Tremewan, *Political Economy of Social Control*, 195.
47. Diane K. Mauzy, "The Challenge to Democracy: Singapore's and Malaysia's Hybrid Regimes," *Taiwan Journal of Democracy* 2, no. 2 (2006): 54, 55.
48. Rajah, *Authoritarian Rule of Law*, 219; Barr, "Singapore's Catholic Social Activists," 242, 243.
49. Rajah, *Authoritarian Rule of Law*, 237, 238.
50. Quoted in Tremewan, *Political Economy of Social Control*, 198.
51. Rajah, *Authoritarian Rule of Law*, 2012, 238.
52. *Ibid.*, 247, 248.
53. Tremewan, *Political Economy of Social Control*, 199.
54. Barr, "Singapore's Catholic Social Activists," 229.
55. Ho Khai Leong, "Citizen Participation and Policy Making in Singapore: Conditions and Predicaments," *Asian Survey* 40, no. 3 (2000): 441.
56. Quoted in *ibid.*, 442.

57. Lenore Lyons, "Internalised Boundaries," 248. On this point also see Barr, "Singapore's Catholic Social Activists," 228; and Rodan, "Preserving the One-Party State," 92–95.

58. Lyons, "Internalised Boundaries," 256.

59. This point is made by Garry Rodan, "State–Society Relations and Political Opposition in Singapore," in *Political Oppositions in Industrializing Asia*, ed. Garry Rodan (London: Routledge, 1996), 95. See also Rodan, "Goh's Consensus Politics of Authoritarian Rule," 62.

60. Brown, "The Corporatist Management of Ethnicity."

61. Sources for this paragraph are Tremewan, *Political Economy of Social Control*, 160–162; Rodan, "Preserving the One-Party State," 87–88; Mauzy and Milne, *Singapore's Politics*, 156; and Garry Rodan, "New Modes of Political Participation and Singapore's Nominated Members of Parliament," *Government and Opposition* 44, no. 4 (2009): 442, 443.

62. Tremewan, *Political Economy of Social Control*, 161.

63. Quoted in *Ibid.*

64. Rodan, "New Modes of Political Participation," 443.

65. Mauzy and Milne, *Singapore's Politics*, 156.

66. Hang Tey Tsun, "Singapore's Electoral System: Government by the People?," *Legal Studies* 28, no. 4 (2008): 612.

67. *Ibid.*, 613; Hussin Mutalib, "Constitutional-Electoral Reforms and Politics in Singapore," *Legislative Studies Quarterly* 27, no. 4 (2002): 611.

68. Mutalib, "Constitutional-Electoral Reforms," 664, 665.

69. Quoted in *Ibid.*, 663.

70. Rodan, "New Modes of Political Participation," 441.

71. *Ibid.*, 446.

72. Yeo Lay Hwee, "Electoral Politics in Singapore," in *Electoral Politics in Southeast and East Asia*, ed. Aurel Croissant (Singapore: Friedrich-Ebert-Stiftung, 2002), 206.

73. Rodan, "New Modes of Political Participation," 461.

74. Garry Rodan, "State–Society Relations and Political Opposition," 85.

75. Rodan, "New Modes of Political Participation," 440.

76. Thomas J. Bellows, "Singapore in 1988: The Transition Moves Forward," *Asian Survey* 29, no. 2 (1989): 146.

77. Barbara Crossette, "Singapore Plan For Vote Change Stirs Dispute," *New York Times*, February 14, 1988; Barbara Crossette, "Singapore Releases 3 Held as Political Detainees," *New York Times*, May 22, 1988. See also Mauzy, "The Challenge to Democracy," 58.

78. Tsun, "Singapore's Electoral System," 618; Hwee, "Electoral Politics in Singapore," 208. The number of single member districts has fallen from 42 to 9.

79. Tremewan, *Political Economy of Social Control*, 167. Before each election the Electoral Boundaries Review Committee, composed of civil servants appointed by the prime minister, review the number and boundaries of electoral constituencies, which is submitted to government, not the parliament. Hwee, "Electoral Politics in Singapore," 210.

80. Joel Fetzer, "Election Strategy and Ethnic Politics in Singapore," *Taiwan Journal of Democracy* 4, no. 1 (2008): 152.

81. Since the introduction of the scheme, opposition parties have managed to win only one GRC, with the workers party winning the Aljunied GRC in 2011.

82. See Mauzy and Milne, *Singapore's Politics*, 144; Bellows, "Singapore in 1988"; and Mauzy, "The Challenge to Democracy," 57.

83. Mutalib, "Constitutional-Electoral Reforms," 666, 667.

84. Rodan, "Preserving the One-Party State," 78.

85. Rodan, "State–Society Relations and Political Opposition"; Rodan, "Goh's Consensus Politics of Authoritarian Rule," 61.

86. Tsun, "Singapore's Electoral System," 628.

87. Barr, *The Ruling Elite of Singapore*, 52.

88. Mauzy, “The Challenge to Democracy,” 56; Rajah, *Authoritarian Rule of Law*, 17, 18. While Singapore law conceives defamation within the English common law practice, Rajah (ibid.) explains, it differs in that “Singapore courts have adopted the state’s reasoning in holding that the reputations of political leaders are especially vulnerable to public opinion and thus warrant a higher accounting of damages than when calculating damages for ordinary people.”

89. See Tremewan, *Political Economy of Social Control*, 163–166; and Rodan, “Goh’s Consensus Politics of Authoritarian Rule,” 67.

90. Election data on all general elections and by-elections can be found at the Singapore Government’s Elections Department, accessed June 15, 2015, [http://www.eld.gov.sg/elections\\_past\\_parliamentary.html](http://www.eld.gov.sg/elections_past_parliamentary.html).

91. This declaration of triumph came after his message that those constituencies which demonstrated “the strongest support for upgrading [i.e. for the PAP] will have their [HDB] flats upgraded first.” *New York Times*, “Singapore’s Governing Party Almost Shuts Out the Opposition,” January 3, 1997.

## Chapter 10: Conclusion

1. Wiarda, *Corporatism and Comparative Politics*, 100.

2. Huntington, *Political Order in Changing Societies*, 6.

3. Ibid., 21.

4. Bruce Cumings, “Webs with No Spiders, Spiders with No Webs: The Genealogy of the Developmental State,” in *The Developmental State*, ed. Meredith Woo-Cumings (Ithaca: Cornell University Press, 1999), 71.

5. For an excellent analysis and discussion of ‘structural’ vs. ‘voluntarist’ approaches to regime change see, James Mahoney and Richard Snyder, “Rethinking Agency and Structure in the Study of Regime Change,” *Studies in Comparative International Development* 34, no. 2 (1999): 3–32. See also Karl’s discussion in “Dilemmas of Democratization in Latin America.”

6. Evans, *Embedded Autonomy*.

7. On electoral costs see Kang, “Cut From the Same Cloth,” 193. On chaebol lobbying and participation in policy making see Eckert, “The South Korean Bourgeoisie,” 108, 109; and Kim, “Neoliberalism and the Decline of the Developmental State,” 441–461. On the continuation of the too-big-too-fail doctrine see Graham, *Reforming Korea’s Industrial Conglomerates*, 170, 171. The chaebol also entered politics directly, as demonstrated in the early 1990s by Hyundai owner Chung Ju-yung, who established the United People’s Party (UPP) and made a bid for the presidency in 1992. In the March 1992 election, the party took 25% of National Assembly seats. Kim, *Big Business and Strong State*, 200.

8. On the privatization program see Cheng and Chu, “State-Business Relationship in Taiwan,” 205; and Wade, *Governing the Market*, 273. On the political aspects of the KMT-business coalition see Fields, *Enterprise and the State*, 127–130; and Tsai, “Dependency, the State and Class,” 372.

9. Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes After the Cold War* (Cambridge: Cambridge University Press, 2010).

10. Koo, “Dilemmas of Empowered Labor,” 241; Shin, “Globalisation and the Working Class,” 221.

11. Ho, “Challenging State Corporatism,” 117, 122; Chen, Ko, and Lawler, “Changing Patterns of Industrial Relations,” 325.

12. Trocki, *Singapore: Wealth, Power*, 158, 159; Henry Wai-Chun Yeung, “Institutional Capacity and Singapore’s Developmental State: Managing Economic (In)security in the Global Economy,” in *Globalisation and Economic Security in East Asia: Governance and Institutions*, ed. Helen E.S. Nesadurai (London: Routledge, 2005), 89.

13. Leggett, “Trade Unionism in Singapore,” 215. In a most symbolic manner, the Ministry of Labour was renamed the Ministry of Manpower in 1998.

14. Coe and Kelly, "Languages of Labor," 364; Hing Ai Yun, "Subjectivity and the Reinvention of an Industrial Regime: The Case of Singapore," *Economic and Industrial Democracy* 24 (2003): 103–127.

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