

Democratization and Development in Taiwan and South Korea

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Division Systems After World War 2

- Germany (reunified 1990)
- China (Republic of China 1912;
People's Republic of China 1949)
- Korea (Republic of Korea 1948;
Democratic People's Republic of
Korea 1948)

Post-World War 2 Massacres



2.28 and 4.3

- Taiwan Feb 28, 1947: 20,000+ slaughtered
- Jeju April 3, 1948: 30,000+ slaughtered (1948-1953)
- Both the Republic of China (Taiwan) and the Republic of Korea (South Korea) have subsequently apologized and compensated victims and their families. These were the only massive compensations for violations of human rights in Asia.

2 Systems of State Violence

Taiwan

White Terror

Martial Law

South Korea

Red Complex

National Security Law

“Development by Invitation”

- With the start of the Korean War in 1950, both Taiwan and South Korea received huge amounts of US aid until the mid-1960s
- In 1950, US President Truman promised the Seventh Fleet would defend Taiwan

U.S. Aid to Taiwan

- Economics Minister Yin Chung-jung: “The timely arrival of US aid was no less than a shot of stimulant to a dying patient.”
- Every year from 1950 to 1964, the government ran a deficit—and US assistance covered every one even though the shortfall increased steadily from NT\$466 million in fiscal 1951 to NT\$3,195 million in fiscal 1964.

Taiwan's Import Substitution

- In the 1950s, exports averaged between US\$100 and US\$125 million annually, but imports were nearly twice that. Again US aid financed some 90% of the trade deficit.
- Note: By the time the Vietnam War drew in half-a million US troops (more than 800,000 in the region), Taiwan's trade deficit had turned into a surplus.

Korea's Import Substitution

- Between 1953 and 1962, US aid funded 70% of Korea's imports and 80% of its fixed capital investments—about 8% of its GNP.
- Once the US needed its money to fight the war in Vietnam, it began to cut back. Sensing an opportunity, Park Chung-hee immediately offered his troops for deployment in Vietnam.

Vietnam War

- With the US war in Indochina, Taiwan, Japan and South Korea all reaped an economic windfall. Americans needed agricultural products and industrial goods, rest and recreation, and they also used Taiwanese and Korean contractors for work in nearby Vietnam.
- Korea sent thousands of troops.
- In 1964 and 1965, Chiang Kai-shek offered troops but the US refused.

Did South Korea invade South Vietnam?

According to figures released by the US State Department in 1965, there were more South Korean soldiers than North Vietnamese soldiers fighting in southern Vietnam.

At the end of 1969, 48,000 ROK military personnel were stationed in Vietnam.

By the time they completed their withdrawal in 1973, some 300,000 veterans had served. ROK casualties included 4,960 dead and 10,962 wounded.

Extraordinary Economic Benefits to South Korea

- From 1965-1970, the government received \$1.1 billion in payments—about 7% of GDP and 19% of foreign earnings.
- More than 80 South Korean companies did lucrative business in Vietnam—from transportation to supply, construction to entertainment—from which accrued another \$1 billion for exports to and services in Vietnam.
- Secret US bonuses to Korean soldiers who served in Vietnam totaled \$185 million from 1965-1973.

Vietnamese “Aid” to South Korea

- When we add all these funds to the \$1.1 billion in direct payments, the monies amounted to about 30% of the ROK’s foreign exchange earnings from 1966-1969.
- Altogether US aid to South Korea totaled \$11 billion by 1973.

US “Advice”

- In both Korea and Taiwan, US threats to withdraw aid resulted in regime compliance with export-led development.

US Aid

- From 1960-1970, grants and loans were 46.8% of Taiwan's 1965 GNP.
- For South Korea in the same period, they totaled 139.1% of 1965 GNP.
- By the early 1970s, the percentage of aid was down to 18.3% for Taiwan's GNP (30.1% for Korea's).
- By 1980, Taiwan had zero external aid and grants, Korea only 1.4% of GNP.

— Susan Greenhalgh, "Supranational Processes of Income Distribution, □" in Edwin Winckler and Susan Greenhalgh, *Contending Approaches to the Political Economy of Taiwan* (Armonk: M.E. Sharpe, 1988) pp. 80-1.

Korea's Export-Led Development

Park's economic planning through a “developmental state” and new export-led development strategy paid quick dividends.

Just over 2% of the economic output when Park seized power, exports rose to 16.5% of GNP in 1972 and to 30.8% four years later.

Nearly three-fourths of all exports went to the US and Japan.

GNP grew at any annual rate of 8.45% from 1961 to 1970; from 1971-1980, annual growth rate was 7.8%.

South Korea GNP/capita

Year	GNP/capita US \$
1961	88
1970	289
1980	1592
1992	4040
2007	25,000
CIA estimate	

Taiwan's Export-Led Development

- In 1962, Taiwan's GNP per capita was a meager \$162.
- Thirty years later, it passed the \$10,000 mark.
- For four decades from 1952 to 1991, average economic growth rate was an astonishing 8.7%; exports grew from 8.6% of GDP to well over half of the island's total economic output.

Korea's "Economic Miracle"
Taiwan's "Economic Miracle"

EPZ

- Young women recruited in massive numbers to Export Processing Zones where global corporations could reap tremendous profits
- Kaohsiung and Masan

1960s Cultural Conformity

- In Taiwan, more than one million youth left farms and moved to cities in the 1960s
- More Korean young people did the same
- In both countries, police strictly enforced authoritarian rules--even cutting people's hair in public places
- Even Rock 'n Roll from the US was repressed

Chaebol vs. Small Businesses

- Unlike South Korea and Japan, where huge conglomerates (*chaebol*) were formed with government assistance, small businesses dominate the Taiwan economy.
- In excess of 85% of Taiwan's corporations had fewer than 30 employees—but employed 80% of the country's labor population. Nearly half of all manufacturing corporations had fewer than 100 employees; less than 24% had more than 500.

Chaebol vs. Small Businesses

- From 15.1% of GNP in 1974, to 30.1% in 1978, the top ten *chaebol*'s total sales accounted for 55.7% of GNP in 1981.
- Under these circumstances, is it any wonder that Taiwan's automobile industry never took off like Korea's?
- In 1970, neither country produced 15,000 cars. In 1988, Korea sold over one million cars, while Taiwan managed barely more than one-fourth that number.

Korea's *Chaebol*

- By 1988, four *chaebols*' revenues—Hyundai, Samsung, Daewoo and Lucky-Goldstar—comprised 60% of South Korea's GDP (\$80 billion out of \$135 billion.)
- In April 1997, *Le Monde Diplomatique* estimated their share at 80% of the economy.

US Defeat in Vietnam

- Changing International Constellation of Forces





US Aid Cutbacks in 1970s

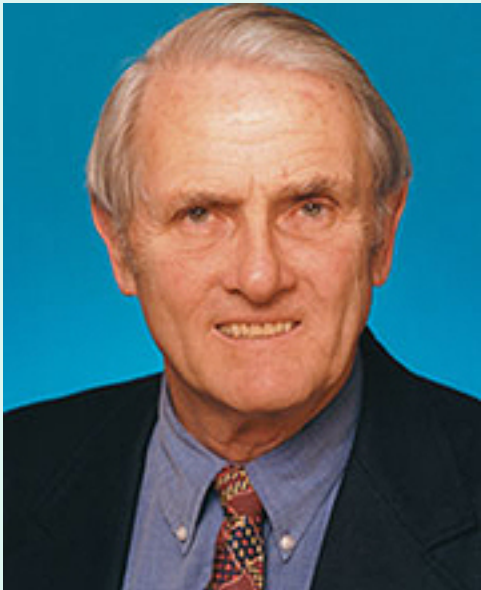
- Both Taiwan and South Korea responded with massive investments in infrastructures (Taiwan's Ten Big Projects) and development of heavy industry

US Pressure for Neoliberal Reforms

- After the Gwangju Uprising of 1980, neoliberalism was imposed in South Korea just like Pinochet coup in Chile (1973) and Turkey coup (1980).
- In Taiwan in 1987, US pressure brought open markets and revaluation of the currency.

Democratization with US Support

In both countries US ambassador James Lilley played a key role in convincing authoritarian dictators to liberalize



Director, American Institute in Taiwan,
1981-1984

US Ambassador to ROK, 1986-1989

US Ambassador to PRC, 1989-1991

Transformation or Transplacement?

Using Samuel Huntington's model of democratic transitions, most observers consider Taiwan's process one of "transformation" rather than "transplacement." The elite took the lead to affect broad reforms.

In Korea, by contrast, the transition was one of transplacement, insofar as the democratic transition was compelled by the June Uprising. The resultant transition resulted from combined actions of elite and opposition.

Democratization from Below in Taiwan?

- On May 19, 1986, Green Action resulted in over six months of street actions calling for an end to martial law.
- Environmental movement in 1986 Lukang protested against US Du Pont Corporation. In October 1986, the first anti-nuclear protest occurred at Tai-Power Company Taipei headquarters.
- In the six years from 1979 to 1984, only 57 anti-nuclear articles in mainstream Taiwanese magazines, but in 1985 alone, 61 were published and in 1986, there were 79.

Democratization from Below?

Without waiting for the government to authorize new parties, opposition activists founded the Democratic Progressive Party (DPP) on September 28, 1986.



Democratization from Below?

Labor Disputes in Taiwan, 1965-1986

Year	1965	1975	1980	1984	1985	1986
#	15	485	700	1,154	1,622	1,458

Winds of Eros

“In 1986 a ripple effect might have been felt in Taiwan as the rise of democracy toppled the neighboring autocratic regimes.”

- Chin-Chuan Lee, *Sparking a Fire: The Press and the Ferment of Democratic Change in Taiwan* (Austin: Association for Education in Journalism and Mass Communication, 1993) p. 27.



May 19, 1986

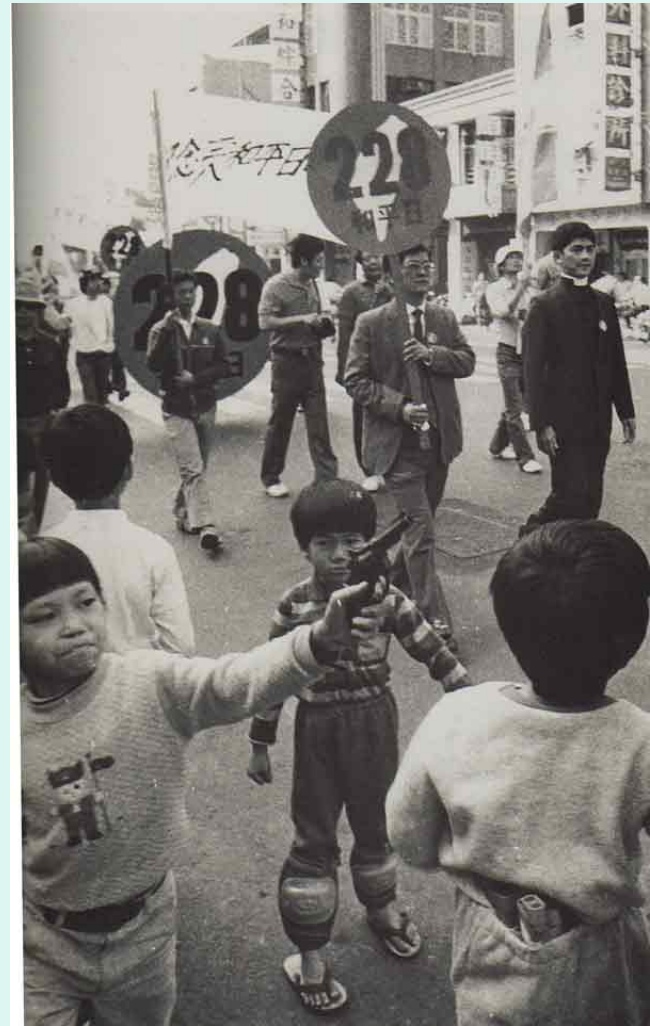
“Lift Martial Law”



Democratization from Below?

On November 30, 1986, reminiscent of Benigno Aquino and Kim Dae-jung's returns from exile, some 10,000 supporters of opposition leader Hsu Hsin-liang, who had lived in the US since the Kaohsiung Incident, flooded the streets around Taipei's international airport in support of Hsu's right to return. At the climax of a nine-hour confrontation with police, 26 police vehicles were overturned and many people on both sides injured. Denied a seat on the flight, Hsu tried again on December 2. Once again, confrontations at the airport failed to win him permission to enter the country. Four days later, the opposition won 33% of the vote.

Without waiting for martial law to be lifted, people went into the streets on 2-28-87 to commemorate the massacre and call for justice.







Political Liberalization

- On June 29, 1987 South Koreans won direct presidential elections after 19 consecutive days of illegal demonstrations involving hundreds of thousands of people
- On July 15, 1987 Martial Law was lifted in Taiwan, but democratization required more struggles

Taiwan's Democratization

- Farmers Struggles May 20, 1988
- Deng Nan-jung April 7, 1989
- Lily Student Movement March 18, 1990



Surge

- Government data reported that between the end of martial law on July 15, 1987 and March 31, 1988, a daily average of five protests took place—a total of more than 1,408. While the number of labor disputes from 1981 to 1988 was 1305, in the first half of 1989 alone, some 1,009 took place as a surge followed democratization.
- At least 17 types of social movements were delineated along with the country's democratization, including among physically challenged people, anti-nuclear power, teachers' rights, and aboriginal rights.

Waves of Social Movements

chart by Michael Hsiao



Newspaper Editor Deng Nan-jung killed himself on April 7, 1989



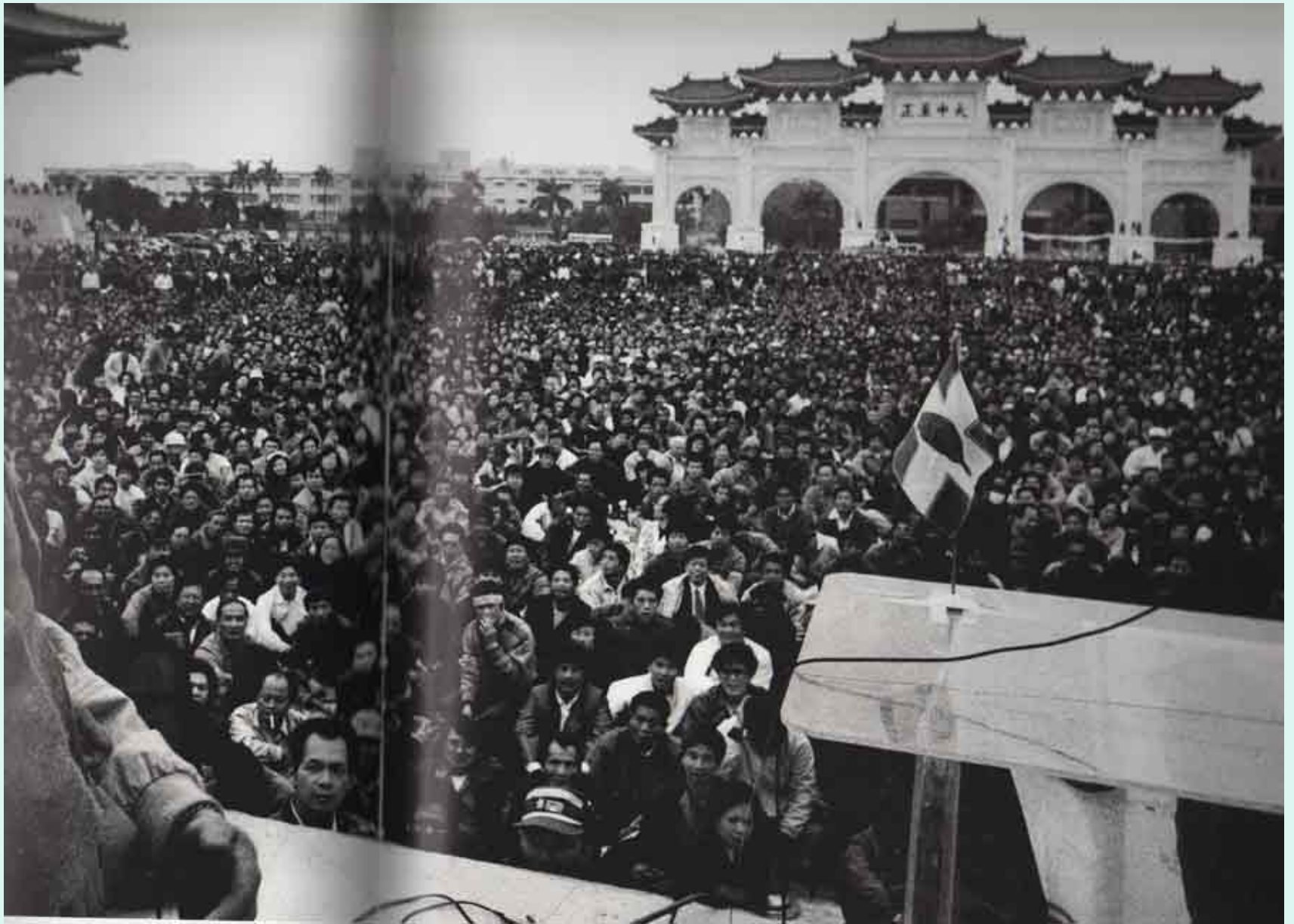




Chun Yi-hwa followed in Deng's footsteps on May 19, 1988

Wild Lily Student
Movement
Demanded Fresh
Elections for
Legislative Yuan
and President and
occupied Chiang
Kai-shek Square in
1990







“Overall rebellious *zeitgeist* of civil society”

- People’s identity became increasingly defined as Taiwanese. In the 1990s, only about 20% of people called themselves Taiwanese, but that number rose to 36% in 2000 and to 60% in the same poll in 2006.
- Gay Taiwanese became increasingly public in their identities and adopted the word *tongzhi* (comrades) to name each other. The term’s usage originated in Hong Kong in 1988 and migrated to Taiwan, where its usage was unencumbered by previous associations with standard Communist usage.

Political Renaissance

- From 1986 to mid-1992, Taiwan experienced a veritable political renaissance. The number of parties mushroomed from 3 to 69. While magazines increased from 3,354 to 4,356, the number of newspapers grew by almost 800%-- from 31 to 246. As the military was finally withdrawn from campuses (a process expected to be complete by 2010), students' free speech gave occasion for new forms of organization.

Revitalization of Civil Society

- More than 75% of Korean NGOs were formed after democratization in 1987
- In Taiwan by 2001, at least 15,000 NGO's were counted, a 400% increase since the lifting of martial law in 1987 and more than a 50% increase in the decade from 1991.

TABLE 5.5
Growth of Civil Society Groups in Taiwan, 1980–2001

Type of group	1980		2001	
	Number of groups	%	Number of groups	%
Education and culture	541	13.7	2,801	15.2
Medicine and public health	48	1.2	526	2.8
Religious	64	1.6	725	3.9
Sports	50	1.3	2,098	11.4
Social welfare and charity	2,471	62.4	5,794	31.4
International	51	1.3	2,055	11.1
Business	—	—	1,943	10.5
Other ^a	735	18.6	2,523	13.7
TOTAL	3,960	100	18,465	100

SOURCE: Ministry of Internal Affairs.

^aOther civic groups include women's groups, neighborhood associations, alumni associations, and the like.

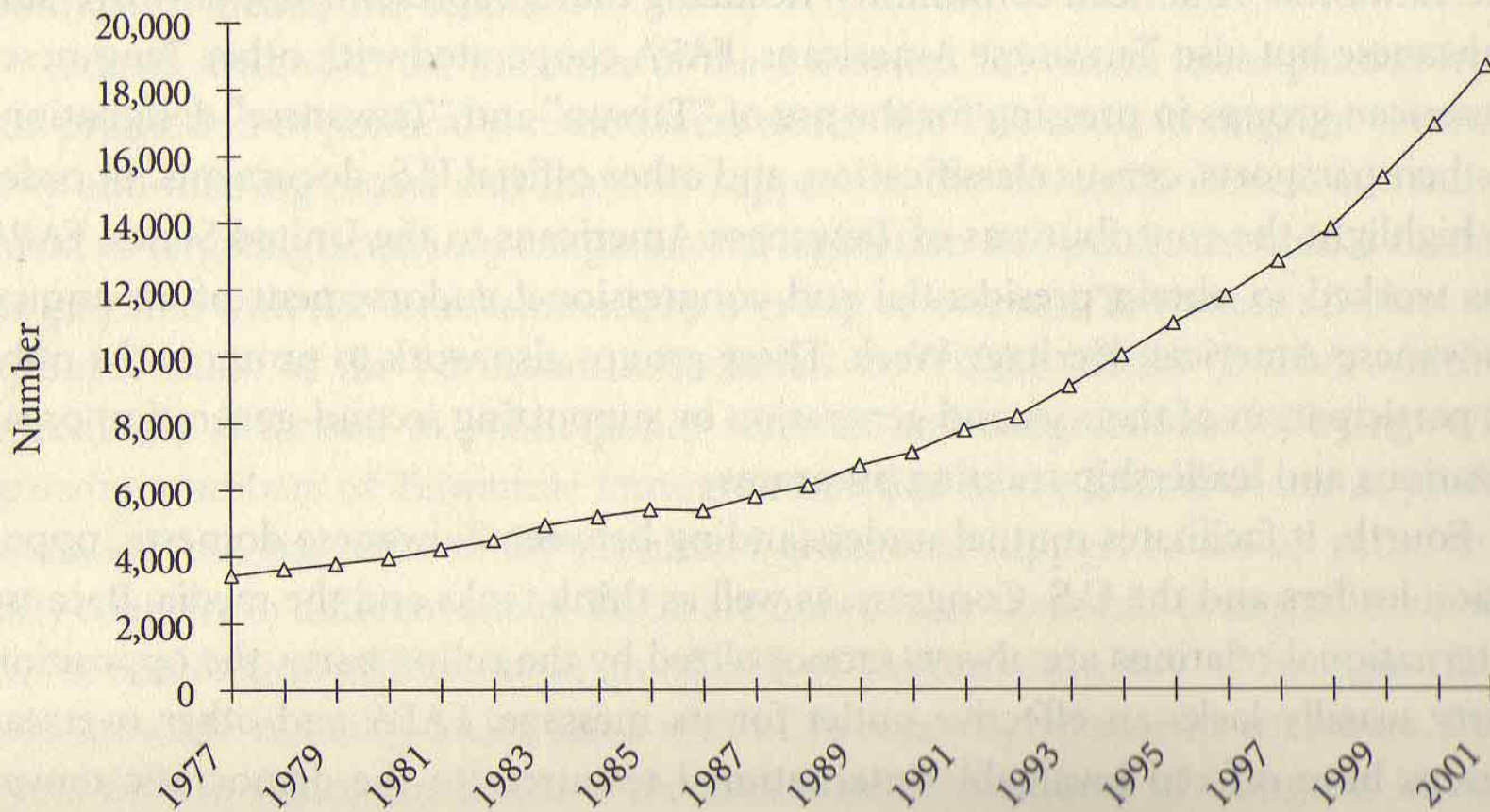


Figure 5.1. Number of National and Local Associations Registered in Taiwan, 1977–2001.
Source: Ministry of Internal Affairs.

Fresh Elections

- Parliaments
 - Taiwan 1991, 1992
 - Korea 1988
- Local Elections
- Constitutional Revision
 - Korea: 1987
 - Taiwan: May 1992

Peaceful Transitions

- 1992 Kim Young-sam first non-military president since 1961
- Chen Shui-bian first non-KMT president since 1945

Korean Transitional Justice

- Korea's former dictators Chun Doo-hwan and Roh Tae-woo imprisoned
- Generals imprisoned/dismissed
- Compelled to return money

Progressive Presidents

- Kim Dae-jung (1998-2003)
- Chen Shui-bian (2000-2008)
- Noh Moo Hyun (2003-2008)

Inability to Reform as Promised

- National Security Law
- Nuclear Power Plant 4

Restrictive Laws Remain

- Both Korea and Taiwan have versions of laws requiring public employees to remain “neutral” and “nonpartisan in public affairs, unfairly restricting their rights to freedom of expression

Both Chen and Roh Prosecuted for Corruption

- Small amount of money
- Wives involved centrally
- Tried in media
- Chen imprisoned
- Noh suicide not for “honor” but “protest”



Fall Guys



Chen and Noh both became the fall guys for a reaction from the conservative establishments to the onset of political directions they do not control—ones leaning toward independence in Taiwan's case and unification in Korea's.

Chinese Unification?



Wu Poh-hsiung and Hu Jintao shake hands before formal party-to-party talks in Beijing May 28, 2008.

Korean Unification?



Defense Industries

- Both countries are significant buyers of US weapons systems. Taiwan and Korea have become significant self-financed consumers of the most important US industry--armaments. This third phase (after US-aided import substitution and export-led development) is a continuing and vital relationship

Taiwan's Defense Build-up

- In October 2008, the US announced it was selling Taiwan more than \$6 billion in advanced weapons, including \$3.1 billion in Patriot Advanced Capability-3 guided missile systems, a sophisticated array of missiles, radars and control systems designed to defend against missiles and aircraft. Also included in the proposed deal were \$2.5 billion worth of Apache attack helicopters and support systems.

South Korea's Defense Build-up

South Korea's Defense Reform 2020 initiative involves spending tens of billions of dollars: a low-altitude missile shield PAC-3 system as a step toward joining the U.S.-led global ballistic missile defense initiative. An air-and-missile-defense system, dubbed the Korea Air and Missile Defense (KAMD) network, intended to enter service by 2012, when Seoul takes over wartime operational control of its forces from the United States will meld early warning radars, Aegis-based SM-2 ship-to-air missile systems, and modified PAC-2 interceptors. In addition to already deployed KDX-III destroyers, ROK plans to commission one more hull by 2012 (per-unit price is about \$1 billion), build more indigenous 3,000-ton KSS-III submarines, and more Aegis-class ships.