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Politics, Economics, and Foreign Relations before 1980

As Park Chung-hee sat down for dinner on October 26, 1979, with some of his closest advisors, he was facing one of his most difficult decisions as president of South Korea. Protests calling for political reform and democracy were intensifying throughout the country, and many feared the demonstrations would get out of control. Should the government crack down on the demonstrators or begin a process of bringing political change to the country? During dinner, a heated argument ensued during which Kim Jae-kyu, the head of the Korean Central Intelligence Agency (KCIA), received severe criticism from those in attendance for his handling of the demonstrations. Kim Jae-kyu stormed out of the room and returned after a few minutes with a .38 revolver in his pocket, having told his own security detail to shoot President Park's guards if shots rang out. Suddenly Kim Jae-kyu rose from his place, pointed the gun at Cha Ji-chul, the head of Park's security guards, and shouted to Park, "How can you have such a miserable worm as your adviser?"¹ Kim squeezed off two shots at close range, first at Cha Ji-chul and then at Park himself, before the gun jammed. With Park lying wounded on the floor, Kim grabbed a gun from one of his men and shot Park again, finishing the job. Cha Ji-chul ran away to another room, but Kim chased him down and shot him to death. By this time, Kim's security guards had opened fire on President Park's men and killed five of them.² Later, Kim maintained that he had killed President Park to end the dictatorship and bring

¹ D. Oberdorfer, *The Two Koreas: A Contemporary History* (New York: Basic Books, 1997), 110.

² *Ibid.*, 109–10.

democracy back to South Korea.³ Park's death brought an abrupt end to eighteen years of military rule. The public was shocked and dismayed by the tragic death of a leader who had ruled as a dictator but had brought the country out of poverty. Yet, with the end of this long period of authoritarian rule, many South Koreans also looked forward to beginning the process of democratization.

In many respects, understanding the complexities and achievements of South Korea since 1980 begins with the leader who immediately preceded that year, President Park Chung-hee. Until Park's rule from 1961 through 1979, South Korea struggled economically and was unable to achieve a per-capita gross domestic product (GDP) greater than \$100. Even North Korea's economy had better success. After President Park's policies, planning, and leadership, along with much hard work by the South Korean public, South Korea's economy grew beyond most people's wildest imagination. Yet his rule and the prosperity it spawned came at a high price. The government suppressed civil rights and liberties and often dealt severely with dissenters, and people worked long, hard hours to stoke the engine of economic growth. People were willing to work so hard because they could envision a better life for their children and took great pride in the strides their country was making as it rose from the poverty of the 1950s. This book begins with a brief portrait of the man who began this journey into modernity for South Korea. His life is a reflection of the achievements and the costs the country has experienced in becoming the nation it is today.

Park Chung-hee was born on September 30, 1917, near Daegu in Gyeongsang province, the youngest of eight children in a poor farming family. Park's father had participated in a peasant rebellion (*Tonghak* uprising) and was subsequently arrested, although he later received a pardon just prior to his scheduled execution.⁴ By this time, Korea was part of the Japanese Empire, having been formally annexed in 1910 after Tokyo emerged victorious over regional rivals in the Sino-Japanese (1894–5) and Russo-Japanese (1904–5) Wars. After high school, Park attended normal school to become a teacher but soon tired of this career. In 1940, following a brief stint of teaching, Park entered the Manchukuo Military Academy; by that time Manchukuo,

³ A. Nahm, *Korea: Tradition and Transformation: A History of the Korean People* (Elizabeth, N.J.: Hollym International, 1988), 463–4.

⁴ J. Kie-Chiang Oh, *Korean Politics: The Quest for Democratization and Economic Development* (Ithaca, N.Y.: Cornell University Press, 1999), 49–50.

also known as Manchuria, was a puppet state under Japanese control. Park excelled in his studies and was chosen to attend Japan's Army Staff College in Tokyo, where he graduated third in his class in 1944. He was assigned to the Kwangtung Army in Manchuria, where he served under the Japanese name Okamoto Minora during the closing months of the war. Thus, while many in Park's generation were fighting against the Japanese, he served with the Japanese Army until the end of the war.

When the war ended, Park left the Japanese Army and returned to Korea, where he joined the Korean Constabulary. Soon after, he enrolled in the Korean Military Academy, where he graduated in 1946 as part of the second class at the institution under U.S. occupation.⁵ Park rose steadily in the ranks in the next two years until his unit was sent to quell a military mutiny in the Yosu-Sunchon region. Park and his brother were accused of conspiring with the mutineers and being communists with Park leading a communist cell at the Korean Military Academy.⁶ Although these reports are unconfirmed, Park allegedly provided the government with a list of officers and enlisted personnel who were co-conspirators to spare himself from execution.⁷ Although Park had to leave the military, with the outbreak of the Korean War in 1950 he returned to the army as a commissioned officer, becoming an expert in logistics and rising to the rank of brigadier general by the war's end in 1953.

After the war, Park soon became disenchanted with the state of the country and the military. Having led a very austere life, Park was troubled by the corruption and greed he saw among civilian leaders and high-ranking military officers. Park and others with similar beliefs also became increasingly concerned with personnel issues and the possibility that they might be forced out of the army.

In the early-morning hours of May 16, 1961, Park Chung-hee and a group of senior officers launched a coup to seize control of the government. The coup was relatively bloodless, and, soon after, Park

⁵ B. Cumings, *Korea's Place in the Sun: A Modern History* (New York: W. W. Norton, 1997), 350.

⁶ Oberdorfer, *The Two Koreas*, 32.

⁷ Oberdorfer, *The Two Koreas*, 32; C. Kim, *The Korean Presidents: Leadership for Nation Building* (Norwalk, Conn.: EastBridge, 2007), 98; Cumings, *Korea's Place in the Sun: A Modern History*, 350; and G. Brazinsky, *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy* (Chapel Hill: University of North Carolina Press, 2007), 113–14.

began his plan to restructure and revitalize the South Korean economy. In January 1962, Park announced the first of several Five-Year Economic Plans that brought significant government involvement to the economy and gradually boosted South Korean growth and living standards. Later chapters will discuss his economic plans and achievements in greater detail. As the economy showed progress, however, Park expected loyalty, cooperation, and hard work while tolerating little dissent. Later, the authoritarian character of the regime decreased for a time, but, in 1972, Park pushed through a new constitution that returned to the days of draconian rule. The new constitution also contained provisions that allowed Park to rule for life, and it appeared he was determined to do so. By the late 1970s, many had concluded that Park may have stayed in office too long and that it was time for him to move on. Park's assassination brought his regime to a sudden end.

Park Chung-hee rose from humble beginnings to become the most powerful man in South Korea, beginning the country's climb to a top-fifteen global economic power. In part, Park's time in office (1961–79) was a bridge for South Korea from its largely agrarian, feudal past to the modern, industrialized state it is today, laying the foundation for the economic takeoff that continued from 1980 and beyond. Although Park laid the foundation for South Korea's economic success, political liberalization and reform were another matter. Park ruled with a tightly clenched fist, and those who opposed his rule felt his wrath, often through the agency he created, the KCIA. Thus, Park's legacy is a mixed affair. His leadership brought economic growth and prosperity, but often they came at a high price. South Koreans view him with admiration and gratitude but also question his authoritarian tendencies and determination to rule for life. Although the country would experience eight more years of military rule following another coup, Park's regime marks an important transition point for South Korea's political and economic modernization since 1980.

Introduction to Korea

Koreans have a long, proud history. Most of that history occurred as a united country; division of the peninsula into North and South following World War II represents only a small part of Korea's past.

Korea has had the unfortunate geographic fate of being in a tough neighborhood surrounded by some of Asia's most powerful countries. It has often been fought over or fought through by the regional powers as their rivalry for power played out. Consequently, Korea's history has often been an effort to maintain its sovereignty and territorial integrity, a task that has frequently been difficult.

Korea also has a long history of centralized authority and autocratic rule, first through the many years of the Korean monarchy, then by the thirty-five-year occupation by Japan, and, finally, by more than twenty-five years of military rule in South Korea after World War II before it finally transitioned to democracy in 1987. The South Korean social system is rooted in Confucianism, which created a hierarchical political and social structure that made obedience to higher authority paramount. Thus, when South Korea began its transition to democracy, it had no democratic heritage or institutions on which to draw, beginning most of this difficult journey from scratch.

We begin this book with a review of Korea's early history, examining the important events and forces that helped to shape Korea's future.

Early Korean History

According to tradition, the Korean nation began with the birth of Tan'gun, who was conceived from parents who were the god Hwan-ung and a mother who was a bear turned woman. According to Korea's founding myth, Tan'gun established the first Korean kingdom, Kojoson, sometime during the Bronze Age; Koreans often place the start of Kojoson at 2333 B.C.

From Kojoson, the Kingdom of Koguryo emerged in approximately 37 B.C. Koguryo occupied most of present-day North Korea along with the current Chinese provinces of Liaoning and Jilin. The remainder of the peninsula was dominated by two other kingdoms, Silla in the southeast beginning in approximately 57 B.C. and Baekche in the southwest in approximately 18 B.C. This is the period known to Koreans as the "Three Kingdoms" period. The relationship of Koguryo to China remains a matter of contention between China and both Koreas. For Koreans, Koguryo's ties to Korean history is a core element of their national identity, and recent Chinese efforts to claim

Koguryo history is viewed as threatening to many Koreans, in both North and South.⁸

In 660 A.D., Silla began an effort to unify the peninsula under its rule. First, it seized Baekche; later, in an alliance with China's Tang Dynasty, Silla conquered Koguryo at a time when the northern kingdom was weakened by a divisive succession struggle. By 668 A.D., Silla successfully unified the peninsula, creating the precursor to the modern Korean state.⁹

Silla kings ruled for almost three hundred years, providing a long period of stable government and cementing the concept of a single, unified Korean state. During these years, the kingdom embraced Buddhism and saw an extended period of cultural and artistic growth. By the late 800s, however, Silla rule began to unravel, and regional leaders who resembled those of the old "Three Kingdoms" period began to reemerge.¹⁰ In 918, the northern state of Goryeo succeeded in bringing about the fall of what was left of the Silla Dynasty and unified the peninsula under its rule. The Goryeo Dynasty ruled from 918 to 1392, and its name became the source of the Western name of Korea. During this extended period of peace, Buddhism and the arts, in particular celadon pottery, flourished. By the 1200s, Goryeo came under pressure from the Mongol onslaught and fell in 1259. For the next hundred years, Mongol rulers dominated the peninsula but were finally expelled in 1356. The strength and cohesion of the Goryeo Dynasty was not the same, however, and, in 1392, it fell to a new order, the Chosun Dynasty, which ruled Korea for the next five hundred years.

Chosun Dynasty: 1392–1910

The Chosun Dynasty, also known as the Yi Dynasty for its founder, Yi Seong-gye, was ruled by a series of kings until 1910, when it ended with the Japanese occupation. These monarchs often engaged in factional power struggles within the kingdom while battling

⁸ For a more detailed discussion of this issue, see T. Roehrig, "History as a Strategic Weapon: The South Korean and Chinese Struggle for Koguryo," *Journal of Asian and African Studies* 45, no. 1 (February 2010): 5–28.

⁹ See C. J. Eckert, K. Lee, Y. Lew, M. Robinson, and E. Wagner, *Korea: Old and New, A History* (Cambridge, Mass.: Harvard University Press, 1990), 42–67.

¹⁰ Cumings, *Korea's Place in the Sun: A Modern History*, 39.

external enemies on their borders. While dealing with these internal and external challenges, Koreans also managed to make advances in science, painting, pottery, and literature. A significant achievement was the creation of its own written language, *hangul*, in 1443 to replace the reliance on Chinese characters. It was also a period of rising Korean nationalism, fueled by the multitude of external challengers. The social structure became ever more rooted in Confucianism as adopted from China, so that, according to one historian, “Korea became more Confucian than Confucian China as its influence permeated every aspect of the life of the nation.”¹¹ Confucian tenets meant that Korea had a rigid, hierarchical socioeconomic structure dominated by the *yangban* elites at the top. The *yangban* comprised approximately 10 percent of the population.

The decline of the Chosun Dynasty began in the late sixteenth century with the renewal of internal power struggles and factional rivalries. In addition, Korea was plagued by several invasions. The first attacks were launched by Japan in the late 1500s. In 1592, Japanese leader Toyotomi Hideyoshi intended to attack China by going through Korea. Hideyoshi had recently emerged victorious from a bloody civil war and needed further military campaigns to ensure his generals remained occupied. The Korean army was no match for Japan, lacking modern weaponry and an effective military organization, and Japanese forces advanced as far north as Pyongyang. Eventually, Korean opposition, naval victories by Admiral Yi Sun-shin, and Chinese intervention forced a Japanese retreat to a small foothold in southeast Korea. After peace talks between China and Japan failed, in 1597 Japan launched a second campaign but with the goal focused more on conquering Korea than on subduing China. This time, however, Koreans and a Ming Dynasty relief army were ready. Japanese forces made little headway, and, after Hideyoshi’s death in 1598, they withdrew completely from the peninsula. Although Korea succeeded in driving out Hideyoshi’s army, the eight years of war had had a devastating effect on Korea and its people, as much of the peninsula had been destroyed during the invasions.¹²

These invasions were followed in 1627 and again in 1636 by more from the Manchus in Manchuria. The Manchus were seeking to oust the Chinese Ming Dynasty, and Korea, as a Chinese vassal, was a

¹¹ Nahm, *Korea: Tradition & Transformation: A History of the Korean People*, 95.

¹² K. Lee (trans. E. Wagner and E. Shultz), *A New History of Korea* (Seoul: Ilchokak Publishers, 1984), 209–15.

threat to its southern border. Eventually, Korea succumbed to Manchu forces, agreeing to become a Manchu vassal and pay tribute. In 1644, the Manchus conquered the Ming Dynasty, and Korea remained a vassal of the new Chinese empire.

By the late 1800s, Korea became caught in the rivalry of the regional powers in East Asia: China, Japan, and Russia. For years, China had been the dominant power in the region and maintained a “big brother–little brother” relationship with Korea called *sa dae ju ui*. Rooted in Confucianism and power politics, this hierarchical relationship had Korea, the little brother, provide tribute and loyalty, while in return China, the big brother, furnished protection and left Korea alone. This relationship maintained Korean security as long as China remained the dominant power in the region, which it did for many years. In the 1800s, Chinese power began a steady decline that occurred in conjunction with the incursion of European powers and the rise of Japan and Russia. During the last forty years of the Chosun Dynasty, control of Korea was a central element of the competition between Japan, China, and Russia. Korea’s ruler, King Kojong, saw many areas of Asia fall under foreign domination and hoped that a growing relationship with the United States might save the peninsula from a similar fate; however, he gravely overestimated Washington’s interests in Korea and its willingness to protect it. The U.S. government simply did not see the region as sufficiently important for its interests.¹³

In the end, the regional rivalry resulted in two wars for control of Korea and Northeast Asia. The first was the Sino–Japanese War (1894–5). According to one scholar, “The war delivered a coup de grace to the expiring traditional international order in the Far East: It shattered Chinese hegemony and demonstrated to an astonished West that Japan had become a modern great power.”¹⁴ China’s defeat and the resulting Treaty of Shimonoseki forced China to relinquish control of Korea and cede Taiwan, the Pescadores, and the Liaotung Peninsula to Japan. After the treaty was concluded, Russia convinced France and Germany to join Moscow in pressuring Japan to return the Liaotung Peninsula. The Japanese victory liberated Korea from Chinese suzerainty, but Korean independence was short-lived.

¹³ H. Conroy and W. Patterson, “Duality and Dominance: A Century of Korean–American Relations,” in *Korean–American Relations, 1866–1997*, ed. Y. Lee and W. Patterson (Albany: State University of New York Press, 1999), 2–4.

¹⁴ S. C. M. Paine, *The Sino–Japanese War of 1894–1895: Perceptions, Power, and Primacy* (Cambridge: Cambridge University Press, 2005), 3.

With the end of Chinese hegemony, the regional struggle continued between Russia and Japan, particularly over control of Manchuria and Korea. The rivalry culminated in the Russo–Japanese War (1904–5), which produced a series of disastrous Russian defeats on land and at sea, leaving Japan as the dominant power in the region.¹⁵ The Japanese victory shocked the world, demonstrating that a rising power in Asia could defeat one of the traditional powers of Europe. To ensure this position over the Korean Peninsula, Japan also obtained agreements with the United States and Great Britain that recognized Washington’s and London’s interests in Asia in return for Japan’s interests in Korea.

Soon after Japan’s victory, Tokyo coerced Korean authorities to sign the Eulsa Treaty, which established Korea as a Japanese protectorate and formalized Japan’s formal control over the peninsula. The treaty entered into force upon obtaining the signature of five Korean cabinet ministers. Eventually, five did sign the agreement, believing Korea had no choice but to succumb to Japanese pressure. King Kojong refused to sign, however, and today the five signatories are viewed as traitors by many in Korea. Under the terms of the agreement, Japan assumed control over all external matters, especially foreign affairs and trade. Methodically, Japanese authorities, led by the first Resident–General Ito Hirobumi, established control over all elements of Korean affairs. King Kojong made several secret appeals to western leaders in an effort to wrest Korea from Japanese domination. The West was not interested, however, and in August 1910 Korea was formally annexed, becoming part of the Japanese empire.¹⁶

Japanese Occupation: 1910–1945

For the next thirty–five years, Koreans endured a brutal occupation by Japan.¹⁷ In an effort at cultural assimilation, Japan forced Koreans

¹⁵ For more detailed treatments of this conflict, see D. Warner and P. Warner, *The Tide at Sunrise: A History of the Russo–Japanese War, 1904–05* (New York: Routledge, 2004) and R. Connaughton, *Rising Sun and Tumbling Bear: Russia’s War with Japan* (London: Cassell, 2004).

¹⁶ See C. I. Eugene Kim and Kim Han–kyo, *Korea and the Politics of Imperialism, 1876–1910* (Berkeley: University of California Press, 1967) and P. Duus, *The Abacus and the Sword: the Japanese Penetration of Korea, 1895–1910* (Berkeley: University of California Press, 1998).

¹⁷ See G. Shin, *Ethnic Nationalism in Korea: Genealogy, Politics, and Legacy* (Stanford, Calif.: Stanford University Press, 2006) and A. Dudden, *Japan’s Colonization of Korea: Discourse and Power* (Honolulu: University of Hawaii Press, 2005).

to take Japanese names, revere the Shinto religion and the Japanese emperor, and use the Japanese language in schools and within the government. Japanese authorities also confiscated land from those who could not prove ownership, creating many more tenant farmers. Many farmers had difficulty producing formal documents because their land holdings had been in their families for generations. Korean agricultural production rose during the occupation, but much of it was diverted to Japanese consumers. The Japanese occupation also brought some economic development and expanded industrial production through the investment of large Japanese corporations, *zaibatsu*, such as Mitsui and Mitsubishi. Japan built a modern infrastructure of roads, railroads, ports, and bridges while expanding Korea's industrial base. These efforts were not undertaken for Korea's benefit, but rather to aid Japan's war effort, and all of this came at a steep price for Korea and its people.¹⁸

By 1936, Japan was on a full war footing and used Korea to support this effort. Koreans were taken to Japan to work in factories and mines as the Japanese labor pool shrank to fill the ranks of the armed forces. It is estimated that two thousand and twenty thousand Koreans, respectively, who were forced to work in Japan were killed at Nagasaki and Hiroshima with the dropping of the atomic bombs.¹⁹ As the war dragged on, an increasing portion of the Korean rice crop was shipped to Japan, and Koreans were drafted into the Japanese Army. Finally, the Japanese military forced women and girls from Korea as well as from China, the Philippines, and other locations into sexual slavery for the Japanese armed forces. An estimated two hundred thousand to four hundred thousand women and girls were forced to be what were euphemistically referred to as "comfort women."²⁰

In assessing the Japanese occupation, Bruce Cumings noted:

This colonial experience was intense and bitter, and shaped postwar Korea deeply. It brought development and underdevelopment, agrarian growth and deepened tenancy, industrialization and extraordinary dislocation, political mobilization and deactivation; it spawned a new

¹⁸ K. Lee, *A New History of Korea*, 346–61.

¹⁹ M. Hane, *Modern Japan: A Historical Survey*, 2nd ed. (Boulder, Colo.: Westview Press, 1992), 413.

²⁰ See Y. Yoshimi, *Comfort Women* (New York: Columbia University Press, 2001) and M. Stetz and B. Oh, eds., *Legacies of the Comfort Women of World War II* (Armonk, N.Y.: ME Sharpe, 2001).