

RATIONALITY AND POLITICS IN THE KOREAN PENINSULA

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Editors

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RATIONALITY AND POLITICS IN THE KOREAN PENINSULA

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Preface

THIS BOOK IS THE RESULT OF A COMBINED EFFORT BY MANY young Korean and Chinese political scientists trained in rational choice theory. Products of the core of rational choice schools such as the University of Rochester, Washington University, Stanford University, and the University of Kansas, and also students of Korean politics, we have long waited for a chance to produce a book combining rational choice theory and Korean politics.

With this goal in mind, two rational choice related panels were organized at the International Conference on Transformation in the Korean Peninsula toward the 21st Century held at Michigan State University in July, 1993. The conference was co-organized by Michigan State University, International Society for Korean Studies in the America, and Hanyang University in Seoul, Korea.

HeeMin Kim organized the panel, "Democratic Transition and the Changes in Party and Electoral Politics: Rational Choice Approaches," where early versions of chapters 2 through 5 (Part I) of this book were presented. Woosang Kim organized the panel, "Past, Present, and Future of the Inter-Korean Relations: Formal-Theoretic Approaches," where part of the Part II of this book were presented.

To make this effort more complete, we solicited the writings of Korean studies/rational choice scholars who were not present at the Conference. As a result; we were able to add chapter 9, "An Expected Utility Model of Inter-Korean Relations," written by Chi Huang, Woosang Kim, and Samuel Wu as well as chapter 8, "A Dynamic

Model of Inter-Korean Relations," authored by Sung-Chull Lee. They were originally presented at the annual conference of the American Political Science Association in 1991 and 1993 respectively. Tong-Whan Park of Northwestern University was kind enough to write a chapter evaluating rational choice applications in the book.

We added two chapters that summarize important events in South Korean domestic politics and international politics around the Korean peninsula respectively. We take pride in the fact that virtually all rational choice/Korean politics scholars are represented in this book.

In the course of preparing this volume, we have accumulated debts of many kinds. The editors would like to first thank Michigan State University's International Studies and Programs and its dean Gill-Chin Lim as well as Asian Studies Center for co-sponsoring the publication of this book. The editors would also like to thank the International Society for Korean Studies as publisher of this book, its vice president Chung-Dal Oh, Secretary General, Namsun Song, deputy secretary general, Kwan-Soo Yang, and the chair of its International Committee on Politics and Law, Young Whan Kihl. This project is being published as ISKS Research Series, Volume II.

The editors would like to thank each of the contributors to this volume. Stephan Haggard and Russell J. Mardon who served as discussants at the Conference in Michigan provided many valuable comments. Randall Calvert and Douglas Lemke kindly offered information about exemplary rational choice applications in the fields of American Politics and International Relations (cited in chapter 1) respectively.

HeeMin Kim acknowledges the research assistance of Hyeon-Joong Shin (chapter 3) and Fang Liu (chapter 11). Uk Heo provided valuable research assistance for Woosang Kim at various stages of this project. We wish to thank Ms. Florene Ball in the Department of Political Science at Florida State University for re-typing several chapters of this book because the editors wanted the whole manuscript under one software format. Kevin Wang kindly re-typed chapter 7 containing incredible amount of mathematical notations and symbols.

We are also grateful to Ms. Laurel Stevens who (had to) read many chapters to correct grammatical errors and awkward expressions committed by non-native English writers (which virtually all

contributors in this volume are!) with patience. Jeff Neumann kindly proofed the galleys for part of this book.

Finally, we are gravely indebted to Professor Chung-in Moon of Yonsei University. Without his urging and encouragement, we would have had a hard time embarking on a project of this magnitude. To all these people, we render our thanks. The errors remain ours.

February, 1995
The Editors

Contents

Preface	v
Contents	ix
List of Tables	xii
List of Figures	xiii

1. Rational Choice Meets Korean Politics	
<i>HeeMin Kim</i>	1

Part I

The Process of Democratization in Korea

2. Bargaining over Electoral Reform during the Democratic Transition	
<i>Tun-jen Cheng and Mihae Lim Tallian</i>	17
3. The Formation of the Grand Conservative Coalition	
<i>HeeMin Kim</i>	53
4. The Rationality of Labor Strategy during the Democratic Transition, 1987-1989	
<i>Jongryn Mo</i>	69

5. **Voting and Abstention in the 1992 Presidential Election**
Chae-Han Kim 91

Part II

Security Issues in the Korean Peninsula

6. **South Korea's Foreign Policy Strategies toward Main Actors in the Northeast Asia**
Woosang Kim 101
7. **Domestic Uncertainty and Coordination between North and South Korea**
Byeonggil Ahn 119
8. **A Dynamic Model of Inter-Korean Relations**
Sung-Chull Lee 143
9. **An Expected Utility Model of Inter-Korean Relations**
Chi Huang, Woosang Kim, and Samuel Wu 159

Part III

Korean Politics and Rational Choice :An Evaluation

10. **Contribution of Rational Choice Approach to the Study of Korean Politics: An Appraisal**
Tong Whan Park 183
11. **South Korean Domestic Politics, 1948-1993**
Daniel H. Cox and HeeMin Kim 201

12. International Political Events around the Korean Peninsula, 1960-1993	
<i>Uk Heo and Woosang Kim</i>	251
References	311
Contributors	337

List of Tables

Table 1.1	1988 National Assembly Election Returns	9
Table 2.1	1985 National Assembly Election Returns	27
2.2	1987 Presidential Election Returns	29
2.3	Options for the Electoral System	37
2.4	Choice of District Magnitude, by Education Level	40
2.5	Choice of District Magnitude, by Age	41
Table 3.1	Number of Seats Won in the 13th National Assembly Election	55
Table 5.1	Alienation and Abstention	93
5.2	Indifference and Abstention	93
5.3	Voting Efficacy and Abstention	94
5.4	Level of Interest in the Election and Abstention	95
5.5	Political Attitudes and Abstention	95
5.6	Reasons for Abstention	97
5.7	Determinants of Voting/ Abstention	97
Table 6.1	Subgame-perfect Equilibrium Outcomes	114
Table 7.1	The Outcomes of Possible Equilibrium Paths	135
Table 8.1	Sixty Four Cases of Inter-Korean Relations	147
Table 9.1	GEC Model of North-South Korea Conflict	174

List of Figures

Figure 6.1	A Normal Form Game of Diplomatic Normalization	106
6.2	An Extensive Form Game of Diplomatic Normalization (South Korea Moves First)	107
6.3	An Extensive Form Game of Diplomatic Normalization (China Moves First)	108
6.4	An Extensive Form Game of Nuclear Inspection	110
Figure 7.1	The North-South Korean Negotiation Game	125
7.2	The Reduced Game	127
7.3	The North-South Korean Negotiation Game with Incomplete Information	130
Figure 8.1	Relationship among Variables	145
8.2	Case 2	150
8.2	Case 3	150
8.2	Case 8a with Saddle	150
8.2	Case 8b with Unstable Node	150
8.2	Case 4	151
8.2	Case 5	151
8.2	Case 17a with Stable Node	151
8.2	Case 17b with Saddle	151
8.2	Case 6	152
8.2	Case 7	152
8.2	Case 22a with Unstable Node	152
8.2	Case 22b with Saddle	152
8.2	Case 9 with Stable Node, Unstable Node, Stable Focus, Unstable Focus, Saddle, and Center	154

Rational Choice Meets Korean Politics

HeeMin Kim

PEOPLE MAKE CHOICES EVERYDAY : CONSUMERS MAKE decisions about what they should buy, how many of them, and where they should go shopping; producers make their production and sales decisions; students make time allocation decisions between studying and partying; professors make time allocation decisions between research and teaching; voters make decisions about whether to vote and whom to vote for; politicians make decisions about what policy to adopt, whether to go to war, this list can go on and on.

Therefore some of the questions social scientists should try to answer are why certain decisions were made, why certain decisions are being made, and why certain decisions are likely to be made in the future in political, economic, and social arenas. The theory of rational choice is an approach that attempts to answer these questions. This book concerns specifically the rational choice explanations of the decisions made. Further this book concerns specifically decisions made in the context of Korean politics.

To avoid confusing those readers without training in rational choice theory, I will first briefly discuss what it is. Next I will review how this relatively new approach has fared in political science in

general and within each sub-field of political science. Then I will turn my attention to the substantive interest of this volume, Korean politics, and briefly discuss how extensively it has been studied both in Korea and the United States. Finally I will describe what we do in this volume in our attempt to offer rational choice explanations for several political decisions that have been made or that are likely to be made both in and around the Korean peninsula.

What is Rational Choice Theory?

Rational choice refers to the application of microeconomic theory to various decision making situations (Booth, James, and Meadwell, 1993). It conceives of the individual as a goal-directed actor, pursuing the best available means to a given end (van Winden, 1988). Rational actors maximize well-defined utility functions in an efficient way (Frank, 1990).

Two main assumptions made by this approach are: methodological individualism and purposeful action. Methodological individualism means that we can understand social processes and outcomes based on individual preferences and choices. This notion may be particularly puzzling to the students of politics since we are so used to such collectivities as political parties, legislatures, bureaus, and even nations. But parties, legislatures, bureaus and nations do not make choices. It is the members (or leaders) of parties, legislatures, bureaus and nations who do. Methodological individualism acknowledges that social interaction conditions individual preferences and choices. It simply reminds us that only people can set goals, determine their preferences among possible events, and choose among possible alternatives, and thus, all group choice ultimately must be understood in terms of individual choice.

The assumption of purposeful action means that human action may be interpreted as directed to attaining a certain goal. Rational choice theory rejects those approaches that look *solely* at observed correlations between individual action and environmental factors such as education, income, and sex. Yes, these factors should be considered, but we should not forget the fact that people act for certain purposes and we must understand these purposes to explain their actions.

Terms such as purposeful action and rational choice do "not necessarily mean that people carefully and consciously list their alternative actions, map all the relevant or possible consequences of each act, estimate the probability of each consequences, and define precisely their preferences across all consequences." We cannot ignore habit, instinct, and culture. Rational choice and the assumption of purposeful action simply imply then "that, after taking account of people's perceptions, values, and beliefs, we can model their decisions by asserting that they act as if they make such calculations." (Ordeshook, 1986 : 1-2).

Basic elements of the rational choice approach include: (i) actors or players (people who make choices); (ii) alternatives, actions, choices or strategies; (iii) outcomes (consequences of actions); and (iv) people's preferences over possible outcomes (determined by actors' purpose of actions) or utility functions. Any rational choice analysis, then, should define these elements as clearly as possible at the outset and use them in a consistent fashion.

Political actors are assumed to seek personal advancement in terms of power or influence in some institutional context. At the same time, methodological individualism warns against simplistic inferences based on properties of the political system. Individual choices combine to create social relations. Since underlying objectives may be diverse, the study of politics is expected to reveal even greater complexity than economics (James, 1993).

The State of Rational Choice Theory in Political Science

The nature of the rational choice approach provides an unique setting for a general theory development. That is, by making reasonable assumptions about the actors, alternatives, outcomes, and actors' preferences among possible outcomes, one can re-create a hypothetical decision making situation (whether the situation concerns voting, coalition-making, war-making, or otherwise) from which one can derive a general theory without actually applying it to a specific historical event. One example would be the field of social choice, which concerns the question of how individual preferences can be aggregated in democratic societies. This field began to prosper with the

publication of Kenneth Arrow's *Social Choice and Individual Values* (1963), followed by Buchanan and Tullock's *The Calculus of Consent* (1965), and the innovative articles of Plott (1967), McKelvey (1976), and Kramer (1977), and Riker's book, *Liberalism against Populism* (1982). This field is still thriving with re-newed attention to political institutions as well as other theoretical developments (see Shepsle, 1979; Shepsle and Weingast, 1981; McKelvey and Schofield, 1987).

Theoretical approaches to the electoral competition in various systems have been abundant as well, with the publication of Anthony Downs' *An Economic Theory of Democracy* (1957) and Duncan Black's *The Theory of Committees and Elections* (1958), which produced the famous median voter theorem, and more recent refinements in this area (see Riker and Ordeshook, 1968; and Palfrey, 1984 among others). The problem of attaining citizen cooperation when they can free-ride and the ways to provide public goods have gotten ample attention as well (see Olson's, *The Logic of Collective Action*, 1965; articles by Hardin, 1971 and Schelling, 1973; and Axelrod's, *The Evolution of Cooperation*, 1984). Theoretical developments in the study of how governing coalitions form in multi-party systems have been respectable as well (see Riker's, *The Theory of Political Coalitions*, 1962; and Axelrod's, *Conflict of Interest*, 1970 among others).

Given four basic elements of the rational choice theory above, it is not surprising to see that the application of the paradigm in real world politics initially centered around the West where the identity of the political actors, choices available to them, and the resulting outcome are common knowledge; actors' preferences and the rule of the game are clear-cut; and the foundation of the society is based on cultural and economic individualism. The rational choice applications have been abundant in the study of **American Politics**, especially the U.S. Congress. One of the original works in this area is Mayhew's *Congress: The Electoral Connection* (1974) while recent general works include Arnold's *The Logic of Congressional Action* (1990). Two more focused works are Sinclair's *The Transformation of the U.S. Senate* (1989) and Rohde's *Parties and Leaders in the Postreform House* (1991). Also there have been tons of articles published in this area which I cannot possibly review in this limited space. In the areas of interest groups and bureaucracy, there are Knott and Miller's *Reforming Bureaucracy* (1987), Moe's *The Organization of Interests* (1980), Rothenberg's *Linking Citizens to Government* (1992), and Chong's Col-

lective Action and the Civil Rights Movement along with many innovative articles such as Romer and Rosenthal (1978), Miller and Moe (1983), Miller and Eavey (1984), and Calvert, Moran, and Weingast (1987) among many others.

Applications of rational actor models in the field of **International Relations** have mainly been theoretical works rather than studies of specific cases. This may be due to the treatment of nations as utility-maximizing unitary actors that the rational choice model affords. The major areas of theoretical research have been international conflict (see Bueno de Mesquita's book, *The War Trap* (1981), and the articles by Bueno de Mesquita (1985), Lalman (1988), and Morgan (1984)), alliance formation (Morrow, 1991), deterrence (Russett, 1963 and Kugler, 1984 as well as Zagare's book, *The Dynamics of Deterrence* (1987) and Powell's, *Nuclear Deterrence Theory* (1990)), and absolute and relative gains in international conflict (Snidal, 1991 and Powell, 1991). Other areas of application include the study of hegemon and reputation building in the world political economy (see Keohane, 1984; and Alt, Calvert, and Humes, 1988).

One of the most visible applications of the rational choice framework in **Comparative Politics** has been the formation of coalition governments in multi-party parliamentary systems in Western Europe utilizing the tools of coalition theory and other recent developments in spatial voting theory (see Laver and Schofield, 1990; Laver and Shepsle, 1990 among others). Other areas of application include labor-capital relations, party and electoral politics, consociationalism, and legislative procedures in Western Countries (see Przeworski and Wallerstein, 1982, 1988; Tsebelis, 1990; Huber, 1992 among others).

As we review the representative writings in political science, the undeniable fact is that rational choice has been a first world paradigm and has been almost exclusively used as a tool to analyze political phenomena in the West in the context of American and comparative politics. There have been a few exemplary applications of the rational choice framework in the third world, which include Samuel Popkin's (1979) treatment of peasant movements in Vietnam as collective action and Robert Bates's (1981) study of the political basis of agricultural policies in Africa. But besides those two, one would have a difficult time finding a commonly cited third world related work based on the notion of rationality. More and more rational choice theorists are now paying attention to the third world.

The State of Korean Studies in Political Science

The study of Korean politics has been extensive in its scope, probably more so than that of any non-Western country since the end of the World War II. There are many reasons for this. One of them is, of course, the outbreak of the Korean War in 1950 and the growing appreciation of the West's security interest in this region. Another reason for the extensive study of Korea may lie with Koreans themselves. Since the end of the Korean War, many young Korean students have come to the U.S.A. to study, and many of them studied political science. The new political and military ties between South Korea and the U.S. might have been the reason for their choice of place for higher learning. But the reason for the pursuit of higher learning itself, especially in political science, might have its roots in the old tradition of Sunbi and Yangban in Korean society; the Confucian tradition in which men with aristocratic family backgrounds make their names in the political arena and maintain their family honor after an extended period of learning. Many Korean students trained in political science stayed in the U.S.A., while the rest chose to go back to Korea. So whatever its real reason was, the field of Korean politics has never suffered from the lack of practitioners both in Korea and the U.S.A. ever since the newly independent Koreans were introduced the modern field of political science.

A very selective list of issues in Korean politics studied and representative works on those issues include, among other things, South Korean State (Cummings, 1988; Moon, 1988; Cotton, 1992), local government (Pae, 1988; I. Kim and Chung, 1993), elections and voting behavior (H. Kim and Choe, 1988), party politics and legislative system (Park, 1986; Kihl, 1988; Park, 1990), constitutional politics (Henderson, 1988), military (C.I. Eugene Kim, 1988), authoritarianism and student activism (Dong, 1988; Sohn, 1989), recent democratization processes (Pae, 1986; Kihl, 1988; C. Kim, 1988; Cheng, 1990; Han, 1990; Lee, 1990; Cheng and Krause, 1991), economic growth and foreign economic relations (Rhee, 1988; Haggard, 1994), Korean War (Cummings, 1981; Goulden, 1982; Foot, 1985; Kaufman, 1986), inter-Korean relations and the problem of unification (Kwak, Kim, and Kim, 1984; Kihl, 1986; Kwak, 1993), South Korean foreign policy and other security issues (Gregor and Chang, 1984; Nishihara, 1985; Koo

and Han, 1985; Bridges, 1986; Kihl and Grinter, 1986), U.S.-Korean relations (Nam, 1986; Scalapino and Han, 1986; H. Kim, 1988; Beckstead, 1993), Korean-Russian (USSR) relations (Blank, 1993), and Korean-Japanese relations (Arase, 1993). A brief glimpse at this list proves that Korean politics indeed has been extensively studied. Not only have these issues been extensively studied, but the writings mentioned above represent substantively rich and in-depth analyses of the issues concerned.

Since Tong-Whan Park describes the state of the method of analysis in Korean studies in detail in chapter 10 of this volume, I offer a very brief description of the general methodological trends in Korean studies here to avoid redundancy. Despite the richness and depth in their substantive interest, the students of Korean politics have almost exclusively relied on the tradition of historical and descriptive analysis. Following the trend of political science discipline in the U.S.A., the more analytic statistical models based on empirical data analyses have made their way into the study of Korean politics in recent years, but the sub-field is still dominated by the old tradition of looking at a few historical cases and somehow describing, rather than analyzing, them in a verbal fashion.

Rational Choice Approaches to Korean Politics

In recent years, some young Korean political scientists with strong methodological training in rational choice theory have begun to apply this paradigm in their analyses of Korean politics with a strong belief that many political events in and around the Korean peninsula can be better explained by this new approach. In many areas of Korean politics, they argue, one can clearly see who makes decisions, what politically acceptable alternatives they have, the potential consequences of selecting certain alternatives, and which outcome they prefer over others. This expansion of information about political decisions has been made possible at least partially by the development of media coverage of politics in Korea and by the on-going process of democratization, which, in turn, has changed people's perception about being politically informed citizens and the desirability of political participation.

The combined intellectual efforts of this new breed of Korean

scholars resulted in this volume, the first book that combines the rational choice approach and Korean politics, and one of the few which explore the explanatory potential of the approach in any third world country. A few Chinese scholars with similar beliefs and methodological training (with one exception, see below) joined forces. Our methodological treatments range from pure game-theoretic analyses, coalition analysis, dynamic modeling, and expected utility analyses to empirical tests of rational choice models. This book is divided into three parts according to the substantive issues individual chapters try to explain. Part I (chapters 2-5) deals with the recent process of democratization in South Korea with individual chapters taking up such issues as electoral reform, a party merger, labor disputes, and voter participation. Part II (chapters 6-9) concerns Korea's international relations with chapters analyzing inter-Korean relations as well as Sino-South Korean relations. Part III (chapters 10-12) contains a chapter appraising the contributions made by the analyses in this volume to the study of Korean politics and two chapters compiling important political events in and around the Korean peninsula since the establishment of the Republic of Korea (South Korea).

In chapter 2, Tun-jen Cheng and Mihae Lim Tallian examine the negotiations among four major political parties over the new electoral system which would govern the 13th National Assembly election in April, 1988. These four parties were the governing Democratic Justice Party (DJP), the leading opposition Reunification Democratic Party (RDP), the Party for Peace and Democracy (PPD), and the New Democratic Republican Party (NDRP). These negotiations followed the introduction of democratic measures in 1987 including the first direct election of the President in 16 years. The outcome of the negotiations was the adoption of a single member district together with new district boundaries and campaign freedoms. This new system eventually undermined the domination of the National Assembly by the governing DJP and also undercut the power base of the then leading opposition party, the RDP. The RDP's rival opposition party, the PPD, turned out to be the major beneficiary of the new electoral system (see the seat distribution of major political parties after the change in the electoral system in Table 1.1). According to Cheng and Tallian, the fact that the governing DJP and the leading opposition RDP actually agreed to the new system demonstrates the limited applicability of the rational choice paradigm, the tradition

Table 1.1 1988 National Assembly Election Returns

(Source: H. N. Kim, 1989: 488)

Party	% Vote	Number of Seats Won			% of Seats Won	
		District	National	Total	District	Total
DJP	34	87	38	125	38.8	41.8
PPD	19.3	54	16	70	24.1	23.4
RPD	23.8	46	13	59	20.5	19.7
NDRP	15.6	27	8	35	12.1	11.7
Minors	2.5	1	0	1	0.5	0.3
Independ.	4.8	9	0	9	4	3
Total	100	224	75	299	100	99.9

that assumes that political actors make choices to maximize their expected gains. The authors conclude that other variables such as norms, ideas, and even political culture matter as well as the self-interests of the actors involved. Thus, "the rational choice model is neither right nor wrong, it is simply not sufficient."

It may seem odd to begin a book on the rational choice approach with a chapter critical of it. The contributors and editors of this book, in actuality, agree with Cheng and Tallian in that the rational choice does not explain everything and that there are political events which are better explained by some variable other than the "self-interests." Certainly there is no single paradigm or methodological approach that can explain everything. We do not want to engage ourselves in methodological dogmatism and certainly it is a healthy practice to use Cheng and Tallian's criticism as a yard stick with which readers can evaluate the chapters that follow.

In chapter 3, I analyze the (surprise) merger of the three existing political parties in 1990: the governing DJP with military connections, the NDRP with its roots in the previous and authoritarian Park Chung-hee regime, and the RDP, the successor party to the New Democratic Party, the opposition party to Park's rule. The merger put an end to the four party system created by the 13th National Assembly election and effectively replaced it with a two-party system. In this chapter, I argue that the unitary actor model of pursuing self-interest may be better suited for the parties with a paternalistic and personalistic nature such as those in Korea. In this sort of party, members' loyalty is to one dominant leader and the leader takes care of members' welfare in return. Therefore, party members' welfare

tends to be maximized when the leaders' wishes are realized, and the party interest tends to coincide with their leaders' interest. These parties are more likely to act as unitary actors. Then, with the factors determining parties' interests properly identified, we can explain why parties chose certain courses of action. I argue that, when the parties negotiated the potential coalition in late 1989 and early 1990, their major concerns were not the traditional social cleavages of ideology and regionalism, but (i) the party leaders' positions on the issue of possible constitutional revision which would allow the parliamentary system of government, which, in turn, determined the size of the pending coalition desired by the leaders, and (ii) the leadership compatibility within the new coalition, especially the decades-long rivalry between the two dominant opposition figures, Kim Young-sam and Kim Dae-jung, the leaders of the RDP and the PPD respectively. Given party positions on these rather political issue dimensions, it is not surprising to see the merger of this particular mixture of parties with seemingly diverse military/civilian and authoritarian/democratic dispositions.

In chapter 4, Jongryn Mo develops a rational choice model of industrial relations during the democratic transition. He hypothesizes that the relationship between the labor power and the labor militancy depends on the sources of the labor power, that is, the market or the political arena. While labor demands can decrease when the labor is electorally strong, they always increase when labor's market power is strong. Labor movements with strong market power do not reduce their demands because they are willing to risk a high probability of retaliation by the hardliners in order to capture the gains commensurate with their power. Using this rather general model, the author explains the evolution of Korean industrial relations during the transition period (1987-1992). In this period, the Korean labor movement possessed considerable market power but very little electoral power. This combination of strong market power and weak electoral power is most likely to lead to radical labor demands. Thus, Jongryn Mo offers a rational-choice based explanation for the militancy of the Korean labor movement during the transition period.

In chapter 5, Chae-Han Kim tests an existing rational choice model of voting using survey data from the 1992 Presidential election in Korea. The model in question is that of Riker and Ordeshook which states that the expected utility of voting is an increasing func-

tion of (i) the probability of one being a decisive voter; (ii) the benefit one derives when his preferred candidate is elected; and (iii) the benefit one derives no matter which candidate is elected and the decreasing function of the cost of voting. Therefore, a person is more likely to vote when the race is perceived to be tight, when he prefers one candidate intensely over others, when he derives high level of psychological satisfaction out of his participation in the election, and when he doesn't have important personal business on election day. Chae Han Kim uses a survey data set compiled by the Institute for the Korean Election Studies based on the interviews with 1200 randomly selected individuals. He finds strong support for the Riker and Ordeshook model from this data and concludes that the rational choice theory performs well in the context of voter participation in Korean elections.

Recently two major international political events occurred in the Korean Peninsula. They are the normalization of the diplomatic relationship between South Korea and China in August, 1992, and the ongoing deadlock between the international community and North Korea on the latter's nuclear weapons program. In chapter 6, Woosang Kim analyzes these issues by utilizing game-theoretic models. For the normalization issue, he builds what he calls the diplomatic normalization game, a two-player game where South Korea chooses between severing its tie with Taiwan and maintaining it, and China chooses between normalizing and not normalizing the diplomatic tie with South Korea. By making a convincing argument that the reality is best approximated by an "extensive form game" (see chapter 6) in which South Korea makes the first move, and the "equilibrium" outcome constitutes South Korea's severing of ties with Taiwan and Chinese response of agreeing to normalize the diplomatic relationship with South Korea, the author demonstrates what happened in August 1992 between South Korea and China was not a surprising course of action. For the nuclear inspection issue, Woosang Kim builds what he calls the nuclear inspection game, a two-player game involving North Korea and the international community (led by South Korea and the U.S.A.). The author classifies the leadership of North Korea into four possible types depending upon its preference over the possible outcomes: strong hawkish; weak hawkish; weak dovish; and strong dovish. He further classifies the international community into three possible types depending upon

its preference over the possible outcomes: strong; middle; and weak. By presuming that North Korea's (or Kim Jong-il's) leadership type is "weak hawkish," where the equilibrium outcome constitutes North Korea's accepting the international inspection and the international community improving its relationship with North Korea if the international community's type is "middle," Woosang Kim argues that the international community must show willingness to cooperate with North Korea when it accepts nuclear inspection but demonstrate strong will to punish in case North Korea does not.

In chapter 7, Byeonggil Ahn argues that many existing studies have focused on the exogenous factors and neglected the effect of domestic politics on the inter-Korean relations. Especially, the two Koreas interact with limited knowledge about the other's domestic environment, which at least partially determines the rival's preferred negotiation outcomes. To investigate the possible effects of this type of domestic uncertainty on the negotiation process between North and South Korea, Byeonggil Ahn builds a two-sided incomplete information game where neither side knows the other's domestic environment with certainty. In this game, each Korea can be either the type of hawk or dove depending upon its preference over the possible outcomes, and each can choose between economic and military alternatives. From his model, the author finds that, if the two Koreas maintain the type of Hawk, there is no way to achieve economic coordination. There can only be either the military deadlock or economic deadlock, which, according to the author, explains the current deadlock in inter-Korean relations. Therefore, the change of the type on the part of at least one side is necessary to achieve economic coordination. Byeonggil Ahn concludes that domestic political change in North Korea is necessary to increase the chance of coordination between the two Koreas.

In an effort to examine the possible consequences of particular strategic choices employed by the two Koreas, Sung-Chull Lee develops a dynamic model of inter-Korean relations in the form of a system of differential equations in chapter 8. In this model, one Korea's level of hostility toward the other is determined by (i) its reaction to the level of the other's hostility toward it; (ii) its policies formulated independent of the other's behavior; and (iii) the international environment. Since these three independent variables can take either positive or negative values, with two equations depicting the two

Koreas' levels of hostility toward each other, sixty four different types of inter-Korean relations emerge out of this dynamic model. The author draws many important and interesting observations from these possible scenarios.

In chapter 9, Chi Huang, Woosang Kim, and Samuel Wu examine the confrontations between the two Koreas since 1949 within the broader theoretical perspective of the regional rivalry in international relations. Regional rivalry is a situation where two states, influenced by superpower politics, are engaged in a long-standing competition over regional issues that could easily escalate into a war. The authors assume that a regional power's conflict decision-making against its rival is mainly based on the calculation of the expected value of its potential action, which, in turn, is determined by the perceived probability of its success in the conflict and the perceived national interests at stake. The authors specifically look at three factors: (i) internal factors such as the nation's capabilities and its domestic problems; (ii) bilateral factors such as its policy differences with its rival; and (iii) systemic factors such as the relationship with its superpower ally and the change in international environment. The authors develop an expected utility model of regional rivals and test the model using the South-North Korean case. In a sense, we can say that chapters 8 and 9 tackle similar substantive concerns, but with two different technical approaches within the boundary of the rational choice theory. By utilizing the conflict data between 1948 and 1978 compiled by the Conflict and Peace Data Bank, the authors conclude (i) that in this period, South Korea was restricted by its domestic disturbances but was more sensitive to the hostility initiated by North Korea than to the attitudes of its ally and the North Korea's superpower ally; (ii) that North Korea, on the other hand, did not take advantage of domestic instabilities in South Korea, but was sensitive to hostility on the part of South Korea as well as the attitudes of allies of its own and of South Korea; and (iii) that the relationship between the two superpowers did not have a significant effect on conflict initiation behavior of either side.

In an attempt to objectively assess the contribution made by this volume to the study of Korean politics, we asked Tong Whan Park of Northwestern University to comment on individual chapters. As most students of Korean politics already know, Tong Whan Park is a renowned scholar in the field of Korean politics, and one

whose methodological training is not in rational choice or formal theory (thus, one who does not have a reason to "show loyalty" to the rational choice paradigm by blindly defending chapters in this book), but who has thorough knowledge of these approaches. Therefore, he must be one of the best scholars around who can evaluate our work. In chapter 10, he first discusses the state of the study of Korean politics. Then he appraises individual chapters one by one in detail pointing out their strengths and weaknesses. In the end, he concludes that "it is indeed possible, and fruitful, to apply rational choice approaches to the study of Korean politics." He is also quick to caution us by saying that this volume should be considered as a first stepping stone to the application of the rational choice framework, which will help open a new horizon, but not as an ultimate book on Korean politics.

In chapter 11, Daniel Cox and I compiled important domestic political events in South Korea beginning with the establishment of the Republic of Korea in 1948 all the way through 1993. These events include, among other things, all national level elections, both Presidential and National Assembly elections, the creation and evolution of all major political parties, all authoritarian measures taken by authoritarian leaders, student and citizen protests against them, the democratic measures introduced starting in 1987, and the changes in political institutions to accomodate the changing political environments. In chapter 12, Uk Heo and Woosang Kim compiled important international events surrounding the Korean peninsula beginning with the establishment of the Third Republic in 1960 all the way through 1993. We felt that, by offering thorough chronologies of important events, we could further help both experts and laymen in the field of Korean politics on top of introducing the rational choice paradigm. This may be so especially when there is no such updated compilation of Korean political events, to the best of our knowledge, and when there is renewed interest in political and economic events occurring in and around the Korean peninsula both in and out of academia.

PART I

The Process of Democratization in Korea

Bargaining over Electoral Reform during the Democratic Transition

Tun-jen Cheng and Mihae Lim Tallian

Introduction

THE 1990 MERGER OF THE RULING DEMOCRATIC JUSTICE Party (DJP), Kim Young-sam's Reunification Democratic Party (RDP), and Kim Jong-pil's New Democratic Republican Party (NDRP) was a watershed event in the Republic of Korea.¹ For the first time in the country's turbulent political history, a major opposition party and its long-time government nemesis joined hands to forge a majority in the National Assembly and end the 20-month old divided government.² The merger was in part a reaction to a fragmented party system that emerged in the process of democratic transition.³ Such a party system was in turn partially created by an electoral system that was drastically revamped before the 13th National Assembly election on April 26, 1988. During the negotiations over the electoral system, the problems of built-in biases favoring the ruling party, regional animosity, and regionally-based opposition groups were addressed. Although the new system was less biased, it accentuated rather than alleviated regionalism. The most notable change was the adoption of a small member district (hereafter SMD)

component, which accounted for three-fourths of the total number of seats. Compared to the previous two-member district (hereafter TMD) system, the new SMD system hindered cooperation between major parties by creating the conditions for a zero-sum competition for seats. However, the new electoral system did include a more fairly distributed proportional representation (hereafter PR) component, which made up one-fourth of the total number of seats.

Although the replacement of the TMD system with a SMD system (together with new district boundaries and campaign freedoms) was negotiated in just over a two-month period⁴, the decision was not easily reached. The meetings were marked by political uncertainty and heated debates, often prematurely terminated due to boycotts and other threats. The political futures of the actors who appeared most prominently in the debates, Roh and the three Kims (Kim Young-sam, Kim Dae-jung, and Kim Jong-pil), as well as their followers, were also in question due to the intensity with which the battle over electoral reform was fought. How was this system chosen, then?

One interpretation can be derived from the rational choice theory. As Gabriel Almond (1990: 117, 123, 127) notes, in his recent work *A Discipline Divided*, the history of the application of rational choice tenets to political decision making dates back to the 1950s when market metaphors began to be used to describe the American form and workings of democracy. Joseph Schumpeter, Anthony Downs, Robert Dahl, Kenneth Arrow, Charles Lindblom, and T.V. Smith were among the luminaries responsible for advances in the field at this time. In the 1960s and 1970s the use of the theory spread from economics to other social science disciplines and in the 1980s, applications of the theory appeared in various combinations with other non-economic models for a better fit with empirical evidence.

We focus on electoral design in Korea for the following reasons. First, it is one of the first and most basic activities that contending political actors must engage in during democratic consolidation. The rules embodied in an electoral system are important because they are powerful intermediate variables that translate political resources into actual power. Electoral systems are likely to impinge on the number of parties (who are) major agents in political markets. The numbers of parties in turn are likely to affect the making of political coalitions and the stability of the democratic system (Cheng and Kim, 1994: 11).

As Rae (1967: 100) argues, electoral formulae might exert an influence upon the rapidity with which party fortunes reverse themselves; in some cases they mask changes in the relative strength of parties while in some others they exaggerate these changes.

The choice of an electoral system offers a laboratory with which to test whether actors are guided by self-interest and/or other factors. For the choice in 1987 between direct and indirect presidential elections, public preference was so overwhelmingly in support of a direct system that siding with the public demand was clearly in every politician's interest. This was not the case with the choice of an electoral system. Public opinion was not articulated in a clearcut manner; indeed, the complexity of the issue easily confused the general public, and therefore, the voice of public interest came from experts or scholars whom the politicians would not be forced to heed. Despite the lack of a clearcut public stance, however, we hypothesize that fairness and other norms are crucial to the making of well-functioning electoral system. Political actors in critical historical moments are actually under great constraints by the expectations of an attentive general public. As a result, some of these actors play the role of political entrepreneurs, acting on behalf of, rather than at the behest of the masses.

The Korean choice of an electoral system is particularly puzzling in that it was made not in the interest of the ruling party which had the unilateral power to make the decision. Moreover, it was also not in the best interest of Kim Young-sam's RDP, the leading opposition party at that time. Instead, it benefited Kim Dae-jung's PPD, the second largest opposition party the most. The ruling party and the leading opposition party actually shared a common interest in pushing for an alternative choice. How these two parties could produce a system that would undercut their own power base requires an explanation. The Korean case is thus a challenge to the rational choice model which assumes that actors work primarily to maximize private gains relative to competitors, rather than to undermine their own interests.

Our case study, then, examines the negotiations of the rules to govern the April 26, 1988 National Assembly election which followed exciting and far-reaching democratic advances and which culminated in the first direct presidential election and the first peaceful transfer of power in Korea's history. Following the presidential election of December 26, 1987, four major parties participated in talks

until the passage of a reform bill on March 8, 1988.

We first consider various renditions and applications of the rational choice theory to problems of political choice. We find that in similar fashion to work on other non-Western political systems, the empirical evidence from the Korean case demands a combination of other paradigms in conjunction with the theory. We then present a discussion of the bargaining period for the 1988 National Assembly election rules as the events from this time serve as our data base. Finally, our investigation tests the validity of the following scenario which the rational choice theory would provide. Each political leader favored, and tried to install, an electoral system that was in his/her best self-interest, that would maximize the share of assembly seats under his control, and /or that would increase his chance to ultimately become chief executive. The theory would interpret the various outcomes (such as the choice of the SMD system, the DJP loss of majority in the National Assembly, and the unprecedented 1990 coalition between rival parties) as consequences of individual actions taken during the bargaining period which were at least understood and taken into account by the actors if not planned in advance.

A Critical Evaluation of the Rational Choice Approach

This section is not meant to provide a comprehensive summary or a thorough critique of the rational choice approach. However, it is necessary to clearly spell out by which yardstick we intend to measure the Korean case. The rational choice model assumes that actors are primarily concerned with self-interest, making full use of available information and examining available policy options either simultaneously or sequentially, and maximizing the gains of policy objectives. To our understanding, the rational choice model has the following defining features.

First, it is primarily a normative approach to decision-making and choice. It informs decision-makers what they ought to do in order to best achieve their objectives (or preferences); it prescribes strategies to accomplish what is maximally possible in a given situation (Elster, 1989 : 1 and 3). A rational actor is most obsessed with consequences and he/she follows a retrospective model of logical

reasoning. One begins with a desideratum, that is, envisions a desirable outcome, then works backwards to identify the necessary strategy and finally makes decisions accordingly.

Second, the rational choice approach "blackboxes" actors; the attributes, value systems, and personality of politicians are unimportant, indeed irrelevant to the explanation of choices while situational logic is critical. Anyone who is rational and has similar information is expected to behave in the same way under the same circumstances. The approach is akin to structural realism in international relations literature; nations are more alike than they appear to be, and, in their quest for security in an anarchical system, they pursue power and form alliances to balance threats (Waltz, 1979; Walt, 1989). Likewise, individual actors in domestic politics are all self-interest maximizers.

Third, this approach is based on the neoclassical model of a capitalist economy. This includes explanations for individual conduct with their full *laissez faire* implications: the observation of pragmatic and opportunistic behavior in self-interested individuals who possess a "homogeneous material interest 'utility' function" as Gabriel Almond (1990: 123) puts it, and who engage in bargaining and exchange activities to maximize this utility.

However, the elegance and parsimony of the rational choice approach, especially in its rigorous game-theoretic formulations, come at a price. A popular and somewhat superficial critique deals with the utility and relevance of game theory in the real world, asserting that the model is at best heuristic, at worst reductionist, and incapable of capturing the essence of real issues, which are too complex and dynamic to be represented by a simplified model. Often, the model formalizes what is known, telling the same story twice but in a different language.

In earlier renditions of the rational choice theory, perfect and costless information was assumed. But this assumption has been relaxed. According to more current formulations, actors are portrayed as making decisions based on available and reliable information. In recent works, rational actors (such as voters), find cues from inexpensive media coverage on two competing camps to help make individual decisions, rather than amassing and sorting information themselves or merely following others in herd-like fashion (Popkins, 1991).

A problem which is particularly severe for a regime undergoing democratic transition is that there are frequent situations of insufficient information and a high degree of uncertainty. In specific terms, there is no inventory of data on political loyalty, voting behavior, and so on. In this case, risk propensity is a decisive factor of outcomes. The saliency of risk propensity is most evident when there is not enough time to obtain a fairly accurate estimate of costs and benefits or when the set of choices is not clearly defined. But instead of attempting to specify risk propensity, the rational choice model again takes this variable as a given.

Another contention one can have with the model is that self-interest is not the only factor shaping choice. Norms and public interest are also possible input factors. Based on either passion or reasoned consequence, altruism does exist and not infrequently predispose one's social behavior (Jencks, 1990; Mansbridge, 1990; Hardin, 1985). Note that if all individual behavior, including philanthropic action, is considered to be "rational", the rationality theory "becomes correct simply by virtue of logical consistency (Olson, 1960: 160)."

Many of the theory's recent critics do not necessarily reject the cardinal principles of the rational choice approach. Rather, they point out its inadequacies and its reliance on reductionism; that is, complex and often normative-oriented political phenomena are reduced to mere power plays between self-interested leaders. Gabriel Almond (1990: 133) correctly points out that the assumptions of the rational choice theory on individuals' calculations of costs and benefits and the maximization of interests through market-like exchange, unwisely obscures the findings of studies on political belief and expectations. Politics as market exchange is but one of many analogies; politics can also be patterned after activities and exercises in religion, war, and theater. Donald Emmerson (1991: 294) argues that rational choice theories, according to which autonomous individuals calculate and compare the net costs and benefits of alternative behaviors, are impotent in the pervasive post-Cold war circumstances of political conflict characterized by nationalist disputes, collective identity, and cultural attachments.

Consequence-governed behavior under the rational choice theory has been more directly challenged by the institutional school which argues that behavior is primarily rule-driven. An actor often thinks prospectively, starting out with rules with which one must

comply, thinking about the costs and benefits that one can derive from these rules, and finally accepting the outcomes. Institutions embody rules which in turn shape incentive structures, and hence guide one's behavior. As such, institutions, rather than individuals, should be the focus of study (March and Olsen, 1989). Elinor Ostrom (1991) suggests that these two approaches are complementary. However, the problem presented by the Korean case is that actors are engaged in rule-making activity itself. If rules do not exist and institutions are in the process of being installed, how can one explain behavior in terms of being rule-driven and rule-bound? Obviously, consequence-governed behavior offers a tempting focus. But consequences cannot automatically be built into the model. What if the linkages between the rules to be written and the consequences that may entail are unknown? How does one explain the preference for one set of rules over another? This situation, which is not unusual to periods of democratic consolidation, demands a closer examination of preferences.

In similar fashion to the notion of strategy, the notion of preference is a central organizing concept for rational choice theories. The model takes preferences as given and does not explain their origin, variation, and evolution (personal communication with Peter Evans). As mentioned above, the difference and change in preferences can provide a more interesting problematique than the linkage between preferences and outcomes. Moreover, a more useful version of the model would disaggregate the umbrella concept of preference. This notion subsumes at least two distinct ingredients that the model simply blends together. The first element is the actor's interests (what he or she would like to obtain for him/herself and for firm supporters). This is easily identifiable in our case study. The dominant interest for each actor was to become the leader of the largest group in the National Assembly, which means that his/her party would have more seats than other parties and hopefully would then be able to control committees with resources and with rule-making power. It should be noted, however, that at least for Roh, being remembered in history and witnessing the democratization of Korea were important interests as well.

A second element is an actor's knowledge about the relations between an institutional choice and its outcome (whether he/she believes that Y will happen if X is chosen). Here scholars' and advisers'

opinions as well as foreign models are crucial in providing this linkage. Vanberg and Buchanan (1989: 51) have recently argued along this line: theories or knowledge on how ordinary objects are chosen (such as soft drinks, Karata cruises, and so on) can contribute to the production of more fundamental goods (such as good health, self-esteem, and so on). The former are preferences for ordinary choices while the latter are *derived* preferences. Only through "theories" or knowledge can the connection between these two levels of preference be established. This leads us to our final query about the rational choice model which addresses the issue of asymmetry in the attributes and behavior of actors.

The model assumes that actors reach decisions after careful calculation. Yet in reality, some may act spontaneously (Steiner, 1991). If, in a bargaining situation, some actors improvise while others really engage in strategic thinking, the game of rational interaction is polluted with a new dynamic. Moreover, if actors are not equipped with similar norms, an equal amount of information, or comparable knowledge, then how does one interpret the outcome? How does one factor ignorance, manipulation, and exploitation into the rational choice model?

The Bargaining Process for Electoral Reform in Korea

We now turn to the dynamic bargaining process for electoral reform in Korea for the following reasons. First, it is from the chronology of events that the puzzle posed by this case study emerges. Second, it serves as our database providing the necessary raw data about choices. Finally, the sequence itself offers interesting insights into the decision process, spelling out the origin, variation, and evolution of preferences. There were at least five identifiable but overlapping phases in the negotiations during which the bargaining exercise took on a unique configuration or tone. The phases were marked by changing preferences, the acquisition and application of information to the decision-making process, and a quickly changing decisionmaking environment for each party.

**Phase I: Reactions to the 1985 Electoral Rules and the 1987
Presidential Election Returns
(December 16, 1987 to January 17, 1988)**

Each party adopted a position on electoral reform well before formal negotiations commenced in January 1988. Although reform was considered back in 1980, the Yushin system was adopted by default by the 5th Republic due to time limitations and the divided opinions of experts on how to change the system (Yoon, 1991). In 1985, the opposition New Korea Democratic Party⁵, with which Kim Young-sam and Kim Dae-jung were then associated, had actually called for reform prior to that year's National Assembly race and again in January of 1987, but its petitions were largely ignored. By the end of 1987, however, public political participation and awareness increased following the first direct presidential election, and this set the stage for a significant change in the rules. By this time, the positions of the party leaders on electoral reform were publicly well-known, and their preferences were formed in reaction to two foci: the 1985 laws that were to be replaced, and the results of the 1987 presidential election.

The 1985 laws included carryovers from the Yushin period under Park Chung-hee: from 1948 to 1971 Korea employed a SMD system which was replaced in 1972 by a TMD system in which two representatives were elected from each of 92 districts. The system helped to secure a majority for the ruling party because it allowed for two winners in traditional rural strongholds and the possibility of gaining at least the second-place seat in urban districts where the opposition was more popular.⁶ In 1985 as in earlier elections, the same pattern appeared. If a SMD system had been in place, many more ruling party candidates would have been defeated especially in Seoul where NKDP candidates were the top vote getters in 12 out of 14 districts (Koh, 1985: 890). District lines were also drawn in the ruling party's favor and in the most extreme case of distortion, the difference between two different districts with larger populations (K.W. Kim, 1987: 52).⁷ The malapportionment of seats was clearly designed to de-emphasize urban areas: with 24.9% of all eligible voters, Seoul only won 15.2% of the contested seats (Koh, 1985: 892). Due to this overwhelmingly favorable TMD (plus gerrymandered) system, the DJP called for its continued use as late as August 1987. The estimated

cost of 10 billion Won to establish a new district (Shin, C.K., 1987: 43), made it a very expensive proposition to re-haul the entire system, providing yet another incentive to change the system as little as possible.

The most decisive mechanism to ensure a stable power base for the ruling party, however, was the formula used to convert votes to seats, or an "unproportional" PR system. The government first introduced a winner-biased national constituency system for the 6th National Assembly elections in 1963. This bias remained in the 1985 rules in which 92 national constituency seats were added to 184 directly contested seats. Of these at-large seats, 2/3 automatically went to the winner and 1/3 was proportionally divided among the non-winning parties with at least 5 district seats, according to the number of seats won rather than the popular vote. Although this formula was clearly partial to the ruling party, it was originally presented by Park Chung-hee and tolerated by the public in the 1970s as a necessary precaution to ensure the political stability of the South in case of a North-South conflict (Lee, Y.S., 1991). This pretext was unacceptable to the public in light of changed circumstances in the late 1980s, and these components of the electoral system became the obvious targets for reform.

The 1985 election seemed to signal real democratic progress as candidate participation was freed considerably and the opposition was able to form the large NKDP. In November of 1984, under pressure from dissident groups and demonstrators, then President Chun lifted the political activity ban on 84 people who subsequently formed the core of the party.⁸ In addition, more than 20 million people voted in the 12th National Assembly elections. The participation of 84.6% of eligible voters was the highest turnout in 27 years.⁹ Even under the despised TMD system, a two-party system seemed to emerge which changed the legitimizing function of the 12th National Assembly at least symbolically. These results were hailed as "revolutionary" and were referred to as the "New Party Storm" (Kim, Y.H., 1988: 162). In addition to the voter-supported consolidation of the opposition, defections from other more seasoned opposition groups (Democratic Korea Party and Korea National Party) gave the NKDP over 100 seats which exceeded the 1/3 minimum necessary for initiating policy measures in the Assembly (Koh, 1985: 896) (see Table 2.1). The new opposition party could for the first time unilaterally

Table 2.1 1985 National Assembly Election Returns

(Source: Koh, 1985: 889)

Party	% Vote	Number of Seats Won			% of Seats Won	
		District	National Constituency	Total	District	Total
DJP	35.3	87	61	148	47.3	53.6
NKDP	29.2	50	17	67	27.2	24.3
DKP	19.5	26	9	35	14.1	12.7
KNP	9.2	15	5	20	8.2	7.2
Other	6.8	6	0	6	3.2	2.2
Total	100	184	92	276	100	100

convene the Assembly, initiate motions such as the dismissal of Cabinet members, and veto constitutional amendments.

In reality, however, electoral reform still had a long way to go to create a truly representative National Assembly. If a purely proportional rule had been applied, the DJP would have won 28 fewer seats while the NKDP would have won 10 more, and the DJP would not have been able to win a simple majority in the Assembly (Koh, 1985: 893). Thus, the favorable outcome for the DJP in 1985 was made possible by many components: the TMD system, a bias against urban areas, unequal vote values, and the PR system. The bargaining parties shaped their initial set of preferences concerning electoral reform in reaction to these rules and the still-strained capabilities of the opposition in the National Assembly. However, the December 1987 presidential election more critically affected the 1988 negotiations for electoral reform as it was held only one month prior to the commencement of talks.

Perhaps the greatest impact of the presidential race on electoral reform negotiations was that it exacerbated the personal competition and animosity between Kim Young-sam and Kim Dae-jung. This made it difficult to approach the negotiating table with the intent of cooperation, and encouraged the tendency towards an on-again, off-again relationship. The two Kims could not agree on a single opposition candidate to challenge Roh despite their frequent pledges to do so during the summer of 1987 and Kim Jong-pil argued that the two other Kims should be disqualified from the race because they broke this promise.¹⁰ Foreshadowing the difficulty in reaching a compromise and the pattern of bargaining to come over electoral reform, less than one week before the presidential contest, Kim Dae-jung

said he still agreed in principle on a single opposition candidate, but neither he nor Kim Young-sam were willing to budge. The two Kims were thus blamed for throwing away the election which moved the RDP's Executive Council to offer a public apology, formally citing the failure to field one opposition candidate as the primary reason for defeat. Immediately following the race and just prior to the commencement of negotiations for electoral reform, the media reported "frozen relations" between the parties.¹¹

Another critical effect of the presidential race on bargaining for electoral reform was the information that it provided about the electorate. The bargaining parties had precise information on voting patterns in the 1987 presidential race; This data helped to determine the success of the negotiations (Brady and Mo, 1992). The initial discussions on a mutually acceptable election date also provide evidence that the bargaining parties believed that voters would cast their ballots similarly in the two elections. The DJP favored an early election in February because the outcome of the presidential election suggested that the DJP could perform well again. In contrast, the RDP and PPD wanted to hold off until as late as was constitutionally allowable so as to prevent a replay of the dismal results. Only the NDRP supported the call for an early election, ostensibly to prevent the RDP and PPD from gaining any ground. Against the official party line, some PPD members called for an earlier date if the opposition failed to unite, signaling their supposition that the PPD would perform better *vis-a-vis* the RDP as it did in the presidential election.

The DJP used the 1987 presidential election results to garner information about the schism within the opposition as well as the rural vs. urban support base. The DJP suspected that the course of negotiations was indelibly altered by the presidential election as each of the opposition parties as well as their leaders would be looking to capture important positions for themselves, precluding an intra-opposition agreement.¹² On the other hand, the most vital information for the opposition was Kim Dae-jung's first place win in 69 districts compared to 35 districts for Kim Young-sam, even though Kim Young-sam won more raw votes overall (see Table 2.2). Given this background, the DJP exited the presidential election favoring a mixed (1-4MD) system, the PPD and the RDP supporting a SMD system, and the NDRP calling for a multiple-member district (hereafter MMD) (2-4MD) system.

**Table 2.2 1987 Presidential Election Returns: Number of District
Where a Party Finished First or Second**

(Source: Brady and Mo, 1988: Table 2)

Party	First	Second
DJP	122	120
RDP	35	119
PPD	69	4
NDRP	19	2

**Phase II: Formal Negotiations: DJP-RDP Dialogue
(January 18, 1988-February 7, 1988)**

On January 18, the Temporary Assembly for Election Law Reform commenced and negotiating teams were established with two opposition and two DJP negotiators per group. This arrangement underscored the dominant position of the DJP in the bargaining process and the relative impasse between the opposition parties. The difference in concessions awarded to each group by the DJP hindered the opposition from forming a unified front. This phase was also marred by severe internal party strife as the political elites tried to smooth out differences between their own preferences and those of their rank and file before approaching the bargaining table. Stabilizing each party's choice of an option on electoral reform was the first order of the day. Finally, the conspicuous absence of the TMD option in the formal inter-party negotiations presaged the likely elimination of the Yushin legacy.¹³

The success of the talks depended on whether the spatial distribution of each party's votes matched or not (Brady and Mo, 1992). If they matched, the allocation of the national constituency and campaign rules were the focus; if they did not match, bargaining focused on district magnitude. Bargaining also took place at two other levels: 1) intra-party talks focused on district magnitude because party heads and rank and file had different preferences, and 2) opposition to opposition party talks were the most volatile because not only did their spatial distribution of votes not match, but a common party policy and leadership were also in dispute.

The DJP drew up alternative plans for a SMD, a MMD, or a mixed (1-4MD) system to flexibly react to the opposition's moves (Paek, 1988). But since some RDP members showed an interest in the

DJP's mixed proposal,¹⁴ and in anticipation of greater cooperation from the RDP, the DJP Central Executive Committee formally adopted a mixed (1-4MD) system on January 12th.¹⁵ The benefits of an alliance with the RDP were clear: Kim Young-sam had won the second largest share of the popular vote, and any agreement would be billed as a consensus (Brady and Mo, 1992). The NDRP also supported a MMD system from the beginning because of the 20 seat requirement for forming floor negotiating groups which could only be guaranteed with the addition of second-place winners.

In mid-January, Kim Dae-jung tried to establish a party consensus around a SMD system. From his vantage point as party president, it was clear that the party could sweep Kwangju, Chonbuk, and Chonnam as in the presidential elections; only one seat in these districts was won by an independent. In addition, Kim Dae-jung had won 17 seats in Seoul while the rest of the parties combined shared the remaining 25 seats. However, some rank and file members revolted and left the party to run as independents. Although the party had made a strong showing in the presidential race, many individual party members (especially non-Cholla (Kim Dae-jung's home base) candidates), were worried about their election chances *vis-a-vis* DJP candidates under a SMD system. Thus, Kim Dae-jung was forced to retreat from his hardline position on SMD and offer to negotiate the issue although he never formally switched to any other position.

Prior to the presidential race and continuing into this phase, Kim Young-sam as well as the top leadership of the RDP personally favored a SMD system,¹⁶ but as in the PPD, rank and file members pressed for a MMD system to give them the chance to be elected as second-place winners; they hoped that Roh would refuse any SMD proposal because of the PPD's lead in more districts after the presidential elections. At the beginning of this phase, no real consensus could be reached within the RDP on the issue, but a formal policy was finally adopted by the RDP Executive Council in mid-January, in support of an MMD system rather than a SMD system.

The main point of contention in the DJP-RDP and DJP-NDRP talks was the DJP's desire to add SMDs to the roster. However, they were able to advance to other subjects because they shared a similar interest in 2 and 3 member districts (Paek, 1988: 149). During this phase, the DJP eventually won the addition of SMDs to the plan but conceded that the then-current election district boundaries would re-

main intact. In contrast, the negotiations between the PPD and the DJP stalled because Kim Dae-jung preferred a complete SMD system. Despite internal party grumbling, he was able to keep the party line fairly firm. He argued that since most (76%) of the districts in the DJP plan were SMDs, the DJP should change the remaining 24 percent to SMDs to truly democratize the National Assembly.¹⁷

Phase III: Opposition Merger Dynamics

(February 8, 1988 to February 29, 1988)

Phase III illustrates the following dynamic: political actors wavered on various issues and created, reinforced, and reacted to an uncertain political environment. The process was not random, but it was uncertain, affecting choices differently than under more stable conditions. The predicament was that the uncertain condition created by impulsive, improvised, and emotional behavior, hindered progress in the talks as well as the process of democratic consolidation.

Although negotiations between the DJP and the RDP proceeded steadily in Phase II, Kim Young-sam was still frustrated with the divided approach by the opposition to the negotiations. Public pressure for the RDP and the PPD to unite continued to build as 10 National Assembly representatives banded together at the end of January and called for both Kims to resign in order to facilitate a merger. Thus, on February 8th, Kim Young-sam stepped down as party head to pave the way for a merger and a unified reform proposal.¹⁸ In order to set a conciliatory tone, he dropped the demand that the merger proceed through individual absorption of former RDP members back into the RDP rather than a party-to-party merger with the PPD, and said that the talks with the DJP should start again from the beginning.¹⁹

Kim Young-sam's move increased public pressure for Kim Dae-jung to step down from his party's presidency as well. At the same time, he faced a number of serious internal challenges: the PPD adopted a collective leadership system in early February which forced him to consult with a Supreme Committee for major policy decisions. In addition, following Roh's victory in the presidential race, younger party members sought to force all three Kims from politics to make room for a new generation. Others saw them as the major obstacle to opposition unification and further democratization.

There was friction between the newly incorporated 91 dissidents into the PPD (on February third) and Kim Dae-jung's more established supporters. Finally members running in districts other than Kim Dae-jung's stronghold of Cholla were disenchanted by his inflexibility on the SMD formula. Four representatives quit the party, and eight more non-Cholla legislators were expected to leave. Although Kim Dae-jung did not explicitly agree to Kim Young-sam's demand that he step down, the opposition talks began and the parties agreed to a joint meeting to discuss their floor strategy vis a vis the DJP.

Soon after the decision was made to prepare negotiating teams for an opposition merger, the PPD boycotted meetings with the RDP in mid-February. The impasse was due once again to differences over district magnitude preference. However, the dispute which was focused on the timing of events, underscored the general mistrust between Kim Young-sam and Kim Dae-jung: the PPD maintained that the RDP should guarantee a joint resolution adopting SMDs before a party merger while the RDP argued that the PPD should first hold merger talks and iron out differences later. Unable to reach a compromise, the two parties began to independently prepare for the elections.

Just one week after the intra-opposition talks failed and immediately prior to signing a mixed (1-3MD) system agreement with Roh, Kim Young-sam decided to adopt the SMD plan if it would help to force Kim Dae-jung to retire and integrate the parties. He and Kim Dae-jung agreed in principle to merge their parties before the elections and support the SMD system. Kim Young-sam's eleventh-hour move clearly demonstrated that he preferred a unified opposition with a SMD system over a mixed (1-3MD) system under a split opposition. Kim Dae-jung agreed to meet again, but would not step down. After much wrangling and without clarification of the leadership question, the two sides were able to issue a joint proposal. However, less than one week later, the talks failed again over whether Kim Young-sam and Kim Dae-jung would be co-advisers or co-presidents of a unified opposition.²⁰

Although more regularized behavior would have undoubtedly improved the conditions under which the talks were held and allowed for the improvement of specific components of the electoral law, the inconsistency in positions continued into Phase V and up until one month before the National Assembly elections.

Phase IV: A Second Round of Negotiations and DJP Concessions (February 2, 1988 to February 20, 1988)

During the course of Phase III in which hopes for a unified opposition were alternately raised and frustrated, Kim Young-sam decided that the prospects for a merger were unfavorable and resumed negotiations with Roh to finalize a joint plan. A consensus was reached on a 1-3MD plan which would give Roh the chance to win a majority and the RDP the chance to become the leading opposition party (Paek, 1988: 150).

Having crossed the hurdle of the district magnitude issue early on, negotiations between Roh and Kim Young-sam progressed to other topics. During this phase, the number of SMDs was gradually whittled down from 161 to 30 districts while the number of two member districts was increased from 41 to 101 according to the RDP's preference (refer to Appendix). The DJP also decreased the portion of national constituency seats awarded to the plurality winner from $2/3$ to $1/3$.²¹ In order to avoid a massive imbalance in the Assembly, there was to be a $3/5$ limit on the number of seats that could be allotted to any single party. The two parties proceeded as far as publishing the configuration of the new election districts under the mixed (1-3MD) plan, and only the issues concerning the national constituency distribution and campaign procedures remained to be finalized (Brady and Mo, 1992).

Despite the fact that Phase IV was marked by more cooperation and compromise than other phases, it was during this same period that the self-interest motive was most conspicuous. The DJP and RDP negotiators engaged in gerrymandering, considering the specific fates of individual politicians before drawing district lines and trading benefits back and forth. The RDP negotiators were satisfied with the adjustment of the districts in which they themselves were running and tried to press for more concessions in these particular areas. However, there was a limit to how far the self-interest motive was allowed to go. Even though some DJP candidates did benefit from the gerrymandering exercise, the DJP head negotiator finally left the table arguing that designing the system around specific individuals was not acceptable behavior.²²

Phase V: DJP Unilateralism

(February 29, 1988 to March 8, 1988)

By the end of Phase IV, the DJP-origin of the mixed member district plan, extensive gerrymandering by the DJP and the RDP, and the constant diatribe by Kim Dae-jung against anything other than a SMD system served to discredit the mixed 1-3MD plan. Also, public support for any cooperation between the DJP and RDP paled in comparison to the desire for a united opposition. It was generally thought that the public favored a SMD system, however, even this position was not unequivocally articulated, except by Kim Dae-jung. Thus, after the breakdown of DJP-RDP talks, as the set of remaining alternatives continued to be reduced, a bold move was needed in order to bring the issue to a close.

When the RDP backed away from a compromise 1-3MD agreement with the DJP and after the second serious falling out between the RDP and the PPD in Phase III, it became clear that the opposition ultimately would be unable to unite.²³ At this point, the decision to unilaterally pass a reform bill seemed to be a necessity if the DJP wanted to heed the constitutional deadline for the election date.

Brady and Mo (1992) provide the following explanation for the final decision by the DJP to turn to the SMD choice: the DJP prepared a SMD proposal for passage which they knew was risky but they expected to win a majority because the opposition was likely to remain split and many opposition runners-up would be eliminated. Under this plan with new district lines, 52 districts were calculated to be competitive, and 33 were possible wins. In contrast, the safer mixed-district proposal would guarantee many second-place winners but was calculated to be less lucrative as it was uncertain where any new seats would come from. In addition, optimistic media reports skewed the DJP's risk evaluation of the SMD formula. At the beginning of March, the *Dong-a Ilbo* predicted a 70-80% DJP win, and by April 9th, the *Korea News Review* described the popularity of the DJP as "fast-soaring".

Other evidence suggests, however, that factors other than the calculation of new competitive seats were at work as well. That the SMD system was an exceedingly risky choice for the DJP was well-recognized by its competitors. The RDP had concluded earlier that the DJP would never dare choose such a system, and PPD actions

suggested the same belief as they revealed that they had prepared no negotiating strategy under a SMD system even though it was the option that they had supported all along.²⁴ It was indeed difficult to envision such a complete change in the DJP's stance considering the possible adverse consequences for the party. Roh's choice of the SMD system, therefore, was made in part due to similar factors that pushed the change from an indirect to direct presidential election system in 1987. That is, public opinion was finally articulated by a political entrepreneur who had the resources to make a dramatic change and who had a personal desire to continue on the path to democracy. Roh argued that the people's wish was a SMD system and to adopt it would be an honorable and moral act and would thus conform to principles.²⁵ The fact that the DJP actually adopted the option that the PPD had wanted all along dropped like a bombshell, and it was hailed within the party as a "second 6/29 declaration."²⁶

By March, Roh firmed up a consensus within the DJP around an SMD plan and to dampen the risk factor, emphasized the rural voter base by assigning disproportionately fewer seats to Seoul and more to rural areas in the expectation of traditional voting patterns.²⁷ The low district limit of 88,000 (voters per district) versus the high limit of 350,000 also allowed the DJP more flexibility in drawing district lines compared to the PPD's plan which ranged only from 100,000 to 200,000. Due to their inability to cooperate, the RDP and PPD both planned to independently submit the previously agreed upon SMD proposal to the National Assembly. However, a day earlier than the planned submittal date, the DJP preempted their move, passing their own draft electoral bill with all DJP members present at 2:10 a.m. on March 8, 1988 amid the protests of the opposition. This move by the DJP allowed the party to build in some presumed advantages such as gerrymandering with minimal criticism.

Intra-opposition talks broke off as soon as the DJP's SMD plan was passed as Kim Dae-jung obtained the SMD system that he wanted all along, albeit with other less advantageous rules,²⁸ and he was still able to cling to the PPD's presidency. Under the pressure of increased criticism following the failure of a proposal to only field one RDP or PPD candidate in each district, Kim Dae-jung finally resigned his post on March 17th, but the RDP was reluctant to pursue a merger at this late date. At this third and final attempt to merge the parties, the leadership question continued to plague the negotiators, and vio-

lence at the site of negotiations brought the talks to an end. The campaign period began on April 9th. It was not until as late as April 19th that the first realistic projection about DJP's dismal chances were reported, allowing the DJP no room to turn back on the SMD plan (Brady and Mo, 1992). In the same week, as a safety measure in reaction to the new predictions, Roh named new candidates, dropping 28 incumbents who were too closely associated with the previous Chun regime. On April 26th, Election Day, a split opposition won a collective majority for the first time in Korean history (see Table 2.1).

Rational Choice and Public Interest

Electoral reform did not eliminate gerrymandering in favor of rural areas, but it drastically revamped the electoral district system and removed many restrictive campaign regulations. The PR component was still retained, but its share of the total number of seats was reduced from one-third to one-quarter, and their distribution was less biased.²⁹ The TMD system, a device by which the *ancien regime* captured two seats in rural districts and the second seat in urban districts, was replaced by a SMD system. Despite fundamental changes to the system, it is important to note that the bargaining was not followed by an agreement between all parties concerned, but by a unilateral decision by the ruling party, the DJP.

District magnitude was undoubtedly the central issue in the bargaining process and this choice opened up a range of issues concerning fairness. The greater the magnitude of the district, the fewer the deadweight votes, and the greater the match between voting share and the share of seats. A clearcut PR system treating the whole nation as a district and allocating seats in proportion to voting share of each party would be the extreme form of a large district system and would benefit small parties most. Conversely, the smaller the district, the higher the degree of distortion in the relationship between votes and seats. The SMD system was the extreme form of a small district system. In a two-party structure, a SMD system would be the most advantageous to the winning party while in a multiple-party structure, a TMD system would benefit the leading two parties in each district.

The range of choices in the bargaining exercise to replace this system included six options, summarized in Table 2.3. Option 1 was

Table 2.3 *Options for the Electoral System*

Option	District Magnitude	National Constituency	Remarks
1	TMD	PR+premium	1985 system
2	TMD	Reformed PR	
3	Mix (1-3/1-4)	Reformed PR	DJP/RDP plan
4	MMD (2-3)	Reformed PR	
5	SMD	Reformed PR	PPD plan/1988 system
6	Pure PR		

to keep the 1985 TMD (plus PR with a premium) system intact. Option 2 was to again keep the TMD system intact but reform the PR component to make it more proportional to voting share. Option 3 was a mixed member district system with a reformed PR component. Option 4 was a MMD system also with a reformed PR component. Option 5 was to replace the TMDs with the SMDs and reform the PR component. And Option 6 was a pure PR system without regional districts. Although many more combinations of options existed in theory, only these six options were seriously considered by the four main negotiating parties.

These options represented the descending preference order of the DJP, from the best choice to the least desirable. Under Option 1, the DJP would gain the most number of seats providing that it could maintain plurality. Option 2 was the next best choice because a TMD system would clearly benefit the DJP, benefit the RDP to some extent, but would penalize the PPD which, with the exception of Seoul, had no support beyond the Cholla area. Option 3 was next in line because the DJP could assign SMDs to areas of strength and MMDs to more vulnerable territories. Option 4 was less attractive because the DJP would not be able to shut out the opposition in areas where it was strong. Option 5 was unattractive because, under this system, the deadweight votes were bound to increase. Finally the least attractive system was a pure PR system which would have given parties of any size a chance to win seats.

The preference order for Kim Young-sam was less clearcut. As leader of the then second largest party (or the leading opposition party), Kim Young-sam would have been hurt if the electoral system was not reformed at all, that is under Option 1. He had staked his reputation on reform by declaring in early January that the SMD sys-

tem was the unchangeable RDP position, arguing that power-sharing under a TMD system was not democratic. In addition, the 1985 premium system gave him little chance for improvement. Option 5 was not attractive either: given Kim Dae-jung's showing in the presidential election, a SMD system was likely to have put the RDP in third place. A pure PR system was not in Kim Young-sam's interest, again because it would only split the playing field further. Therefore, Kim Young-sam's preferred choices should be Options 2, 3, or 4.

It would have been in Kim Young-sam's interest to endorse Option 2, because even if the TMD component of the system remained unchanged, his party would be able to continue to win many second-place slots and be allocated more national constituency seats. However, he negotiated with the DJP at length over Options 3 and 4 (the mixed member district systems) for similar reasons, but with the important difference that they departed from the Yushin system. And yet, he also entertained Option 5 for a remote scenario, that is the highly desirable but elusive goal of opposition unification in light of the history of two decades of political rivalry between himself and Kim Dae-jung. Option 5 would have guaranteed a unified opposition party a victory over the DJP. This option, however, would not make sense to Kim Young-sam if Kim Dae-jung was unwilling to step down to allow Kim Young-sam to become the head of the unified opposition. In this case, the only rational choice for Kim Young-sam would have been to continue the quest for Options 2, 3, or 4 and switch to 5 if and only if Kim Dae-jung promised to support a unified opposition. In reality, throughout the bargaining process, Kim Young-sam vacillated between Options 3 and 5.

For Kim Dae-jung, the best choice was clearly Option 5. Option 1 was unacceptable because it represented the repressive authoritarian legacy under which he has suffered as a political prisoner. It was unclear whether Kim Dae-jung's party would be worse off under Options 2, 3, or 4 versus Option 6, but in any case, Kim Dae-jung was consistent and adamant in his support of Option 5.

Why was a pure PR system not adopted? This system would have been the most fair in that it would have minimized the discrepancy between votes and seats. Historically, PR has also proven to be a popular power-sharing mechanism with which to ensure the previous ruling upper class, now outnumbered, at least its share of power in the face of newly enfranchised masses. In many multi-ethnic, reli-

gious, and linguistic societies, PR systems continue to be utilized as "consociational" designs to confer proper shares of power to social groups which otherwise might be politically marginalized and alienated under the SMD system (Rokkan, 1970; Lijphart, 1992).

However, Korea has been a homogeneous society, although regionalism has been a crucial factor in political life. There is no need for large parties to buy support for the political system from smaller parties. Moreover, a pure PR system is conducive to a multiple and indeed fragmented party system (Israel being a prime example). As any party passing some threshold test is awarded seats in proportion to its share in total votes, the incentive to form new parties is strong. The four largest parties in Korea had a common interest in not allowing a pure PR system to further multiply the number of political parties. The rational choice model can thus, easily explain the exclusion of Option 6 from these parties' choices.

Taking the electoral results into consideration, Option 1 (or keeping the 1985 system intact) would have been the best choice for the DJP. Because of the disproportionate percentage of premium seats awarded to the largest party and the TMD system which effectively allowed the ruling party to "share" districts in which it was not popular, the DJP won 35.5% of vote shares which was translated into 54% of the total number of seats for the 1985 National Assembly election (see Table 2.1).

Conceivably, the use of the old electoral system could have been justified on the grounds of "governability," that is, that the bonus seats permitted the leading party to effectively govern the country. Moreover, as long as each of the major parties stood a chance to exploit the "governability" clause, the electoral system was, in this limited sense, fair. In the 1987 presidential election, each of the two leading opposition parties followed closely behind the DJP in terms of voting share, and could have taken the election from the DJP with some improvement in support, and certainly if an opposition merger could be arranged.

Retaining a still biased but significantly retrenched PR component in the electoral system, a common feature of Options 2, 3, 4, and 5, can be easily explained by using the rational choice theory as well. A PR component had broad appeal to all of the parties. The Korean version was based on a party list, which had the following four functions: it offered a way for the parties to raise money and award faithful supporters with seats; it created a cohort of national representa-

tives transcending regional interests; it enhanced party discipline; it gave some sidepayments to mini parties to support other components chosen by the big three at the expense of others.

Compared to the PR component, the choice of district magnitude was less straightforward. The TMD system certainly had some "birth defects", that is, its origin in the authoritarian past. However, the defect was not as fatal as the disproportionate PR component which exclusively benefitted the ruling party. With political opening, it became clear that not only did the ruling party benefit from TMS, but the RDP did as well. Even the PPD, overly concentrated in Kim Dae-jung's hometown region of Cholla, could have conceivably benefitted from the TMD system in the metropolitan Seoul area. Again, if the opposition had merged, the TMD system would not have been construed as being fundamentally unfair. Indeed, the difficult opposition intra-party negotiations indicated that the attraction to the TMD system was by no means isolated to the ruling party, fair or not. Moreover, the TMD system was actually a device to offset the trend of regionalism, as it would allow a party to recruit representatives to run outside their home region and still win.

In addition, compared to the previous debate over whether to change from an indirect to a direct presidential election system, the debate over electoral reform was complicated. Public opinion on the specific issue of district magnitude varied, fluctuated, and eventually showed divisions along the dimensions of age and level of education. Overall, opinion was divided: nearly half of those surveyed favored SMD, but a solid 40% would have accepted the medium or large district system (refer to Tables 2.4 and 2.5).

Table 2.4 Choice of District Magnitude, by Education Level(%)

(Source: *Dong-a Ilbo*, April 1, 1985)

District Size	Middle School or Below	High School	College or Above
SMD	29.9	40.9	56.4
MMD	39.5	40.2	27.5
LMD	5.3	6.3	8.1
Don't Know	25.3	12.6	8.1
Total	100	100	
# responses	703	776	675

Table 2.5 *Choice of District Magnitude, by Age (%)*

(Source: Yang, 1988)

District Size	20s	Average
SMD	44.4	55.8
MMD	51.4	40.5

For political actors at the bargaining table, this meant more room to maneuver and the ability to make voluntary choices in institutional design. Indeed, public pressure to change the electoral system was not acute enough for Roh to specifically promise reform in his proclamation for a democratic transition on June 29, 1987. This meant that the adoption of a TMD system would not have necessarily aroused massive protests from the public or from Kim Young-sam. While an electoral system that would exclusively manufacture a majority for the ruling party was unacceptable to the public, a design that benefitted both the ruling party and the leading opposition party was not intolerable.³⁰

However, there was peril to giving the TMD system a new lease on life. Aside from the possibility that the opposition, by default, could be its beneficiary, the old system was not credible at all. It was an inheritance from an authoritarian past originally designed to perpetuate political power.³¹ Insistence on its renewal would provide the public and opposition parties, which could act in the name of the public, with a focal point on which to concentrate anti-DJP actions. This negative attitude towards the TMD system is a classic example of the argument that when it comes to rendering political judgement, the public tends to have a retrospective bias (Fiorina, 1981). In other words, the public pays far more attention to what existing institutions have done wrong in the past than what they could do right in the future, such as providing an opposition party (especially a merged opposition in this case) with a shortcut to power.

Under these conditions, foregoing Options 1 and 2 (both TMD options) demonstrated the DJP's good intentions to effect real electoral reform and its sincere commitment to provide a public good, namely, doing away with the authoritarian legacy. However, this was certainly not altruism, nor was it voluntary, for the cost of not pursuing reform would be high. By rationally drawing a line between himself and the past, Roh as leader of the DJP safeguarded

both the party's interests and his reputation. Thus, the provision of public goods and the protection of the DJP's interests are both necessary elements in explaining the decision to abandon these options.

The choice of a SMD system over a TMD, MMD, or a mixed member district system (or Option 5 over Options 2, 3, and 4) is more difficult to explain than the decision to shelve Options 1 and 6. If the best choice was too risky, why did the DJP go all the way down to the fifth choice which led to the setback for both the DJP and RDP? By choosing the SMD system, Roh put the DJP in a double-risk situation. Had the two major opposition parties merged, the DJP would have fared very badly in winning both district and at-large seats and would have been dislodged from the leading party position. In the actual case in which the two major opposition parties continued to be independent of each other, the SMD system not only penalized the DJP, but also hindered the RDP which was relatively moderate and could have been a potential "ally", while rewarding the PPD which was the most radical of the major opposition parties.

Public opinion and political discourse, however, did express high and pervasive expectations for fairness, openness, and unselfishness in institutional design during democratic consolidation. In the late 1980's, various debates occurred simultaneously in Korea, helping to identify and redefine the rules that were fair and those which were unacceptable. There was a fierce battle over the restoration of civil liberties for political prisoners; the unfair hold on power by the military establishment and the need for civilianization was openly debated during the presidential campaign; and the suspicion of wrongdoing by Chun and his relatives highlighted the flaws of the old system. Finally, the positive conclusion of the constitutional reform issue following the conduct of the first direct presidential election had sharpened the public's sense of fairness and aroused the expectation for further democratic changes.

Thus, the debate over electoral reform took on ideological overtones, and the determination of what would be fair figured prominently in the discussions. Yang Kon, a law professor, wrote in February 1988 that fairness in the Korean case meant 1) the elimination of the premium system, 2) an adjustment to equalize vote values, and 3) obtaining accuracy in translating votes to seats. This normative concern, as opposed to pure power play and self-interested calculation, seemed to have struck a chord with Roh. By selecting a SMD

system, which discouraged many of his own individual party members while pleasing many PPD members, Roh credibly demonstrated his impartiality, fairness, and commitment to public interest.

Roh's "altruistic" choice was the result of three factors. First, his term was not renewable, hence there was some incentive for him to make a choice based on what was better for the nation as a whole so as to be remembered in history as a contributor to democratization rather than as a player of power politics. Second, he realized that the ruling party is expected to make major compromises while the opposition is only expected to make minor concessions. The ruling party is also expected to take care of public interests and generate public goods, and one of the deepest concerns in 1988 was that a mistreated Kim Dae-jung could alienate and isolate the Cholla province even further. It was thus understandable that the PPD received more than its proper share in political power resulting from the assembly election.

Third, in the wake of democratic transition, public expectation was high for Roh to deliver public goods, such as a fair electoral system to consolidate democracy as peacefully as possible, while the memory of the public uprising on the eve of transition was still fresh. J.S. Coleman (1986) points out the importance of remembering past experiences in the construction of an actor's preference order and strategy. According to public expectations, Roh was the rule-maker with the greatest duty, for he alone had the power to push through some version of electoral reform. During the 1987 drama for democratic transition, middle-class citizens joined the students (who had been criticized earlier for resorting to radical tactics) in protest, and this dramatic increase in political participation was reminiscent of a Greek polis. In the wake of the mass uprising in support of democratic transition, the sense of history was strong for a national leader who was in a position to shape the course of rule-making for the new democracy.

If Roh's role in electoral reform revealed a non-self-interest element, thereby identifying a shortcoming of the rational choice model, Kim Young-sam's preference flip-flop indicates another weakness of the model which, being static, is incapable of explaining preference changes. Preferences are revealed by consistent choices. If choices become inconsistent, it indicates that an actor is rationally calculating all the time (a case of smart arbitrage), or that he simply

cannot make up his mind. In either case, it is apropos to delve into the question of risk propensity in conditions of uncertainty. Time pressure, personality, and historical rivalry with Kim Dae-jung was more responsible for Kim Young-sam's spontaneous behavior than a calculating mode of decision-making.

Having made concessions on the choice of an electoral district system, Roh was able to offer his own party some compensation, namely, gerrymandering in favor of rural districts, its presumed social base. Both judgements proved to be wrong. *Ex post*, one can see that the DJP grossly under-estimated its support in urban areas such as in metropolitan Seoul, especially with respect to the urban middle class who might dislike the previous military regime but are worried about political instability (Brady and Mo, 1992). The misreading of the level of political support during democratic consolidation was not unique to Korea; other countries undergoing rapid democratic transition such as post-1989 Eastern Europe also displayed a similar phenomenon. Outgoing political parties such as communist parties or newly-formed parties, have repeatedly made far off-the-mark assessments of support for their own parties (Lijphart, 1992). Actors, frequently do not know their best interests.

Information on electoral strength in Korea may not be as insufficient as in Eastern Europe where open elections were unthinkable prior to the democratic revolutions of 1989. But available information can be wrongly interpreted. The political elite in Korea who bargained for a new electoral system used the most recent presidential election as a guide to estimate their relative political strength. Yet information revealed by presidential races can be misleading for predicting the results of assembly elections. Korea had neither a co-current election, nor a honeymoon election (that is, the presidential and National Assembly elections were not held simultaneously, nor were they held within the same month to capture the bandwagon effect). Instead, the two elections were five months apart, far enough apart to suffer the effects of declining marginal interest in the latter election. While the turnout rate was lower, those who did vote in the National Assembly election tended to vote against the government. This was probably because many voters desired to have a system of checks and balances. Another possibility is that some voters wished to punish the ruling party for the alleged electoral fraud in the presidential race. As Korea had not had sub-national elections since the

late 1950s, the opportunity for voter protest was much narrower than in a country with local elections, such as in Japan where voters have voted for the Japan Socialist Party in local elections, or even in upper house elections, but have stayed with the Liberal Democratic Party for lower house contests. In the past, voters were not able to punish the authoritarian regime in Korea at all since election outcomes were predetermined under a distorted electoral system and mobilized votes.

An opposition party is usually more risk neutral while a ruling party is more risk averse, primarily because the latter has more to lose than the former. This is particularly so if the change is obviously to the disadvantage of the ruling party, such as a change that would dismantle the electoral safeguard that manufactures a majority in an assembly election. Yet sometimes, the ruling party can be risk neutral as well, experimenting with bold changes and subsequently risking a loss to the opposition which may become the unintended beneficiary of an unfair electoral system that the ruling party had earlier designed. This was precisely what the then president did in the 1988 National Assembly election. Roh pushed through a SMD system, reduced the PR component as a whole as well as the proportion that is awarded to the plurality winner, and fielded new faces in urban areas (especially in Seoul), based on the assumption that the middle class demanded a new image and outlook from the ruling party.

Conclusion

In the rational choice model, democratic institutions are seen as a bargain among self-interested politicians; ideas do not matter in this process (Geddes, 1990). The model hypothesizes that the primary behavior of key actors and voters is their maximal quest for "self-interest". This paper shows the limits of the model, and attempts to incorporate other variables, such as norms, ideas, and even political cultural predispositions, into the analysis. The rational choice model is neither right nor wrong, it is simply not sufficient.

In the wake of democratic transition, some institutional options are foreclosed not because they are somehow defective but because they were used by an authoritarian regime and were hence thoroughly discredited. Some options are chosen not because they will

benefit those who write the rules, but simply because they are successfully and admirably used in reference societies. The constitutional choices for particular forms of government in Eastern Europe offer good examples of the varied reasons for institutional choice. Thus, understanding the sources of and change in preferences seem to be a more important and more exciting exercise than simply arguing that given a preference order, one should anticipate the adoption of a given strategy by a rational actor in the quest of maximum self-interest.

The rational choice model is powerful in explaining and predicting routine bargaining under a well established set of rules where politics centers on "how much" and the outcome is a matter of "more or less." U.S. Congressional politics, a subject in which the rational choice model thrives, is a prime example. The model may also be useful, but is probably inadequate, to understanding political games in "great historical moments" during which new rules are made and a new cast of actors strive to position themselves in unfamiliar political contours. The calculation of self-interest is crucial to political actors in the wake of democratic transition as the game there will frame the rule for subsequent games, and institutions, once created, are difficult to remove unless agreed to by all parties concerned. However, political polemics for democratic consolidation often center on the "should" rather than "how" questions. Big ideas, norms, and heightened public expectations did come into play in the 1988 electoral reform in Korea to redress past grievances, if not to chart the course for the future.

Notes

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1. Hereafter referred to as Korea.

2. After the 1988 National Assembly election, the combined opposition held a majority of seats for the first time in Korean history. The ruling party's share of the popular vote declined by only 2.7% compared to the presidential election in December of 1987, but the number of seats obtained totaled to only 125 out of 299. In comparison, the four largest opposition parties together held 164 seats. Kim Dae-jung's party became the largest opposition party with 70 seats while Kim Young-sam's party won 59 seats and Kim Jong-pil's party won 35 seats. The three major opposition parties were not able to cooperate on many issues, and in response to the ensuing stalemate, a merger of the DJP, RDP and the NDRP was announced on January 22, 1990 which gave the new party enough seats for the two-thirds majority required for any change to the Constitution.

3. The four major parties were Roh Tae-woo's DJP or Minju Chongui Tang, Kim Young-sam's RDP or Tongil Minju Tang, Kim Dae-jung's PPD or Pyongwha Minju Tang, and Kim Jong-pil's NDRP or Shin Minju Konghwa Tang.

4. Formal talks to revise the electoral laws began on January 8, 1988 and ended on March 8, 1988 when an amendment bill was passed in a special plenary parliamentary session.

5. Hereafter referred to as NKDP.

6. Shin Kon (1987) offers the following evidence in support of this argument: in 1981, the ruling party won 90 seats in 92 TMDs and in 1985, 87 seats in 92 districts.

7. These figures compare the Seoul Dong Dae Mun district with the Muju-Jinan-Changsus district in Cholla Buk Do. Another estimate calculates the largest difference as 5.26 to 1 (Yang, 1988).

8. Although only 14 people remained under the political activity ban, all three Kims were among their numbers.

9. See *Han'guk Ilbo*, February 13, 1985 for an analysis of the 1985 election.

10. The rivalry between Kim Young-sam and Kim Dae-jung was based on many different counts. The point of greatest contention was political power: Kim Dae-jung lost the leadership of the opposition New Democratic Party to Kim Young-sam in 1980 and Kim Young-sam later rejected a proposal that they share power as party leader and presidential candidate (Yi, 1986). Their rivalry was keen also in terms of supporters: of the assemblymen in the NKDP, 31 belonged to Kim Young-sam while 28 belonged to Kim Dae-jung. The next two largest factions had only 8 and 6 members each (D.K. Kim, 1986). They wrangled over substantive issues, the most important being the type of constitutional government. Kim Dae-jung adamantly supported a direct presidential election system, and Kim Young-sam alternated his support between that system and a parliamentary system.

11. See *Korea News Review*, issues from November 28, 1987, December 5, 12, 26, 1987, and January 2, 1988 for the fallout from the presidential election on the relationship between Kim Young-sam and Kim Dae-jung.

12. See *Dong-a Ilbo*, February 22, 1988 for the DJP's reading of the opposition's movements.

13. In the summer of 1987, the DJP Secretary General went on record supporting a TMD system.

14. The RDP switched its position from supporting a SMD system to a MMD system on January 13 because of internal pressure from incumbents who feared a disastrous loss under a SMD system. After this change, the RDP and DJP were able to identify components of the electoral system which would be in their common interest to adopt.

15. The 4-member district in Seoul was dropped from the DJP's proposal as DJP-RDP talks progressed, and from the end of January, the 1-3MD plan rather than the 1-4MD plan was the focus of negotiations.

16. See *Dong-a Ilbo*, February 22, 1988, for a detailed discussion on Kim Young-sam's and the RDP's position on district magnitude.

17. See *Dong-a Ilbo*, January 25, 1988 for Kim Dae-jung's argument with the DJP and H.J. Paek's more detailed analysis of this phase in the April 1988 issue of *Shin Dong-a*, pp. 148 and 149.

18. Kim Young-sam had previously offered his resignation as RDP party president following the loss of the December 16th presidential election, but the RDP voted 819-876 to reject it on January 6, 1988.

19. Earlier, Kim Young-sam was opposed to a party-to-party merger because while he would be expected to fairly share party posts and other benefits, his RDP occupied 51 seats in the National Assembly while Kim Dae-jung's PPD only had 29 seats.

20. See January 30, 1988, February 13, 20, 1988, and March 5, 1988 issues of *Korea News Review* for a more detailed analysis of this phase.

21. The number of national constituency seats were reduced from 1/3 to 1/4 of the total number of seats in the National Assembly.

22. See *Dong-a Ilbo*, February 22, 1988 for details on gerrymandering

23. See *Dong-a Ilbo*, February 22, 1988, for a detailed discussion of each party's reaction after the DJP-RDP talks broke down.

24. The opposition's reading of the DJP strategy was outlined in *Dong-a Ilbo*, February 22, 1988.

25. See Roh's pledge in *Dong-a Ilbo*, March 4, 1988.

26. See *Dong-a Ilbo*, March 4, 1988 for details on the DJP's decision to adopt the SMD system.

27. The number of seats in Seoul was increased from 28 to 42 due to the increase in population, but the opposition claimed that to make vote values equal, a figure of around 55 would be more accurate. In contrast, the number of seats in the Kyonggi district was increased from 20 to 28 (Paek, 1988). *Ex post*, it has been shown that the ruling party did not have to avoid Seoul based on the results of the 1988 presidential election. Brady and Mo (1988: 13 and 14) argue that the reason for the de-emphasis on Seoul was because the DJP, in a miscalculation, used the 12th National Assembly election results as a benchmark rather than the 1987 presidential election.

28. The opposition had demanded that observers be assigned to military voting locations and absentee ballots be separately counted to prevent fraud. However, the DJP omitted these and other items from their final draft (*Korea*

News Review, March 12, 1988 and Paek, 1988: 157).

29. According to the 1985 rules, 2/3 of the national constituency seats were allocated to the plurality winner and this was decreased to 1/2 in 1988. Prior to 1988, Korea had a mixed and grossly biased electoral system, which included a TMD component for 2/3 of the total number of seats with a PR plus premium component for the remaining 1/3 of the seats.

30. This would be akin to the Japanese situation in which the malapportionment of seats in favor of rural districts is often deplored, but nothing is changed as both the ruling Liberal Democratic Party and the leading opposition Japan Socialist Party are its beneficiaries. The public rarely raises an eyebrow on the issue of gerrymandering, and other smaller opposition parties are ready to make a case for the farmers and win over their votes.

31. In addition to the biased parliamentary election rules, the Yushin system provided for the election of a president by the so-called Unification Board in which 99% of the votes were sometimes yes-votes. This system was so despised that it has been compared to voting under communist systems (K.Y. Lee, 1988).

Appendix

Party Positions on the Issue of District Magnitude

(Source: Compiled from *Dong-a Ilbo*, January 8, 1988 to March 7, 1988 and
Korea Herald, August 29, 1987 to March 8, 1988)

Reported as of:	DJP	RDP	PPD	NDRP
Summer '87	TMD	SMD	SMD throughout entire period	
End Dec. '87	1-4MD 159(SMD); 43 (TMD); 6(3MD); 1 (4MD)			
Mid Jan. '88	1-4MD 161 (SMD); 41 (TMD); 8 (3MD); 1 (4MD) considering other district magnitudes	SMD but changing to MMD		MMD
Late Jan. '88	deliberation in DJP over SMD vs. 1-3MD 1-3MD con- firmed; offer to decrease num- ber of SMD and increase TMDs	MMD (2-4MD) 79 (TMD); 29 (3MD); 2 (4MD); return to SMD possi- ble if leader- ship issue re- solved w/ Kim Dae-jung		

Early Feb. '88	1-3MD 128 (SMD); 55 (TMD); 9 (3MD)	hints to return to SMD; accepts PPD's call for SMD	intra-party strife over SMD vs. MMD; SMD still official party policy	favorable reac- tion to DJP's 1- 3MD plan but decrease in number of SMDs request- ed
Mid Feb. '88	1-3MD 40(SMD);100 (TMD); 10 (3MD) 1-3MD 30 (SMD); 99 (TMD); 2 (3MD)	1-3MD; contin- gent on ballot box opening, joint cam- paigning, & decreasing SMDs to 30 be- ing resolved w/DJP Abrupt change back to MMD		
Late Feb. '88	deliberation over SMD vs. 1-4MD within the DJP	SMD w/caveat over Kim Dae- Jung's with- drawl from PPD leader- ship		
End Feb. '88	225 (SMD)	back away from SMD		
Early Mar. '88	223 (SMD)	266 (SMD)		
Mar. 8, 1988	224 (SMD) plan passed by the DJP			

The Formation of the Grand Conservative Coalition

HeeMin Kim

THE DEMOCRATIC LIBERAL PARTY WAS FORMED IN JANUARY, 1990, as a grand conservative coalition through a merger of three parties. They were the governing Democratic Justice Party (DJP) with military connections, the New Democratic Republican Party (NDRP) led by Kim Jong-pil, an ex-prime minister under the Park Chung-hee regime, and the Reunification Democratic Party (RDP) led by a long-time member of the opposition, Kim Young-sam. The birth of the Democratic Liberal Party put an end to the four party system created after the 13th national assembly election in 1988. Excluded from the coalition was the Party for Peace and Democracy (PPD), led by another long-time opposition leader, Kim Dae-jung.

The coalition of the DJP, NDRP, and RDP is puzzling since they do not seem to have much in common. The NDRP was the successor party to the Democratic Republican Party, the authoritarian governing party under Park Chung-hee (1961-1979). The RDP was the successor party to the New Democratic Party, the opposition party to Park's rule. The governing DJP was founded by Chun Doo-hwan after his successful military coup in 1980. When he took power, Chun disbanded all the political parties of the previous regime and banned

the political activities of all the major political figures including Kim Jong-pil, Kim Young-sam, and Kim Dae-jung with charges against them ranging from financial wrong-doings to inciting riots. It was not until 1987 when all three Kims were allowed to resume their political activities. In short, all three Kims suffered from Chun's rule. The leaders of the RDP had said all along that the DJP should not have been born in the first place.

Conventional explanation, in both academia and the media, for the merger of these three parties has been that the political interest of (the leaders of) these three parties coincided in the merger of their parties. This is hardly an explanation since any political event is an outcome of each political actor involved pursuing his/her political interest. Furthermore, the conventional explanation cannot show why this particular coalition was formed out of many possible coalitions. In this paper, I attempt to show analytically why this coalition was a logically consistent (and thus predictable) outcome of the political bargaining in 1989 and early 1990 by utilizing a simple coalition theory.

In the next section, I show what made the parties bargain for a coalition/merger of their parties. I then turn my attention to the two most important factors that affected each party's decision, namely, the party's preference about the size of the new coalition and the rivalry between Kim Young-sam and Kim Dae-jung, leaders of the RDP and the PPD respectively.

Why was a Coalition / Merger of Parties Anticipated?

The presidency of Roh Tae-woo, Chun Doo-hwan's successor, got off to a weak start due to his submajority performance in the 1987 presidential election: even with the divided opposition, Roh received the plurality of only 36.6 percent of those voting. Then in the 13th national assembly election in April, 1988, the governing DJP received only 34 percent of the popular vote and won only 125 seats in the 299-seat assembly. In comparison, the three opposition parties collectively held 165 seats (see Table 3.1 which is a simpler version of Table 1.1 in chapter 1). It was the first time in Korean history that the opposition held the majority of the national assembly seats. Political

processes in the assembly were in deadlock and the President's nominee for the chief justice of the supreme court failed to get the ratification. As early as the summer of 1988, the leaders of the DJP began to call for the re-organization of the four party system.

Table 3.1 *Number of Seats Won in the 13th National Assembly Election (April, 1988)*

Party	Number of Seats
Democratic Justice Party (DJP)	125
New Democratic Republican Party (NDRP)	35
Reunification Democratic Party (RDP)	59
Party for Peace and Democracy (PPD)	70
Independents	10
Total	299

The NDRP, the smallest in the four party system, could not assume power without first forming a coalition with some other party (or parties) and Kim Jong-pil, the leader of NDRP, was the first to openly call for the re-organization (based on ideological coherences/ differences) of the existing political order in June of 1988, only two months after the national assembly election.

The RDP lost its No.1 opposition party status to the PPD in the national assembly election, and was often excluded from the important legislative negotiations by the governing DJP and the PPD. Also the leaders of the RDP had to worry about the RDP's base of support getting thinner. For years the RDP had been perceived as a median party in between the somewhat progressive PPD and the conservative (and authoritarian) DJP. The PPD drew its support from Cholla Provinces and the urban disaffected, while the DJP was supported by the middle-upper class who wanted political stability. Now that the PPD was becoming more moderate and the DJP's democratization program was well under way, the RDP was being squeezed in the middle. With this background, by June of 1989 Kim Young-sam was out there calling for "a new democracy" (meaning a change from the existing system).

The PPD seemed to enjoy the new four party system most among the four parties. As the new No.1 opposition party, it negotiated directly with the governing DJP and sometimes excluded the rival RDP in the process. The fact that the other three parties were call-

ing for a new order, however, made the PPD a player in this coalition game. Several members of the DJP (with its regional origin in North Kyungsang Province) argued for the coalition with the PPD (with the regional origin in Cholla Provinces) to overcome the decades-long cleavage of regionalism in Korea. There is evidence directly suggesting that there were in fact negotiations between the DJP and PPD behind the scenes toward the end of 1989 (Han, 1990).

From the discussion above, it is obvious that some sort of collaboration among the parties, if not a downright merger, was forthcoming. The only question was: which parties will form a coalition together? Many factors come into consideration in each party's decision to form a coalition with others. In the following sections, I look at two factors that most affected the party decisions in Korea in 1989 and early 1990. I will also show why the parties opted for the merger instead of some sort of legislative collaboration while maintaining party identity.

The Size of the Coalition

Since Korea has a presidential system of government, a coalition government based on the simple majority of the parliamentary seats does not exist. Then there was no pre-determined decision rule for forming a coalition when the parties negotiated coalition/merger in 1989 and early 1990. For our analysis, we can think of three distinct types of coalitions based on their size: (i) a sub-majority coalition; (ii) a simple majority coalition; and (iii) a two-thirds majority coalition.

Since the simple majority was not required, a coalition with fewer than half of the seats in the national assembly was a possibility. A coalition of the NDRP and the RDP would produce such a coalition since these two parties combined had only 94 seats out of total 299. Parties might want a simple majority coalition since it will pass most legislation without making the size of the coalition too large (meaning a smaller share of the pie for each party in the coalition). The two-thirds majority is required for constitutional amendments in the national assembly. Then parties with a desire for major systemic changes would want a coalition that controls at least two-thirds of the seats in the assembly.

There is ample evidence suggesting that the DJP wanted a con-

stitutional amendment which would allow the parliamentary system of government at the conclusion of Roh's term as president. The bad fortunes of Roh's predecessors explain why Roh and the leading members of the DJP were concerned about their future security: the country's first president, Syng-man Lee, was ousted in a citizen revolt in April, 1960 and he went into exile in Hawaii never to return to his country until his death; Both the new president and the prime minister were ousted in a military coup in 1961 led by then General Park Chung-hee; The two decade-long reign of Park ended when he was assassinated by his own KCIA chief in 1979; Chun Doo-hwan came into power through the military coup in 1980 and successfully completed his term as president in 1987. As soon as he handed power over to his hand-picked successor, Roh Tae-woo, however, financial wrongdoings of the Chun family using presidential influence were uncovered. Chun's own brother was arrested and Chun himself had been in semi-exile in a Buddhist temple in Korea. Should the DJP lose power in a presidential election, some sort of political reprisal against Roh and certain members of the DJP was foreseeable. This possibility was especially real considering the dismal performance of Roh and the DJP in the 1987 presidential election and the 1988 national assembly election discussed earlier.

The parliamentary system of government was not only safer to Roh and the leading members of the DJP, it would also open the door to the new governing party's prolonged reign. Under the parliamentary system, the governing party doesn't have to face a direct presidential election: the leader of the majority party (or coalition) becomes the prime minister. As long as the new governing party (the DJP envisioned) maintains the majority status, the power will remain in this party. In short, the DJP was following the Japanese model where the Liberal Democratic Party has been in power forever based on an absolute majority in the parliament.¹ Under this arrangement, Roh would be able to have influence on Korean politics even after his term as president. Since the DJP wanted the parliamentary system of government which required a constitutional amendment, the DJP's most preferred size of the coalition was the one based on a two-third majority of the seats in the assembly.

The NDRP also favored the parliamentary system over the existing presidential system. As Table 3.1 indicates, the NDRP was the smallest in the four party system, and given the regional origins of

the four parties and the leadership dynamics, it was not likely that the NDRP would avoid the smallest party status, let alone assume power, under the existing system. It was only under the parliamentary system that Kim Jong-pil and other leaders of the NDRP would be likely to be considered as candidates for prime minister or the ceremonial president some time in the future as leaders of an important faction in the new party. Then it is hardly surprising to see Kim Jong-pil publicly saying that the purpose of the whole coalition negotiation was to build a stable parliamentary form of government (J. Kim and C. Kim, 1990). Since the parliamentary system required a constitutional amendment, the NDRP also preferred a coalition that controlled at least two thirds of the seats in the national assembly.

Kim Young-sam (RDP) alternated his position on the type of constitutional government between the presidential system and the parliamentary system over the years while Kim Dae-jung (PPD) had consistently supported the presidential system (Cheng and Tallian, 1992). It is doubtful if Kim Young-sam, at one time or another, seriously wanted the parliamentary system. In fact, he revealed his true preference for the presidential system after the new Democratic Liberal Party was formed. Then it is questionable if the two Kims, both of them supporters of the existing system, wanted a coalition with the two-thirds of national assembly seats as intensely as the leaders of DJP and NDRP did. For the two Kims, this might have been viewed as oversized. Between the sub-majority coalition and a bare majority coalition, it is easy to imagine that both Kims preferred the latter. The two Kims with decades-long presidential ambitions didn't have reason to go for a weak coalition as their first choice. In short, it is safe to say that all four parties' most preferred size of the new coalition was at least a simple majority.

Three caveats apply concerning the discussion about the size of the coalition above. First, these are each party's *most-preferred* size of the coalition. Sometimes, political parties settle for things that are less preferable when what they want most is not feasible. Second, these are individual parties' most preferred size of the coalition *when they are included in the new coalition*. Clearly parties prefer a coalition of some other size of which they are members over a coalition of the most preferred size of which they are not. Third, these are individual parties' preferred size of the coalition *when they have ideal coalition partners*. Parties may prefer a coalition of some other size where oth-

er members are friendly to themselves over a coalition of the most preferred size where it is not the case.

Information presented in this section also helps us understand why parties opted for the downright merger of their parties rather than a certain form of legislative collaboration among them. More than the consideration to break the legislative deadlock was involved in the coalition bargaining in 1990. President Roh and the leaders of the DJP wanted to make sure of their future security and for that they needed a super-majority governing party which could stay in power for a prolonged period of time. Under the existing presidential system in Korea, opposition parties do not participate in governing unlike those small parties in the governing coalition under the multi-party parliamentary system. Then the opposition parties in Korea rarely get rewarded for good behavior (i.e., legislative collaboration with other parties). The only way for the opposition to get an actual share of political reward (power) is to become a governing party. The more parties there are, the harder it is for any party to achieve this goal. To become a governing party, it is easier for any party to merge itself with the existing governing party or with other opposition parties and beat the governing party candidate in the next presidential election. The three Kims, the leaders of the three opposition parties, were known for their decades-long presidential aspirations and they all knew these shortcuts to the presidency.

The Rivalry between the Two Kims

The rivalry between Kim Young-sam and Kim Dae-jung goes all the way back to 1968 when the latter was nominated for the floor leader of the New Democratic Party, the major opposition party under the Park Chung-hee regime. Kim Dae-jung's ratification as the new floor leader failed to get the required majority of votes, for he failed to get the support of Kim Young-sam, the previous floor leader of the Party. Since Kim Dae-jung's ratification failed, Kim Young-sam was elected as the floor leader for another term (Cho, 1993).

The next encounter between the two Kims came at the 1970 national convention of the New Democratic Party. There, both Kims, relatively young men in their 40s, argued for the generational change in the leadership of the Party and sought the Party's nomination for

the scheduled presidential election of 1971 against the incumbent, President Park. Kim Young-sam was endorsed by Ryu Jin-san, the influential president of the Party, and was widely believed to win the nomination. Although Kim Young-sam received more votes than Kim Dae-jung by securing 421 votes out of 885 total votes cast, he failed to get the simple majority necessary to win the nomination, largely due to 82 invalid votes, a sort of protest vote cast mainly by those who refused to support either Kim. A second ballot became necessary, and to everybody's amazement, the result of the first ballot was reversed and this time, it was Kim Dae-jung who came in first with 458 votes out of 884 total votes cast, acquiring the Party's nomination for the presidency by exceeding the necessary majority by only 15 votes. This result was made possible by the deal struck between Kim Dae-jung and those who cast invalid votes in the first ballot.²

The 1970 national convention of the New Democratic Party produced two strong leaders of the opposition. But, the nature of the voting outcome there (such as the closeness of the race, the reversal of the results, and the coalition with a third group to win) produced a strong rivalry between the two future leaders of the opposition. Essentially, each Kim began to perceive the other as a major hurdle to overcome before he could claim ultimate leadership in the opposition and eventually become the president of the Country.

Ever since the two young Kims ran for the Party's nomination for the presidency in 1970, they have been *de facto* leaders of the opposition whether they were in or out of party politics. There have been different opposition parties over the years, but the two Kims' predominance within the opposition has not changed. The rivalry between the two Kims intensified as they developed their own followers within the opposition, largely based on their regional origin. Even when the two Kims appeared to cooperate when they found a common enemy in Park Chung-hee and later in Chun Doo-hwan, the struggle between the two factions to expand their power bases within the opposition continued. One example would be the (short-lived) New Korea Democratic Party in which there was an apparent conflict between the two factions over the distribution of the key positions after the Party's national convention in August, 1985, although neither Kim was a member of the Party at that time.

Several writers (Cotton, 1992; Han, 1990; Park, 1992 among oth-

ers) have written that the chasm created by the personal rivalry between the two Kims permitted the anti-democratic forces to gain control of events after the assassination of Park Chung-hee in 1979. Mainly, the supporters of the two Kims competed between themselves instead of joining forces and that, at least partially, contributed to the emergence of the authoritarian Chun Doo-hwan regime and the delay in the transition to democracy.

The two Kims' contrasting history of struggle against authoritarian regimes might have added something to the rivalry between them. Since the emergence of the two Kims as major opposition figures, Kim Young-sam remained active in party politics, with sporadic (and forced) breaks. Therefore, he spent more time as a president of, or an advisor to the major opposition parties. Kim Dae-jung, on the other hand, had been forced out of party politics for the most part, and spent time in jail or under house arrest.

The rivalry between the two Kims culminated in the 1987 presidential election, which was the first direct presidential election in 16 years (and guess who was the opposition candidate 16 years ago?). It was expected that either Kim would be able to beat the governing party candidate, Roh Tae-woo, a relative newcomer, in a popular election. However, the two Kims failed to agree on a single presidential candidacy and both of them ran for the presidency. Kim Dae-jung felt he had suffered more in the cause of democracy and thus was a more deserving candidate for the presidency (Han, 1990). As far as Kim Young-sam was concerned, Kim Dae-jung had already run, unsuccessfully, for the presidency in 1971 against Park Chung-hee, and it was he (Kim Young-sam) who deserved a shot at the presidency. In sum, the intense rivalry between the two Kims and each Kim's eagerness to prevail over the other made it impossible to resign from the candidacy. The result was the unpopular governing party candidate Roh winning the popular election with a plurality of only 36.6 percent of those voting. Kim Young-sam and Kim Dae-jung received 28 and 27 percent respectively.³

Kim Young-sam's ego was devastated when Kim Dae-jung's PPD replaced RDP as the largest opposition party after the 13th national assembly election in April, 1988. The PPD won 70 seats, 11 more than RDP's 59.

Analysis

With the information presented in previous sections and using simple coalition theory, I will show why the coalition of the DJP, NDRP, and RDP was the most likely outcome of the coalition bargaining in 1990. To exhaust all the possibilities, I begin with all possible coalitions among the four parties. The set C below is the set of all possible coalitions in a fourparty system:

$$C = \{ \text{DJP-NDRP, DJP-RDP, DJP-PPD, NDRP-RDP, NDRP-PPD, RDP-PPD, DJP-NDRP-RDP, DJP-NDRP-PPD, DJP-RDP-PPD, NDRP-RDP-PPD, DJP-NDRP-RDP-PPD} \}$$

As the set C shows, there were eleven possible coalitions from which parties could choose one. They include six two-party coalitions, four three-party coalitions, and a grand coalition of all four parties.

As shown in the section on the size of the coalition, the size of the coalition most preferred by all four parties was at least a bare majority. That is, no party preferred a sub-majority coalition over the one with greater size. If parties tried to form a coalition whose size they preferred most, then we can safely exclude those sub-majority coalitions from consideration. Since there were 299 seats in the national assembly, a bare majority required 150 seats. The set $WC_{>1/2}$ below is the set of winning coalitions when the decision rule is the bare majority rule. That is, it contains all the coalitions with at least 150 seats in them (see Table 3.1 above).

$$WC_{>1/2} = \{ \text{DJP-NDRP, DJP-RDP, DJP-PPD, DJP-NDRP-RDP, DJP-NDRP-PPD, DJP-RDP-PPD, NDRP-RDP-PPD, DJP-NDRP-RDP-PPD} \}$$

As the set $WC_{>1/2}$ shows, three sub-majority coalitions were dropped from the set C , and there were eight possible coalitions with at least a bare majority of seats in the assembly.⁴ They include three two-party coalitions, four three-party coalitions, and the grand coalition. From the discussion about the size of the coalition above, we also know that both the DJP's and the NDRP's most preferred size of the coalition was the two-thirds majority. Out of 299 seats in the na-

tional assembly, the two-thirds majority required 200 seats. The set $WC_{>2/3}$ below is the set of winning coalitions when the decision rule is the two-thirds rule. That is, it contains all the coalitions with at least 200 seats in them (see Table 3.1 above).

$$WC_{>2/3} = \{DJP-NDRP-RDP, DJP-NDRP-PPD, DJP-RDP-PPD, DJP-NDRP-RDP-PPD\}$$

As the set $WC_{>2/3}$ shows, there were four coalitions with two-thirds of the seats in the national assembly. They include three three-party coalitions and the grand coalition. The fact that the DJP and the NDRP most preferred a two-thirds majority coalition does not mean that a coalition with a bare majority (but not a two-thirds majority) couldn't form. So let us go back to $WC_{>1/2}$ above, the set of all majority coalitions.

Out of eight coalitions in the set, three contain both the RDP and the PPD, parties of Kim Young-sam and Kim Dae-jung respectively. From the section on the rivalry between the two Kims, it is hardly conceivable that the RDP and the PPD would agree to form a coalition together unless refusing to form a coalition with the other absolutely leads to total exclusion from the new coalition. There are many coalition situations where certain coalitions are ruled out. In Western Europe where, unlike Korea, ideology is the most important issue dimension in coalition bargaining, two ideologically extreme parties in the same coalition is quite unlikely. For example, the Communists and the far right are not regarded as possible coalition partners (Schofield, Grofman, and Feld, 1988). In Korea where factional loyalty and leadership compatibility is at least as important a dimension as ideology, the RDP and the PPD in the same coalition is equally unlikely. Then we may safely rule out those coalitions containing both RDP and PPD. This leads us to the feasible set, FS, below:

$$FS = \{DJP-NDRP, DJP-RDP, DJP-PPD, DJP-NDRP-RDP, DJP-NDRP-PPD\}$$

As one can see, three coalitions containing both RDP and PPD are dropped from $WC_{>1/2}$ the set of coalitions with at least a majority of seats, to form FS. Then this is the set of coalitions whose formation

was feasible, considering each party's most preferred size of the new coalition and the rivalry between the two Kims. This feasible set contains five coalitions including three two-party coalitions and two three-party coalitions.

A close look at these coalitions reveals a shocking fact. Namely, the governing DJP is in all five of them! Then the DJP was what social choice theorists call a veto player, without whom it is impossible to form any feasible winning coalition. The governing DJP was practically in a position to choose its coalition partner(s), that is, to choose one out of five coalitions in the feasible set. At this point, we need to remember the DJP's most preferred size of the coalition. The DJP wanted a constitutional amendment to allow a parliamentary system of government and thus, preferred a coalition with the two-thirds of the national assembly seats in it. This means, among those in the feasible set, those that are also in the set $WC_{>2/3}$ were most likely to be chosen by the DJP. This leads us to a reduced feasible set, RFS, below:

$$RFS = \{DJP-NDRP-RDP, DJP-NDRP-PPD\}$$

Between DJP-NDRP-RDP coalition and DJP-NDRP-PPD coalition, the former was ideologically connected (Axelrod, 1970), more compatible leadership-wise,⁵ and more coherent in terms of the regional origins of the member parties, although I do not believe regionalism was a serious factor in the coalition bargaining.⁶ And on January 22, 1990, Roh Tae-woo, Kim Jong-pil, and Kim Young-sam were at the Blue House, the presidential residence, proclaiming the merger of DJP, NDRP, and RDP and the birth of the new Democratic Liberal Party.

Conclusion

The DJP seems to have gotten its best possible outcome out of all possible coalitions in the set C above, namely the DJP-NDRP-RDP merger, where the new party now controlled 215 seats, fifteen more than the two-thirds majority necessary to change the constitution so that the parliamentary system becomes the new form of the government in Korea.⁷ This new party seemed to be ideologically coherent

in the sense that the three least progressive parties merged themselves into one. For exactly the same reason, the new Democratic Liberal Party was the best possible outcome for the NDRP as well, which also wanted the parliamentary system of government. Can we say the same for the RDP? We need to remember that the RDP may not have been as supportive of the constitutional change as the DJP and the NDRP. If we drop, from the set of all possible coalitions above, all the coalitions without the RDP in them (which must have been RDP's least preferred coalitions) and all the coalitions containing both RDP and PPD (which were probably only slightly preferable to the first group of coalitions), we are left with only {DJP-RDP, NDRP-RDP, DJP-NDRP-RDP}. The second coalition, NDRP-RDP, was a precarious one since it leaves the room for the DJP-PPD coalition, the coalition of the two largest parties, and also the coalition of the governing party and the party of Kim Dae-jung, Kim Young-sam's major political rival. Then we can say that what actually formed in January of 1990 was one of the two best possible outcomes for the RDP as well. This explains the PPD's exclusion from the coalition. Since virtually all the parties were getting the best possible outcome out of eleven possible coalitions (in the set, C), there was little the PPD could offer and thus, no room for negotiation with the PPD.

As shown above, all feasible coalitions included the DJP which made it a veto player. What the DJP did not realize was the following: the DJP-NDRP-RDP coalition, the outcome of the coalition game, was a minimal winning coalition if the decision rule is a two-thirds rule. That is, the departure of any one party from the coalition makes it non-winning (Riker, 1962). If any one party leaves the coalition, it fails to maintain two-thirds of the seats in the national assembly and the constitutional amendment becomes impossible. Theoretically this means that, *although the DJP was a veto player in a coalition formation game, now every party (every faction in the new party to be exact) is a veto player in a coalition maintenance game!* Now every party was on an equal footing regardless of its size. It is not hard to guess who would use the threat potential of a veto player after the coalition was formed. As we recall, Kim Young-sam and the RDP never really wanted the parliamentary system in the first place. Only months after the formation of the Democratic Liberal Party, Kim Young-sam successfully silenced the call for the constitutional

amendment by threatening to leave the Party with his faction (that is, the old RDP). The existing presidential system was maintained. In 1992, Kim Young-sam, after a period of intense struggle within the Party, became the presidential nominee for the Democratic Liberal Party. And in December of the same year, he was elected new president of the country.

As stated in the introduction of this paper, the coalition of the DJP, NDRP, and RDP is puzzling since these parties had completely different roots. It was shown in this paper, through the exhaustive investigation (i.e., looking at all possible coalitions) and the process of elimination, why this particular coalition was bound to form, however unlikely it seemed in the first place. Each party's most preferred size of the coalition (determined by its political motivations) and the issue of the leadership compatibility (mainly, the rivalry between Kim Young-sam and Kim Dae-jung) played a decisive role in creating this coalition, even more so than the traditional cleavages of ideology and regionalism.

Most students of Korean politics assume that the direction of political events in Korea have been defined by the authoritarian leaders by virtue of their control over the means of physical repression. By focusing on the rivalry between the two Kims, I have attempted to show that this assumption may not have always been true. Clearly the course of events since the early 70s have been defined at least as much by the (in)compatibility of, or the rivalry between the democratic leaders (see Kim, 1992 for a similar argument). Whether Kim Young-sam's election to the presidency "resolved" the rivalry between the two Kims remains to be seen.

Notes

1. We need to remember that the split of the Japanese Liberal Democratic Party was not until June of 1993, more than three years after the time Korean political leaders contemplated the merger of their parties.

2. Kim Dae-jung went ahead and made an impressive showing against the incumbent president, Park Chung-hee in the presidential election of April, 1971. He received 43.6 percent of the total votes cast against Park's 51.2. President Park's majority, allowing for regional factors, was a mere 0.2 percent of the total votes cast, after all the money and administrative power he mobilized. It is widely believed that Kim Dae-jung's strong showing against President Park contributed to Park's decision to abandon the direct presidential election altogether, a tradition inherited by Chun Doo-hwan. For an excellent analysis of the 1971 presidential election (and the history of authoritarian rule in Korea), see Sohn, pp.30-45.

3. See Kim, 1992 for a detailed analysis of the two Kims' decision about whether to run for the presidency as well as the history of the rivalry between the two Kims. Cheng and Tallian (1992) also discuss the rivalry between the two Kims.

4. In light of the first caveat stated in Section 3 of this chapter (parties sometimes settle for things that are less preferable when what they want most is not feasible), it is legitimate to question the validity of dropping three sub-majority coalitions from consideration. Besides the fact that no party's most preferred size of the coalition was a sub-majority, I also have the following justification: based on whatever determined its preference over the possible coalitions, each party can rank order the eleven possible outcomes from most preferred to least preferred. It does not need to be precise in doing so. It is more likely that, to each party, there were a few particularly attractive coalitions; then a group of acceptable coalitions; and a group of unacceptable coalitions. Clearly any coalition that does not include the party falls into the last category. The three sub-majority coalitions of {NDRP-RDP, NDRP-PPD, RDP-PPD} ranked fairly low for all four parties (see the following discussion). As the following discussion shows, the final outcome of the coalition game was probably the highest ranked outcome for all three parties included in the coalition, which precluded the consideration

of these three low-ranked sub-majority coalitions.

5. Kim Jong-pil and Kim Young-sam (as well as other leaders of the NDRP and the RDP) had several meetings in 1989 where they discussed the problems of the four party system and "exchanged their evaluation of Kim Dae-jung's leadership and the PPD's policies" (Han, 1990). There is evidence suggesting that, at one time or another, the possibility of the coalition of the NDRP and the RDP was raised in a meeting between these two leaders. In short, these two maintained a close political relationship. On the other hand, there was no significant contact between Kim Jong-pil (NDRP) and Kim Dae-jung (PPD)

6. The fact that the DJP-NDRP-PPD coalition is in the RFS does not necessarily mean that it was the DJP's second most preferred coalition out of eleven possible coalitions in the set C. Recall the third caveat stated in Section 3 of this paper: the two-thirds majority was the DJP's most preferred size of the coalition, given members of the coalition were compatible. I believe that the DJP's second most preferred outcome was the DJP-PPD coalition. It was a bare majority coalition, but was only five seats shy of the two-thirds majority of 200 (see Table 3.1). The leaders of the DJP might have thought that it wouldn't be hard to lure at least five independents into the new party. In fact, the DJP did not rule out the possibility of the DJP-PPD coalition until a few weeks before the actual DJP-NDRP-RDP merger (Han, 1990).

7. Only 54 RDP members joined the new Democratic Liberal Party since five members of the RDP, citing the purity of the opposition, decided not to follow suit (see Table 3.1). The number of seats controlled by the new DLP increased to 217 when two independents decided to join the Party later in 1990.

The Rationality of Labor Strategy during the Democratic Transition, 1987-1989

Jongryn Mo

Introduction

THE TRANSITION TO DEMOCRACY IS SELDOM SMOOTH AND certain. Hardliners in the transition government can end the democratization experiment and restore authoritarian rule (O'Donnell and Schmitter, 1986; Przeworski, 1993; Karl, 1990; Colomar, 1991). Therefore, the strategies of political actors during the transition are shaped by this reversion possibility. In particular, many believe that labor restraint is necessary for a successful transition to liberal democracy (Valenzuela, 1989; Payne, 1991).¹

Thus, it is not surprising that the focus of the literature has been finding conditions under which labor will restrain its demands during the transition period. The strength of a labor movement is often mentioned as an important determinant of labor strategy. Valenzuela (1989), in particular, argues that strong labor movements are more likely to restrain their demands. But it is not clear why strong labor movements will restrain their demands instead of using their strength to achieve more gains or why their restraint will necessarily reduce the probability of the hardliner retaliation. A more rigorous

analysis may untangle a complex relationship between labor power and labor strategy during a transition, on the one hand, and between labor strategy and the outcome of the transition (i.e., the probability of retaliation), on the other.

Using a rational choice approach, this paper attempts to derive more precise conditions for labor restraint. A formal model of labor and state interactions during the transition period is developed in which labor chooses a strategy, taking full account of its consequences, namely, how likely its strategy will provoke retaliation. The results of the analysis suggest that the relationship between labor power and labor strategy depends on the sources of labor power, market or electoral power. While labor movements with stronger market power do not reduce their demands during the transition period, those with stronger electoral power sometimes do restrain their demands. Labor movements do not always reduce their demands because some of them are willing to risk a high probability of retaliation in order to capture the gains commensurate with their power.

The relationship between labor restraint and the probability of retaliation does not always support Valenzuela's thesis. Even if electorally strong labor movements restrain their demand, it does not decrease the probability of retaliation. Hardliners react not only to labor's actual demands but also to its underlying electoral strength. Thus, when labor's electoral power increases, labor restraint does not mitigate the hardliners' fear of an electorally stronger labor movement.

Using the predictions of the model, the paper explains the evolution of Korean industrial relations during the transition period (1987-1990).^{2,3} During the transition, the Korean labor movement possessed considerable market power but very weak electoral power. According to the model, this combination of strong market power and weak electoral power is most likely to lead to radical labor demands. Thus, the paper offers a rational-choice-based explanation for the militancy of the Korean labor movement during the transition period. The weak electoral power of the Korean labor movement led to more demands because, unlike electorally strong labor movements, it did not have an incentive to moderate its demands.

Labor Power and Labor Strategy during a Transition

Industrial relations during the transition period are shaped by forces that are not present under a stable political system. Thus, those new forces must be identified and incorporated into developing the theory of industrial relations during the transition period. However, in our eagerness to find the unique circumstances of a transition process, we may run the risk of ignoring the underlying determinants of industrial relations (such as the economic sources of labor's bargaining power) that are also important during the transition period. Thus, it is necessary to examine previous studies of cross-country and temporal variations in industrial relations under stable political systems (Hibbs, 1987; Wallerstein, 1989; Stephens and Wallerstein, 1991).

Hibbs' (1987) study of strike activity in advanced industrial countries provides a useful framework. Hibbs' basic proposition is that labor's decision to strike is influenced not only by economic conditions but also by institutional and political factors. Strike activity will increase if unemployment is low, workers' expectation of wage increase is high, the bargaining system is decentralized, the labor party's incentive to appeal to the middle class is low, or communist party membership among workers is high. These variables are expected to have a significant impact on labor's strike strategy during the transition period. But the interpretation of the variables requires modifications in the context of democratic transition. For example, the formation of workers' wage expectation has a different base in the transition period. In Hibbs' model, workers form their expectations based only on past patterns of expected and actual wages. But during the transition period, workers' expectations are also influenced by what they perceive as the fair level of wages under new democratic conditions. One factor that is important to workers' expectations (relative to the status quo) is the repressiveness of the authoritarian regime.

The effects of Hibbs' variables may also differ because his theory does not capture the strategic aspect of transition politics. During the transition period, three major actors in industrial relations (labor, management and government) compete in the newly liberalized political arena to increase their material gains and shape the new rules of

the game in their favor. They all take political action to achieve their goals and for labor, strike activity is its main weapon. The decision to strike is then part of labor's political strategy and in equilibrium, that strategy is optimally chosen, given the strategies of the other players. Thus, the equilibrium level of strike activity is determined as an outcome of the players' strategies.

O'Donnell and Schmitter (1986) emphasize this strategic aspect in their theory of democratization.⁴ They argue that the strategies of pro-democracy groups (including labor) during the transition from authoritarian rule are an important determinant of the outcome of the transition. According to Payne's (1991) interpretation of this theory, organized labor can choose one of the three strategies during the transition period, acquiescence, confrontation or compromise. Which strategy organized labor eventually chooses has significant effects on the outcome of the transition.

Some groups within the labor movement favor an acquiescent strategy (i.e., they are willing to accept small gains for the success of the transition) because they fear that excessive demands by them will endanger the transition to democracy by provoking a coup. If acquiescent groups lead the labor movement in the transition period, the likely outcome of the transition is minimal gains for labor and a restricted democracy. Some in the labor movement support the opposite position; they would risk a coup rather than compromise for small gains. If these "maximalists" lead the labor movement, their confrontational strategy will create a backlash among the middle class and provide a chance for the hardliners to end the transition. The third group is willing to compromise through moderating their demands and complying with the rules of the game, even though it may not be entirely satisfied with labor's initial gains or the rules of the game established by the transition government. They argue that their compromise strategy is likely to win popular support and credibility during the transition period, thus maximizing their long-term gains.

In O'Donnell and Schmitter's framework, the preferences of an interest group dictate their choice of strategy during a political transition. Thus, the choice of labor strategy reflects labor's preferences (or the preferences of the labor leadership). Payne (1991) challenges the assumption that labor's choice of strategy is derived only from their preferences (over the ideal mix of confrontation and compro-

mise). Rather, Payne argues that labor movements choose a strategy considering the opportunities and constraints that the transition process presents. Brazilian organized labor, for example, chose a compromise strategy because the confrontational strategy were not viable. The organizational weakness of the labor movement and the unfavorable economic conditions during the transition made the confrontational strategy unsustainable in that case. The existence of political channels allowed organized labor in Brazil to promote their interests during the transition, thus helping them win some important concessions from the government.

Furthermore, Payne argues that because of their political, economic, and organizational constraints, labor movements do not generally pose serious threats to the government. As a result, the possibility of hardliners' retaliation is small and does not affect the transition process (pp. 234). It is true that labor faces constraints during political transition but even with the constraints, labor is still in the best position among pro-democracy groups (in terms of its size and resources) to challenge the hardliners. For this reason, the hardliners take labor activism seriously and may retaliate against what some may perceive as a weak labor movement. Given the precariousness of a transition process, the strategy chosen by labor is an important determinant of the transition outcome.

Recognizing the importance of labor strategy under the threat of retaliation, Valenzuela (1989) derives conditions under which labor will restrain its demands to avoid reprisal. According to Valenzuela, labor will restrain its demands if labor's initial gains in terms of both material welfare and political representation are significant (so that labor sees the benefit of securing a successful transition) and if those who are willing to compromise are able to gain enough support within the labor movement.⁵ That is, labor strategy during a transition depends on its capacity to achieve initial economic and political gains and the existence of a unified labor movement. Labor's initial gains are significant only if its market power (i.e., power to negotiate high wages) and "electoral" power (i.e., the amount of political influence within the transition government) are strong. Thus, Valenzuela predicts that (economically and politically) strong labor movements are more likely to restrain their demands, thus ensuring a smooth transition.

Valenzuela's hypothesis thus relates the strength of a labor

movement to its strategy, i.e., the level of labor demands. That is, the stronger the labor movement, the lower its demands. However, the relationship between the power of labor movements and their strategy may not be as simple as he suggests. Certainly, stronger labor movements may have greater incentives to moderate their demands to reduce the probability of retaliation. But at the same time, they are better able to achieve greater economic and political gains if the hardliners do not retaliate. Thus, it is conceivable that stronger labor movements may actually make more demands than weaker ones because they are willing to trade-off a higher probability of retaliation for potentially greater gains.

The relationship between labor restraint and the probability of retaliation is also open to question. The hardliners react not only to the actual demands that a labor movement makes but also to the underlying strength of the labor movement. Even if two labor movements make the same demands, the hardliners are more likely to retaliate against the stronger one than the weaker one. They feel threatened by the strength of a labor movement even if it restraints its demands during the transition period.

A formal model of labor choice can be used to establish the precise relationship between labor power and labor strategy and that between labor strategy and the outcome of a transition.

Model

The main exogenous variable of the model is labor power. Labor power is derived from two sources (Alt and Chrystal, 1983: 42). Labor's capacity to inflict cost on employers through collective action is its market power, m . Labor can also change the rules of industrial relations, using its electoral power, e . Thus, a pair (m, e) characterizes labor's political power.

Labor's market power is fundamentally shaped by market forces. On the demand side, the level of competition in labor and product markets determines workers' demand for collective action. Favorable conditions in the labor market increase workers' incentives to organize and take collective action. When there is high unemployment, however, labor has less incentive to organize and thus, its market power is reduced. Competitiveness of the product mar-

kets has the same effects on labor's market power; workers in industries under heavy domestic and international competitive pressure are not in a position to take collective action in fear of losing jobs to their competitors. Industrial concentration is one indicator of the level of competition in the product markets (pp. 950 in Stephens and Wallerstein, 1991). The level of protection from foreign competition is another indicator.

Market concentration (via firm size) also affects the supply side of collective action by reducing the cost of organizing. Workers' organizing efforts will also be enhanced if they are geographically concentrated.

A summary statistics for labor's market power may be union density. Union density has been widely used to represent labor's market power (Valenzuela, 1989; Stephens and Wallerstein, 1991).⁶ However, during the transition period, authoritarian rules regulating union registration may still remain. Thus, union density may not accurately measure the underlying market power of a labor movement.

Labor's electoral power is its capacity to control and influence the government. Labor would be electorally powerful if a party representing its interests is in government as a majority party or as a coalition partner. Even if labor is out of government, its influence as an opposition party would vary, depending on its share of legislative seats. As an indicator of labor's electoral power, Wallerstein (1989) uses "index of left-wing government" which is based on cumulative leftist party participation in government.

As noted by many (Stephens and Wallerstein, 1993), labor's market power and electoral power may not be independent. However, it is important to recognize that there is a large variation in labor's electoral success even among countries with strong unions. Ideology is one of many forces that shape electoral competition; regional and religious cleavages are also important in many countries. The divergence between labor's market power and electoral power is likely to be greater during the transition period when politics is reshaped under a new opening. Cleavages that were suppressed under the authoritarian regime reemerge and old alliances breakdown as actors position themselves in a new political environment. Therefore, the relationship between labor's market power and electoral power is assumed to be independent.

In the model, labor moves first by demanding, $a \geq a_0$, where a_0

represents the demand that it would have made under the previous authoritarian regime. Since labor demand is accompanied by costly actions such as strikes, we can also think of a as the magnitude of strike activity. After labor makes its demand, the government decides whether to suppress labor. To simplify the model, assume that the government represses labor with probability $p(a, e)$.

The probability p is assumed to be increasing in a and e . The hardliners in the government are more likely to retaliate against labor if labor demands are greater. At a given level of a , the stronger labor's electoral power, the more likely the hardliners' retaliation. Unlike employers whose main concern is economic loss, the hardliners' main priority is to maintain their power and they are more likely to react against an electorally powerful labor. Labor is electorally powerful if a political party representing labor has a realistic chance to control the government. If the hardliners in the government retaliate, labor will suffer a cost h , which is assumed to be constant. If the hardliners retaliate, labor may get worse off than its condition under the previous regime, which is normalized to be 0.

If the government does not retaliate, labor's demands will result in certain positive gains $b(a, m, e)$ for labor. Labor will obtain these gains through collective bargaining with management under the rules that govern the transition process and/or through the political process to change the rules in their favor. Labor's prospective gains, $b(a, m, e)$, are single-peaked in labor demands and are expected to increase in labor's market power and electoral power in equilibrium. Without the threat of retaliation, labor will make a demand a^* that maximizes $b(a, m, e)$ which I call "democratic" demands.

When labor makes a demand, its expected utility is then

$$(1-p(a, e)) b(a, m, e) - p(a, e) h.$$

Solving for an optimal a yields

$$a^* = a^*(m, e, h).$$

The equilibrium probability of the hardliners' retaliation is then

$$p^* = p(a^*(m, e, h), e).$$

The model thus predicts labor strategy and the transition outcome (the probability of government retaliation) as a function of labor power (and the cost that retaliation inflicts on labor).

Proposition 1: Under the threat of retaliation, all labor movements reduce their demands. But the size of labor concessions (i.e., the gap between actual demands and democratic demands) is greater for more powerful labor movements.

It is straightforward to show that $a^* < a^n$. That is, under the threat of retaliation labor always demand less than it otherwise would. Moreover, more powerful labor movements make more concessions because of possible retaliation.

Proposition 2: During the transition period, labor's demand is increasing in its market power. The effect of labor's electoral power depends on its market power. An electorally stronger labor movement will make fewer demands if its market power is sufficiently strong; it will make more demands, otherwise.

Labor movements with market power will demand more, even though greater demands by them increase the probability of retaliation. In anticipation of larger gains (afforded by their power), they are willing to risk a higher probability of retaliation by demanding more. Again, this does not mean that the threat of retaliation has no effect on labor's demands; labor always demands less than it would without the threat. When they face the threat of retaliation, however, more economically powerful labor movements still demand more than weaker ones. Thus, Valenzuela's hypothesis does not hold when labor's power is measured by its market power.

Labor's incentive to restrain its demand, however, exists when it is electorally powerful. When electorally powerful labor movements also have sufficient market power, they will make smaller demands than electorally weaker ones (i.e., they will restrain their demands). Thus, Valenzuela's hypothesis can be valid if it is applied to the electoral dimension of labor power.

The effects of labor's market and electoral power differ because the hardliners do not consider them equally. The hardliners whose primary concern is maintaining power are more likely to retaliate

against electorally powerful labor movements. As a result, electorally powerful labor movements have greater incentives to reduce their demands than economically powerful ones.

The results in Proposition 1 suggest that labor demands will be highest when labor has strong market power and weak electoral power. When labor's electoral power falls short of its considerable market power, its strategy is most radical. On the other hand, labor demands will be smallest when both the electoral power and the market power of labor are small.

Proposition 3: The probability of retaliation is increasing both in labor's market power and its electoral power.

Since an increase in labor's market power results in higher labor demand and the probability of retaliation is increasing in labor demand, it is straightforward to see that the probability of retaliation is increasing in labor's market power.

But the effects of labor's electoral power are not as simple. On the one hand, it has a direct effect of increasing the probability of retaliation. On the other hand, when labor has sufficient market power, an increase in labor's electoral power reduces its demand and has an indirect effect of decreasing the probability of retaliation. Proposition 2 shows that even when labor reduces its demand in response to its increased electoral power, the probability of retaliation still increases. Thus, labor restraint does not lead to a reduction in the probability of retaliation. The direct effect of an increase in electoral power dominates its indirect effect via labor restraint.

Korean Industrial Relations, 1987-1989

Using the hypotheses generated by the model, I identify the factors that were important to the evolution of Korean industrial relations from 1987 to 1989. In particular, I explain the militancy that the Korea labor movement displayed in terms of a gap between its market and electoral power.

Labor Strategy

In the previous section, we defined a as labor demand or strategy.

Common tests for the character of the labor movement in the transition period include how radical labor demands are (does labor support a socialist revolution or, in the Korean context, the North Korean Communist regime?) and how militant the labor movement is (how often do unions strike and how violent are their tactics?).⁷

There seems to be little disagreement among scholars and journalists alike in characterizing the labor movement in Korea as radical and militant. Within the labor movement itself some call for a change in strategy. Park (1992), for example, criticizes labor leaders for pursuing an uncompromising struggle. He believes that sometimes labor should tactically retreat as part of a long-term strategy and try to appeal to the middle class by addressing their common concerns such as housing costs.

What was especially threatening to the hardliners of the ruling bloc and the middle class is that some factions of the labor movement openly supported a socialist revolution and were willing to align themselves with the North Korean communist regime. For example, the main dissident labor organization, the Korea Trade Union Congress (KTUC), consists of two main factions with differing goals and tactics (Lim and Kim, 1991). One faction advocates "class co-existence through profit sharing and co-determination," while the other seeks to achieve "self-management by labor through complete elimination of capitalist rule." The second faction is further divided into the Constituent Assembly (Proletariat Democracy) group that supports a two-stage (a bourgeois revolution first) socialist revolution and the National Liberation Popular Democratic Revolution group that calls for an immediate proletariat revolution by the reunification front. The debate on whether to adopt Kim Il-sung's Juche (self-reliance) ideology also divides the KTUC. The radical nature of labor's ideology is evidenced by the number of labor leaders arrested for violating the National Security Law. From March 1988 to April 1992, 94 labor leaders or workers were arrested for violating the National Security Law.

Labor's confrontational strategy manifested itself into labor's strike activity. As soon as the June 29 Declaration of 1987 was announced, labor disputes exploded. There were 3,749 labor disputes in 1987; the average number of disputes in the previous six years was 171. Labor continued the full mobilization for the next two

years. In 1987, almost all disputes (94.1) violated labor laws. According to government classification, 67.1 percent of them of all disputes were violent, meaning that workers staged illegal demonstrations. The level of violence abated somewhat in the following years but was still much higher than before the transition began.

Hardliners' Response

In response to labor unrest, the transition government initially took a hands-off policy. In the third year of labor unrest (1989), however, the government began to take sweeping measures to bring labor under control (Mo, 1994).

The cornerstone of labor control policy was a crackdown on the union leaders and workers who violated the labor laws.⁸ In 1989 alone, the government arrested 602 workers, a 662 percent increase from 79 arrests in 1988. As labor disputes slowed in 1990 and 1991, the number of arrests also declined to 485 in 1990 and 486 in 1991. However, the average number of arrested workers per dispute did not slow. In fact, it continued to increase from 0.37 in 1989 to 1.51 in 1990 to 2.08 in 1991. This could not have been a response to the increasing intensity of labor disputes because the duration of disputes has been shorter and the number of illegal and violent disputes has been decreasing. Thus, the government's resolve to enforce the laws has not diminished.

The Power of the Korean Labor Movement, 1987-1989

According to the theory presented, labor strategy and the outcome of a transition are determined by the market power and electoral power of a labor movement.

The market power of the Korean labor movement at the time of the transition was strong. Compared to other East Asian countries, the level of competition in the product market is low in Korea. As Deyo notes (pp. 195), the industrialization of Korea and Taiwan, for example, led to a marked difference in industrial concentration. Unlike Taiwan, Korea chose an industrial strategy emphasizing the development of heavy industry with the resulting concentration of

industry. Lee and Lee (1985) report that 30 largest business groups accounted for 18.6 percent of manufacturing employment in 1982. Comparison of simple average three-firm concentration ratios for Korea, Japan, and Taiwan show that the Korean manufacturing industry is most concentrated (Amsden, 1989). The Korean ratio in 1981 was 62.0 percent while those of Japan and Taiwan were 56.3 (in 1980) and 49.2 (in 1981) percents, respectively.

The importance of market concentration as an indicator of labor's market power is demonstrated by Kim and Yun's (1991) study of labor disputes in Korea. They find that market concentration had a significant effect on the number and length of labor disputes at the industry level in 1988 and 1989 (pp. 135).

The level of protection in Korea remains significant, although Korea has been liberalizing imports since the early 80s (Choi, 1993). The effective rate of protection in 1990 was 27.2 percent in manufacturing while the nominal rate was 20.5 percent.⁹ The average tariff rate on manufacturing products in 1987 remained 18.2 percent in Korea (Choi, 1993).

The labor market conditions also favored labor. The level of unemployment has always been low. When the transition began in 1987, Korea was in the midst of economic expansion, further strengthening labor's market power. Unemployment rate in the non-agriculture sector was 3.8, 3.0, and 3.0 in 1987, 1988, and 1989, respectively.

The concentration of the industrial work force in large, urban-based manufacturing plants in Korea also helped the Korean labor movement to lower the cost of collective action. Kim and Yun (1991) find that a labor dispute is more likely to occur in large industrial areas (such as Seoul and Kyonggi, Ulsan, Masan and Changwon) because a dispute easily spreads to neighboring factories.

However, labor's electoral power was very weak during the transition period. Labor was not an active participant in deciding the rules of the transition. The transition began when Roh Tae Woo, then chairman of the ruling DJP, made a surprising announcement on June 29, 1987, that the government would accept key opposition demands. However, the government concessions were intended to satisfy the demands of opposition political parties for a direct presidential election and did not address labor demands. The subsequent bargaining for the new constitution took place among existing politi-

cal parties in the 12th National Assembly (1985-1988); the election for a constitutional assembly was not held as in Brazil. Since there was no labor party under the authoritarian regime, the labor movement could not directly participate in drafting the new constitution. The opposition parties were more sympathetic to labor cause than the government party but they were basically conservative parties and their main interest was in changing the electoral rules to improve their electoral chances. The 12th National Assembly made only small revisions in the labor laws (mainly to relax the requirement for union registration) in response to the labor uprising following the June 29 Declaration.

The crucial presidential election in 1987 failed to elect a President that the labor movement would support. Roh Tae Woo won the election with the help of a divided opposition. The conflict between two opposition leaders (Kim Young-sam and Kim Dae-jung) and the election of the government candidate reflect the reality of Korean electoral politics that class or support for the labor movement are not important electoral divisions. Park Chan Wook (1992), for example, shows that the level of income and being a blue-color worker were not significant determinants of voters' party choice in the 1992 National Assembly election. Among the respondents on Park's survey there were 159 blue-color workers (pp. 23). Only 32.7 percent of them voted for the party most sympathetic to the labor movement, the Democratic Party, while 44.0 percent supported the ruling DLP. The government party received more support from blue-color workers than the main opposition party.

Since President Roh was able to win the election without labor support and did not perceive labor as an important voting bloc, he was not under any electoral pressure to reform the labor laws. The opposition parties in 1988 introduced a proposal in the National Assembly which would repeal key provisions in labor laws. But President Roh vetoed the proposal that an opposition-controlled National Assembly passed.

An Evaluation

According to my theory, labor strategy is most radical during a transition if a labor movement has strong market power but weak electoral power. The Korean case supports this prediction, since the

economically strong but electorally weak Korean labor movement chose an uncompromising strategy during the transition. If the transition had begun in an economic downturn or labor had more electoral power during the transition, labor demands would have been less radical.

The prediction of the retaliation probability is less clear for an economically strong and electorally weak labor movement. According to my theory, the hardliners are most likely to retaliate against a labor movement with strong market and strong electoral power and least likely, against one with weak market and weak electoral power. If the Korean labor movement had more electoral power, it would have moderated its demands but the hardliners would have retaliated at any event. But if the Korean labor movement had weaker market power, the hardliners may not have retaliated. The hardliners would have felt less threatened by an economically and electorally weak labor movement.

Conclusion

Using a rational choice approach, the paper reexamines some of the hypotheses concerning the success of democratic consolidation. In particular, the paper refines Valenzuela's hypothesis relating labor power to labor strategy during a transition period. In so doing, the paper provides a micro foundation for explaining labor strategy during a transition period.

Valenzuela posits that the stronger the labor movement, the lower its demands are during the transition period. However, the relationship between the power of labor movements and their strategy is not as simple as he suggests. Certainly, stronger labor movements have greater incentives to moderate their demands to reduce the probability of retaliation. But at the same time, they are better able to achieve greater economic and political gains if the hardliners do not retaliate. The results of the analysis suggest that the relationship between labor power and labor strategy depends on the sources of labor power, market or electoral power. While labor movements with stronger market power do not reduce their demands during the transition period, those with stronger electoral power sometimes do re-

strain their demands. Strong labor movements do not always reduce their demands because they are willing to risk a high probability of retaliation in order to capture the gains commensurate with their power.

The relationship between labor restraint and the probability of retaliation does not support Valenzuela's thesis, either. Even if electorally strong labor movements restrain their demand, it does not decrease the probability of retaliation. Hardliners react not only to labor's actual demands but also to its underlying electoral strength. Thus, when labor's electoral power increases, labor restraint does not mitigate the hardliners' fear of an electorally stronger labor movement.

The paper points to three directions for future research on the rationality of labor strategy during the transition period. First, the predictions of the model should be tested with cross-country data. Second, the model itself should be extended to incorporate other internal and institutional variables, particularly, the unity of a labor movement and the centralization of collective bargaining. Third, as Mo (1994) suggests, the evolution of industrial relations during a transition period does not end with the hardliners' retaliation. Since the government retaliated against labor in 1989, not all evidence is negative. In one important respect, Korea has made progress in democratization. That is, the rule of law is taking hold in industrial relations. Thus, government retaliation does not end the game. Instead, labor and government play a multi-stage game in which the game continues after government retaliation.

Notes

1. The importance of labor restraint is not particular to transition periods. National economic performance in advanced industrial countries is also said to depend on wage moderation (see Golden (1993) for a survey of this literature).

2. Han (1987) and Cotton (1989) analyze the events leading up to June 29, 1987, when the ruling Democratic Justice Party (DJP) announced political reforms including a direct presidential election. According to Cotton (1991), the autonomy of the South Korean state has shaped the character of the transition to democracy. Brady and Mo (1991) explain how the rules of the game for the transition process were negotiated.

3. See Kim (1990) and Park Funkoo (1992) for a general survey of industrial relations during the transition period.

4. The critics of O'Donnell and Schmitter's strategic approach (or focus on elite maneuvering) are along two lines. Levine (1988) questions O'Donnell and Schmitter's alleged distrust of political democracy and their insufficient attention to the role of political parties. Inglehart (1992) points out the long-term determinants of democracy such as the level of economic development and political culture.

5. A set of conditions favorable to labor restraint are derived with respect to the strength of the labor movement, the extent of labor's internal divisions, characteristics of the authoritarian regime, labor's relationship with the transition government and the manner in which the transition begins.

More specifically, the transition will be smooth (i) if the labor movement is strong to achieve satisfactory initial gains; (ii) if the authoritarian rule was mild (a harsh repression makes many leaders radical and uncompromising); (iii) if the labor movement is centralized and unified so that it would be easier to bring under control those elements of the labor movement who want to fight for maximal gains; (iv) if the authoritarian regime was closed, i.e., did not allow political activities by those linked to the labor movement, so that labor and political leaders are more likely to cooperate for a compromise strategy; (v) if the moderates on both sides lead the transition government so that the transition government is not viewed as favoring

one side over the other; and (vi) if the transition occurs through reform so that the transition process would be as orderly as possible.

6. Stephens and Wallerstein, however, disagree on the determinants of union density.

7. Deciding the militancy of a labor movement is not an easy exercise. First, it is difficult to agree on a set of objective criteria to determine the character of labor strategy because it depends on observers' point of view; the hardliners will be more willing to interpret certain labor actions as excessive than say, workers. Second, the labor movement is not unitary. Some factions may be confrontational while others are not. Thus, we have to take caution in attributing certain characteristics to the labor movement as a whole.

8. The first official sign of the change in the government's position on labor unrest came on December 28, 1988 with President Roh's "Statement on the Stability of the People's Livelihood."

9. The source of data is Table AV.1 in Korea's report to the GATT under the Trade Policy Review Mechanism on June 12, 1992.

Appendix

A labor movement with power (m, e) chooses a to maximize

$$(1-p(a, e)) b(a, m, e) - p(a, e) h, \quad (1)$$

where p and b are assumed to be continuous and twice differentiable. Labor's potential gains, b , are assumed to be single-peaked. Thus, there exists the optimal level a^* of demands that labor makes in the absence of the retaliation threat. Labor power variables, e and m , differently affect labor's expected utility in (1). The effect of m is through b only while e affects both b and p . Since the model already permits comparison of m and e , the effects of m and e on b are assumed to be symmetric, i.e., $b_e = b_m$ and $b_{ae} = b_{am}$ where b_i represents the partial derivative of b with respect to variable i . That is, labor's market power and electoral power are interchangeable in achieving gains without the threat of retaliation.

I also assume that $p_{aa} > 0$. The rate of increase in the probability of retaliation is increasing in labor's electoral power, indicating the hardliners' propensity to retaliate against the demands of an electorally powerful labor movement.

I restrict the analysis to the case in which the cost of retaliation to labor is no higher than the loss of potential democratic gains, i.e., $h=0$. Although it is possible that labor's welfare after the retaliation will be worse than that in the pre-democratization period, the return to the pre-democratization labor system will be a typical reversion outcome.

The first-order necessary condition is

$$-p_a b + (1-p) b_a - p_a h = 0. \quad (2)$$

Since $h=0$ and $p_{aa} > 0$, labor will not demand more than a_0 (i.e., there is no interior solution to labor's problem) unless $b_a > 0$.

The second-order sufficient condition is

$$R = -p_{aa} (b+h) - 2p_a b_a + (1-p) b_{aa} < 0. \quad (3)$$

From (2) we can derive the optimal a^* as a function of m and e :

$$a^* = a^*(m, e, h). \quad (4)$$

Substituting a^* in (2) and differentiating with respect to m and e yield the following comparative statics results:

$$a_m^* = \frac{-(1-p)b_{mm} + p_a b_m}{R}, \quad (5)$$

$$a_e^* = \frac{p_a b_e + p_a b_a + p_{ae}(b+h) - (1-p)b_{ae}}{R}. \quad (6)$$

Equation (5) shows that $a_m^* > 0$ if $p_a b_m - (1-p) b_{mm} < 0$. Using (2) and $h=0$, we can rewrite this condition as

$$t = \frac{b_a}{b} < k = \frac{b_{mm}}{b_m}. \quad (7)$$

The condition for $a_m^* > 0$ in (7) is equivalent to saying that the elasticity of labor gains with respect to labor demands must be increasing in labor market power, i.e., labor gains become more responsive to labor demands when labor's market power increases. This condition is not unreasonable for the transition period when labor's market power can help make labor demands more effective than more stable periods of labor relations. Thus, I expect $a_m^* > 0$ during the transition period.

Using (2), $b_m = b_e$ and $b_{mm} = b_{me}$, we can show that $a_e^* > 0$ if

$$t < k = b_{mm} b_m - \frac{p_a b_e + p_{ae} b}{(1-p)b_e}. \quad (8)$$

Since $p_{ae} > 0$, $k < l$. Thus, $a_e^* > 0$ if $t > k$ and $a_e^* < 0$, otherwise. An increase in electoral power can lead labor to restrain while an increase in market power does not. This result is intuitive, given my assumption that only electoral power has an independent effect on the probability of retaliation. However, we cannot fully explain the existence conditions (t , k , and l) in terms of the parameters of the model.

The comparative statics results on labor demands give some insight into the effect of parameter change on the probability of retaliation. The sign of p_m is the same of that of a_m . But the sign of p_e is indeterminate when $a_e < 0$. Since $p_e > 0$, labor restraint alone is not sufficient to decrease the probability of retaliation.

To gain intuition into the exact conditions for labor restraint and its effect on the probability of retaliation, I assume that b and p have particular functional forms, namely,

$$b = -a^2 + 2(m+e)a, \quad p = \frac{ea}{1+ea} \quad (9)$$

The functions in (9) are chosen to satisfy the assumptions that I made on the shapes of b and p . For example, p in (9) satisfies $p_{ee} > 0$ when e is small. The propositions in the main text state the results generated with the functions in (9).

According to Proposition 1, $d = a^n - a^*$ is positive and increasing in m and e when $h=0$:

$$d = \frac{e(e+m)+1-\sqrt{1+e(2e+2m-eh)}}{e} > 0, \quad (10)$$

$$d_m = \frac{\sqrt{1+e(2e+2m-eh)}-1}{\sqrt{1+e(2e+2m-eh)}} > 0, \quad (11)$$

$$d_e = \frac{1+em+(e^2-1)\sqrt{1+e(2e+2m-eh)}}{e^2\sqrt{1+e(2e+2m-eh)}} > 0. \quad (12)$$

Propositions 2 and 3 are based on the following comparative statics results with $h=0$:

$$a_m^* = \frac{1}{\sqrt{1+e(2e+2m-eh)}} > 0, \quad (13)$$

$$a_e^* = \frac{\sqrt{1+e(2e+2m-eh)}-(1+em)}{e^2\sqrt{1+e(2e+2m-eh)}}. \quad (14)$$

From (14), it is straightforward to show that

$$a_e^* < 0 \text{ if } m > \sqrt{2-h}. \quad (15)$$

Since $a_m^* > 0$, it follows that $p_{m^*} > 0$. We also find that

$$p_e^* = \frac{2e+m-eh}{(1+e(2e+2m-eh))^{3/2}} > 0. \quad (16)$$

Voting and Abstention in the 1992 Presidential Election

Chae-Han Kim

Introduction

POLITICAL PARTICIPATION HAS BEEN EXPLAINED BY SOME scholars as rational action. Rational voting does not necessarily involve the precise calculation of expected utilities of voting. Rational voting refers that voters behave *as if* they calculate their expected utilities. Some scholars argue that the rational voters are bound to cause collective action problems.

According to Downs (1957), because citizens in a democracy always consider that they benefit heavily from the maintenance of the system, some people will incur a short-run cost of voting in order to help secure the long-run gain from the continuance of the system. However, if the political system is to collapse because few people vote, one person's vote does not prevent it. Similarly, even if an individual does not vote, he will benefit from the system as long as a sufficient number of other citizens vote. Therefore, Downs's explanation of political participation is limited if voting entails certain costs to voters.

Olson (1965) argues that collective action can be guaranteed

when each member is offered selective incentives. Riker and Ordeshook (1968) formalize the following utility function of voting.

$$R = P \cdot B + D - C,$$

where C is the cost of political participation, D is the benefit of participation without respect to the outcome, B is the difference in utility between the outcomes, and P is the probability of his/her influencing the result by participation. Of course, these indicators depend on subjective judgements. He/she is expected to vote if the subjective reward, R , for voting is positive.

There have been some doubts about explaining political participation by means of rationality in a Confucian country, where politics means "rule rightly over people" rather than "party politics". In order to see whether the political participation in Korea can be explained by the notion of rationality, this chapter investigates voting/abstention decisions by examining each term in Riker and Ordeshook's equation. I use the IKES (Institute for Korean Election Studies) survey data. To construct this data set, 1200 randomly selected citizens were interviewed just after the 1992 Korean presidential election.

Determinants of Abstention

Alienation

Abstention can result from alienation or indifference, which are two different concepts. When a citizen likes no candidate, he is likely to abstain. Turnout in the election according to the voter preference of candidates is shown in Table 5.1. As expected, a citizen is more likely to vote when he likes at least one candidate than when he likes none. Although alienation as a socio-economic phenomenon may not explain voter turnout empirically, alienation as an individual preference explains voting/abstention, as shown in the Table. If alienation is measured by mistrust of politicians as well as the degree of preference, mistrust discourages participation.

Table 5.1 Alienation and Abstention

	Number of Cases	Turnout
Those who say they like at least one candidate very much	702	94.6%
Those who say they like a candidate more or less	308	91.9%
Those who say they like no candidate	61	86.9%
Those who say they trust politicians	291	95.9%
Those who say they mistrust politicians	896	92.6%

Indifference

When a citizen is indifferent between/among candidates, he is likely to abstain. Not only when a citizen dislikes all candidates, but when he likes two candidates equally, the participation does not result in any additional utility for the voter. Table 5.2 shows how abstention is related to the differences in voter preference between the two Kims and among three leading candidates. As expected, a citizen is more likely to abstain when he is indifferent between/among candidates.

Table 5.2 Indifference and Abstention

The level of difference in voter's intensity of preferences among all candidates.

	Number of Cases	Turnout
High	132	97.7%
Low	1020	93.1%
No	26	92.3%

The level of difference in voter's intensity of preferences between the two Kims.

	Number of Cases	Turnout
Some	893	94.1%
No	269	90.3%

The level of difference in voter's intensity of preferences among the three leading candidates.

	Number of Cases	Turnout
Some	1018	94.0%
No	141	87.2%

Voting Efficacy

A citizen is less likely to vote when his voting would not influence the election outcome at all. On the other hand, he is more likely to vote when the contest is perceived to be close. Though the probability of an individual's vote influencing the outcome is very low, its higher subjective probability encourages people to vote, as shown in Table 5.3.

Table 5.3 *Voting Efficacy and Abstention*

	Number of Cases	Turnout
Those who say they expect a close race	959	94.2%
Those who say they do not expect a close race	231	91.3%
Those who say they prefer a candidate that is expected to win*	329	94.5%
Those who say they prefer a candidate that is expected to be the runner-up**	295	97.3%
Those who say they prefer a candidate that is certain to lose***	294	93.9%
*Kim Young-sam **Kim Dae-jung or Chung Chu-young ***Others		

Civic Duty and the Costs of Voting

There some economic, physical or psychological costs of voting. It is argued that many people vote because these costs are very low. On the other hand, the benefit a voter derives out of his participation without respect to the election outcome comes from the psychological satisfaction of performing his civic duty or voting for his preferred candidate. This may be reflected in a questionnaire about personal interest in the election. Table 5.4 shows that the more interest people show in an election, the higher the turnout. As implied in Riker and Ordeshook's equation, civic duty (the D term in the equation) will encourage citizens to vote more than voter preferences among candidates (the B term) will.

Table 5.4 *Level of Interest in the Election and Abstention*

	Number of Cases	Turnout
Those who say they feel a great interest in the election	584	97.6%
Those who say they feel some interest in the election	468	92.9%
Those who say they feel not much interest in the election	124	81.5%
Those who say they feel no interest in the election at all	22	59.1%

Consequences of Abstention

Some people argue that, when the turnout is low, minority groups organized by special interests may have a big influence on an election outcome and thus, policy choices. Therefore abstention hinders democracy. On the other hand, if turnout in an election is expected to be low, a rational citizen would vote because his vote is more likely to influence the election outcome. Thus a rational choice model does not yield a very low turnout.

Abstention can be argued to be a type of political participation. Because abstention is a democratic right, obligatory voting could be

Table 5.5 *Political Attitudes and Abstention*

	Number of Cases	Turnout
Those who prefer		
Kim Young-sam	94.0%	711
Kim Dae-jung	94.9%	513
Chung Chu-young	95.1%	344
Park Chan-jong	93.3%	654
Lee Pyung-ho	93.0%	43
Kim Ok-sun	97.2%	72
Paek Ki-wan	93.0%	157
Those who prefer		
Democratic Liberal Party	93.8%	470
Democratic Party	94.4%	324
United People's Party	95.7%	70
no party	89.6%	269
Attitude toward government		
pro-government	92.0%	460
neutral	93.2%	325
anti-government	95.1%	407

anti-democratic. If voting/abstention is unrelated to political attitudes or preferences, then low turnout does not alter the election result.

As shown in Table 5.5, political attitudes and preferred party/candidates do not seem to be related to voting/abstention, although no-party preference, reflecting alienation, shows a lower probability of voting. At least in the 1992 Korean presidential election, then, abstention did not mean gain/loss of a specific group.

Others

The political sociology literature has explained abstention with many socio-economic variables (see Verba, Nie and Kim, 1978; Powell, 1986). Among them, Party ID, political interest, and political activity could be included in preference or utility function. Age seems to be related to civic duty or interest in politics, as found in other survey analyses. Retrospective evaluation also seems to be included in the utility function. On the other hand, other socioeconomic variables such as education, income, sex and urbanization cannot be related to the concept of rationality. Previous empirical findings also suggest that they are not related to abstention. In the context of Korea, low-income, under-educated people are not necessarily more mistrustful of politicians, and are not necessarily more likely to incur a greater cost of voting. Thus, it is safe to conclude that education and income are not related to abstention. Socioeconomic determinants of abstention vary across different countries and across different time periods.

Multivariate Analysis

The bivariate analyses above show that the signs of determinants are as expected, although some of them are not statistically significant. A multiple regression should be used here for an independent influence of each determinant on abstention. For example, if a citizen likes two candidates, he is likely to abstain. But even in this case, he is more likely to vote than he is when he likes none. Table 5.6 shows the reasons for abstention given at the time of interview.

Table 5.6 Reasons for Abstention

	Percent	Cases
Because I like no candidate	10.8%	8
Because I do not care who wins	8.1%	6
Because my vote does not change the election outcome	8.1%	6
Because I am not interested in politics	5.4%	4
Because I have personal business on election day	67.6%	50
	100.0%	

"Because I like no candidate" seems to fit alienation, while "because I do not care who wins" reflects indifference. "Because my vote does not change the election outcome," "because I am not interested in politics," and "because I have personal business on election day" can be regarded as voting efficacy, civic duty, and the cost of voting respectively. As expected, the cost of voting was most frequently mentioned.

Table 5.7 Determinants of Voting/Abstention

Independent Variables	Regression coefficients
Alienation (not like =0, like more or less =1, like very much=2) (mistrust politicians =0, trust politicians =1)	.019 (.014) .037 (.018)*
Preference among three leading candidates (indifference=0, difference=1)	.058 (.025)*
Expectation of election result (landslide=0, close=1)	.039 (.019)*
Age	.022 (.010)*
Educational background (elementary=1, middle school=2, high school=3, college=4)	.012(.010)
Income (very poor=1, poor=2, mid=3, rich=4, very rich=5)	.016 (.012)
Urbanization (rural=-1, small city=0, metropolitan=1)	-.017 (.010)
Sex (female=0, male=1)	.012 (.015)

Dependent variable: abstention=0, voting=1

() standard error, *p<.05

Table 5.7 shows the impact of some variables on abstention. Most socioeconomic variables except age do not explain voting/abstention. Alienation, indifference and expectation of a landslide victory yield low turnout. Other things being equal, a citizen is more likely to vote when he expects a close race than when he is sure who will win. And he is more likely to vote when he clearly prefers one among the leading candidates. Also he is more apt to participate in the election when he does not mistrust candidates.

Conclusion

In this chapter, I explained voting/abstention in the 1992 Korean presidential election with a simple rational choice model. The above model does not explain the absolute level of turnout. However, it does show that some variables based on the notion of rationality have an impact on the level of voter turnout. Although some previous studies based on aggregate data showed that certain indicators based on rationality are related to turnout (Barzel and Silberberg 1973; Settle and Abrams 1976; Silberman and Durden 1975), other studies based on survey data did not (Foster 1984). According to the latter, less than a quarter of American respondents said that they would go to the polls to vote for their favorite candidates (Rogin, 1967). Then this chapter has shown that rational choice models may explain and predict the events in Korean politics better than those in other countries.

PART II

Security Issues in the Korean Peninsula

South Korea's Foreign Policy Strategies toward Main Actors in the Northeast Asia

Woosang Kim

Introduction

THE NORMALIZATION OF THE DIPLOMATIC RELATIONSHIP between South Korea and China on August 1992 and the North Korea's ongoing nuclear weapons program are two of the major international political events recently happened in the Korean peninsula. In this chapter I introduce game-theoretic analyses to examine South Korea's foreign policy strategies in dealing with these two major international events in Northeast Asia.

On August 24, 1992 South Korea and China celebrated the formal diplomatic recognition between the two sides. For China this memorable event must be another important step toward its successful economic reform policy and its diplomatic victory over Taiwan. For South Korea this historic moment would be considered an accomplishment of the *Nord Politik* that brings us a step closer to the peaceful reunification of the Korean peninsula.¹ Many thought South Korea's cut-down of diplomatic tie with Taiwan and the normalization of the relationship with China rather unexpected courses of diplomacy. By using a simple game theoretic analysis, however, I

demonstrate why the two courses of actions — South Korea's cut-down of diplomatic tie with Taiwan and the normalization of the relationship between South Korea and China — are not so surprising outcomes of the diplomatic games among South Korea, China and Taiwan.

Another major international political event in the Korean peninsula is the deadlock between the international community and North Korea on the North Korea's ongoing nuclear weapons program. Although North Korea joined the Nuclear Nonproliferation Treaty (NPT) in 1985, it did not accept the International Atomic Energy Agency's (IAEA) nuclear inspection until May 1992. Along with American surveillance photographs and intelligence sources, chemical evidence drawn from samples of the small amounts of plutonium that North Korea has admitted to producing in a laboratory test in 1990 made the United States and other nations in the international community suspicious of North Korea's capability of developing nuclear weapons.²

On February 25, 1993 the IAEA decided to demand "special inspection" to North Korea and to wait and see how North Korea responds. In case of North Korea's rejection of the inspection, the international community, led by South Korea, may have to come up with appropriate measure to punish North Korea. What kind of options does the international community have? Among those options which might be the best strategy for the international community to induce North Korea to accept the nuclear inspection? In this paper, the nuclear inspection game between North Korea and the international community is also introduced. The equilibrium analysis of the game suggests that the members of the international community should make sure that they use both "carrots and sticks" in dealing with North Korea.

The Diplomatic Normalization Game

There are two players, the South Korean government and the government of the People's Republic of China, in the diplomatic normalization game and each of them is assumed to have two strategies (or options).³ In this game, South Korea faces two choices: either to sever its tie with Taiwan (S) or to maintain (or not to sever) diplomatic re-

lations with Taiwan ($\sim S$). While maintaining its existing diplomatic relations with Taiwan, South Korea may work very hard to succeed in establishing the new diplomatic tie with China. Or South Korea may sever the existing diplomatic tie with Taiwan and make an effort to normalize relationship with China.

China has two alternatives (or strategies) as well. After making careful calculation of the on-going relations with South Korea, it can either decide to normalize relationship with South Korea (N) or not to normalize diplomatic tie with South Korea ($\sim N$). Normalizing relationship with South Korea could be costly for China. China may have to consider the long-term relationship with North Korea and its consistent support of communist ideology. On the other hand, strengthening its relations with South Korea through the establishment of formal tie could be beneficial to its economic reform. The newly strengthened relationship may induce tighter economic cooperation between the two. Consequently, there may be increased foreign investment and better terms of trade, and so on.

These strategies for both South Korea and the People's Republic of China produce a simple 'two by two normal form game' that has four possible outcomes.⁴ First, South Korea maintains existing diplomatic relations with Taiwan and China decides to normalize the relationship with Korea, i.e., ($\sim S$, N).⁵ This outcome indicates the situation where South Korea successfully normalizes the diplomatic relationship with China, while still recognizing Taiwan as an independent nation-state. The second outcome, ($\sim S$, $\sim N$), shows the situation in which South Korea fails to normalize the relationship with China, while keeping the existing diplomatic tie with Taiwan. Third, the outcome, (S, N), displays that South Korea severs the diplomatic relationship with Taiwan and accomplishes diplomatic normalization with China. Finally, the outcome, (S, $\sim N$), shows that South Korea severs the existing relationship with Taiwan, but fails to normalize relationship with China.

South Korea's Preference

Which outcome does South Korea prefer the most? The South Korean government must have preferred ($\sim S$, N) or (S, N) to ($\sim S$, $\sim N$) or (S, $\sim N$). Since 1988 the *Nord Politik* has been one of the most important foreign policies of the Roh Tae Woo administration. During

1989 South Korea started to normalize diplomatic ties with such Eastern European countries as Hungary, Yugoslavia, Poland, Bulgaria, Czechoslovakia, and Romania. In late 1990, it also established formal diplomatic relations with the Soviet Union. However, South Korea's efforts to normalize diplomatic tie with China was not materialized then, although the two sides opened trade offices in Beijing and in Seoul and the volume of bilateral trade in 1990 exceeded 3 billion dollars. Successful diplomatic normalization with China must have been one of the most important, final goals of the President Roh's foreign policy team. So, it seems reasonable to assume that South Korea prefers ($\sim S$, N) or (S, N) to ($\sim S$, $\sim N$) or (S, $\sim N$).

Now, let's compare the two outcomes, ($\sim S$, N) and (S, N). Which one does South Korean government prefer? It seems apparent that South Korea would like to maintain the existing diplomatic relationship with Taiwan if possible. Taiwan has been South Korea's long-time ally and both sides have enjoyed their socioeconomic relations. Cutting formal tie with Taiwan may mean losing economic cooperation with Taiwan.⁶ Therefore, it is acceptable to assume that South Korea prefers ($\sim S$, N) to (S, N). With the same reasons, South Korea prefers ($\sim S$, $\sim N$) to (S, $\sim N$). If South Korea cannot successfully normalize the diplomatic tie with China, there is no point of severing the existing relationship with Taiwan.

Based on South Korea's preference ordering of these four outcomes, we can assign "utility" to each of these four outcomes.⁷ South Korea's utility for ($\sim S$, N) is $U(SK)_4$; its utility for (S, N) is $U(SK)_3$; its utility for ($\sim S$, $\sim N$) is $U(SK)_2$; and its utility for (S, $\sim N$) is $U(SK)_1$, where $U(SK)_4 > U(SK)_3 > U(SK)_2 > U(SK)_1$. This simply means that the utility of South Korea attached to the outcome, ($\sim S$, N), is the highest and the utility for the outcome, (S, N), is the second highest, and so on.

China's Preference

The two most important principles of the Chinese foreign policies must be the "one China" principle and the "Peaceful Coexistence" principle. China will never sacrifice its "one China" principle for any benefits it might obtain by normalizing the relationship with South Korea. Therefore, China will always prefer the out-

comes (S, N) or (S, \sim N) to (\sim S, N) or (\sim S, \sim N). To help its economic reform, on the other hand, China is eager to improve its relationship with South Korea as long as South Korea does not violates its "one China" principle. It seems clear that China prefers (S, N) to (S, \sim N).

However, China will never sacrifice its "one China" principle. If South Korea does not accept the idea of "only one China and Taiwan is a part of it", China prefers not to normalize the relationship with South Korea. If China has to choose one strategy from the two, while South Korea keeping its relationship with Taiwan, China must prefer not to normalize relation with South Korea. For whatever cost it pays, China will not set the precedent of violating its "one China" principle for other purposes. Therefore, China must prefer (\sim S, \sim N) to (\sim S, N).

Based on China's preference ordering of these four outcomes, its payoffs (utilities) for the four outcomes can be assigned as follows: China's utility for (S, N) is $U(CH)_4$; its utility for (S, \sim N) is $U(CH)_3$; its utility for (\sim S, \sim N) is $U(CH)_2$; and its utility for (\sim S, N) is $U(CH)_1$, where $U(CH)_4 > U(CH)_3 > U(CH)_2 > U(CH)_1$.

Equilibrium Analysis

Figure 6.1 displays the normal form game of diplomatic recognition between South Korea and China.⁸ In this game, Korea will choose not to sever tie with Taiwan (\sim S). Let's see why. If China chooses to normalize (N), Korea can be better off by choosing not to sever (\sim S) than by choosing to sever (S) since the former gives $U(SK)_4$ and the latter provides $U(SK)_3$, and $U(SK)_4$ is greater than $U(SK)_3$. When China chooses not to normalize (\sim N), Korea is still better off by choosing not to sever (\sim S) than by choosing to sever (S) because $U(SK)_2$ is greater than $U(SK)_1$. That is, no matter what China does, i.e., either to choose to normalize or to decide not to normalize the relationship with South Korea, South Korea is better off by maintaining the existing formal relationship with Taiwan. This is Korea's so-called "dominant strategy."

On the other hand, China will choose not to normalize the relationship with South Korea. Let's see why. China may try to minimize the worst possible outcome by choosing one strategy over the other. If China chooses to normalize (N), then the worse possible outcome is $U(CH)_1$ when Korea chooses to maintain the relationship with Taiwan.

Figure 6.1 A Normal Form Game of Diplomatic Normalization

		CHINA	
		N	$\sim N$
SOUTH KOREA	$\sim S$	$U(SK)_w, U(CH)_1$	$U(SK)_z, U(CH)_2$
	S	$U(SK)_3, U(CH)_4$	$U(SK)_1, U(CH)_3$

On the other hand, if China chooses not to normalize ($\sim N$), then the worse possible outcome is $U(CH)_2$ when Korea chooses not to sever ($\sim S$). The worst possible outcome, $U(CH)_1$, occurs when China chooses to normalize (N), and therefore, China avoids that strategy. Instead, China decides not to normalize ($\sim N$). It is its "minimax strategy." So, in this game the payoffs for South Korea and China are $U(SK)_2$ and $U(CH)_2$, respectively. This outcome is the "Nash equilibrium" outcome. That is, this outcome is very stable outcome when Korea and China choose their strategies without knowing the other side's decision.⁹

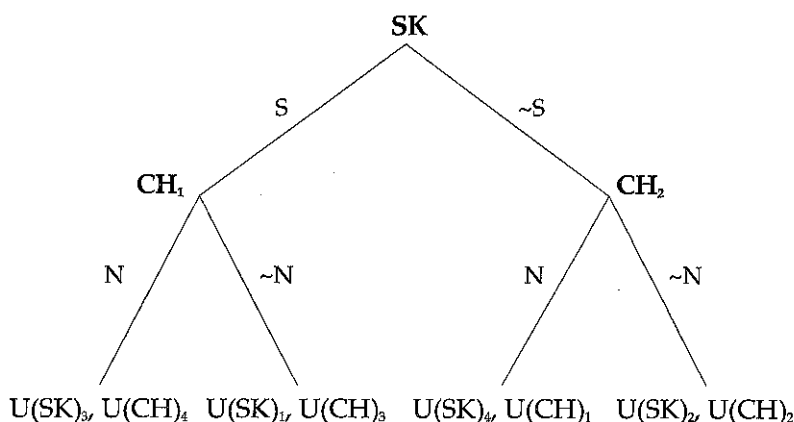
This outcome captures the reality just before the actual normalization between South Korea and the People's Republic of China has happened on August 24, 1992. That is, this outcome shows the status quo of the relationship between the two sides until the early part of the year 1992. The payoffs of both players, $U(SK)_2$ and $U(CH)_2$, show that they are not the highest payoffs. Although either Korea or China, or both would try to change the outcome, the status quo is more likely to remain if Korea and China choose their strategies simultaneously, or, at least, if no one side tries to move first.

However, there seems to be two reasons that force South Korea to make first move. As the presidential election date was approaching and the President Roh's leadership period was about to end, the South Korean leaders must have been very anxious to put a successful end of their final goal of the *Nord Politik*, i.e., to normalize the relationship with China. Successful accomplishment of the *Nord Politik* was believed to ease the tension in the Korean peninsula, and to accomplish the reunification of Korea.

South Korean leaders had another incentive to move first. Since they knew that North Korea was in the process of acquiring nuclear capabilities, the leaders must have worked hard to get support from both Russia and China, two former allies of North Korea who still seem to have influence on North Korea, on the issue of nuclear non-proliferation in the Korean peninsula. On the other hand, there seems to be not much incentive for China to move first because it wants to make sure that its policy of "one China" be not violated. About 40 years of China's foreign policy behavior has shown that even if it is eager to carry out its economic reform policies it will not do so at the expense of its "one China" or "Peaceful Coexistence" principles.

The simultaneous game in Figure 6.1 does not capture this idea that South Korea decides what strategy to choose first. In Figure 6.2, I introduce an "extensive form" game of diplomatic recognition.¹⁰ In this game South Korea moves first, i.e., South Korea chooses one strategy from the two. Following South Korea's move, China responds by choosing one alternative from their two choices.

Figure 6.2 *An Extensive Form Game of Diplomatic Normalization (South Korea Moves First)*

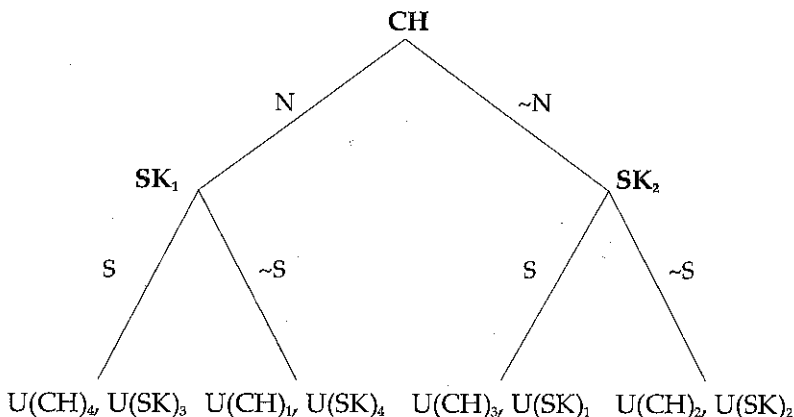


The outcome in this game is that South Korea severs the formal relation with Taiwan and China responds by agreeing to normalize the diplomatic relationship with South Korea. Let's examine how this outcome occurs. When South Korea has to choose its strategy first, South Korea will speculate how China may respond to its first

move. If South Korea chooses not to sever ($\sim S$), then Korea anticipates that China will respond by choosing not to normalize' ($\sim N$), because $U(CH)_2 > U(CH)_1$. In this case, South Korea's payoff will be $U(SK)_2$. But, if South Korean government chooses to sever (S), then it anticipates that China will respond by choosing to normalize (N) because South Korea knows that China prefers $U(CH)_4$ to $U(CH)_3$. In this case, South Korea's utility will be $U(SK)_3$. By comparing the two outcomes, $U(SK)_2$ and $U(SK)_3$, South Korea will decide to choose to sever (S) so that it can obtain $U(SK)_3$, which is greater than $U(SK)_2$. By using this kind of "backward induction" procedure we can see that the equilibrium outcome of this extensive form game of the sequential moves is that South Korea shows eagerness to normalize the diplomatic relationship with China by declaring that Taiwan is no longer considered an independent nation-state, and China responds by agreeing to normalize the relationship with South Korea.¹¹ The outcome of this sequential game explains very well what happened in August 1992 between South Korea and China.

As noted earlier, there is not much incentive for China to move first because it wants to make sure that its policy of "one China" be not violated. But, even if China moves first in this game, we will find that the status quo still remains. The game in Figure 6.3 displays this scenario. By the same logic of backward induction, China will not normalize the relationship with South Korea and South Korea will respond by keeping the existing tie with Taiwan. That is, when

Figure 6.3 An Extensive Form Game of Diplomatic Normalization
(China Moves First)



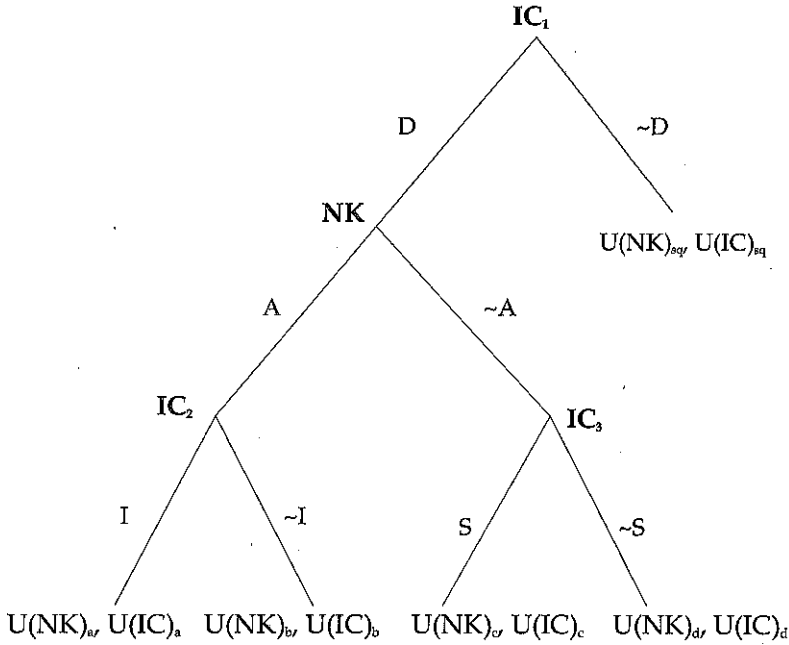
China had to reveal its strategy by choosing it first, China might think very carefully about how Korea would respond to its first move. If China chooses to normalize (N), then China will assume that Korea will respond by choosing not to sever (\sim S) since $U(SK)_4$ is greater than $U(SK)_3$. In this case China's payoff will be $U(CH)_1$. But, if China chooses not to normalize (\sim N), then it anticipates that Korea will respond by deciding not to sever (\sim S) because for Korea $U(SK)_2 > U(SK)_1$. In this case, China's payoff will be $U(CH)_2$. By comparing the two potential payoffs, $U(CH)_1$ and $U(CH)_2$, China will decide to choose not to normalize (\sim N) so that it can at least secure the third best outcome, $U(CH)_2$, which is better than $U(CH)_1$. As was shown by China's forty years of consistent foreign policy behavior, China would not decide to normalize the relationship with any nation unless that nation accepted its "one China" principle. This scenario of China moving first demonstrates that for South Korea to successfully normalize the diplomatic relationship with China, Korea had no choice but to decide to sever its tie with Taiwan.

Nuclear Inspection Game

In the game of the nuclear inspection, we have two players — North Korea (NK) and the international community (IC), led by South Korea and the United States. The IC moves first by demanding the "special inspection" in two of the nuclear facilities in Yongbyun, North Korea (D). North Korea has to respond either by accepting the IC's demand of nuclear inspection (A) or by rejecting the demand (\sim A). Then, the IC is assumed to have two strategies for each strategy that North Korea has chosen. That is, if North Korea decides to accept the IC's demand, the IC would decide to improve relationship with North Korea or to do nothing.¹² On the other hand, if North Korea decides not to accept the IC's demand, the IC would choose either to isolate North Korea from the international community through the economic sanction or embargo (S) or to do nothing (\sim S).¹³ Figure 6.4 displays the players, their strategies and the payoffs of each outcomes of the sequential game.

As we can see from Figure 6.4, there are five outcomes in the game. First of all, if the IC does not demand nuclear inspection, then the status quo remains. If the IC demands, on the other hand, we ex-

Figure 6.4 An Extensive Form Game of Nuclear Inspection



pect four outcomes in the following game. The sequential strategy choices, (D, A, I) will produce an outcome in which North Korea accepts the IC's demand for the nuclear inspection, and in return, the IC improves its relations with North Korea. The utilities or the pay-offs of this outcome for North Korea and the IC are $U(NK)_a$ and $U(IC)_a$, respectively. $(D, A, \sim I)$ will produce the outcome in which North Korea accepts the IC's demand of nuclear inspection and the IC maintains its existing level of relations with North Korea. The payoffs of this outcome for North Korea and the IC are $U(NK)_b$ and $U(IC)_b$, respectively. $(D, \sim A, S)$ produces the outcome where North Korea does not open the door for the nuclear inspection and the IC isolates North Korea further from itself through economic sanction. The payoffs of this outcome for North Korea and the IC are $U(NK)_c$ and $U(IC)_c$, respectively. Finally, $(D, \sim A, \sim S)$ produces the outcome where North Korea rejects the IC's demand and the IC does nothing. The utilities of this outcome for North Korea and the IC are $U(NK)_d$ and $U(IC)_d$, respectively.

North Korea's Preference

Which outcome do the leaders in North Korea prefer the most? First, it seems reasonable to say that $U(NK)_d > U(NK)_b$. If there is no change-no further isolation or no improvement of the relations with others-no matter what North Korea does, i.e., to accept (A) or not to accept ($\sim A$), then North Korea must prefer not to accept the demand. Second, it must be the case that $U(NK)_a > U(NK)_b$. If North Korea had to accept the demand, then North Korea would want to have a chance to improve its economic and political position, at least. It could save face of accepting the demand or it might actually need political or economic support from the international community, especially from the main actors in Northeast Asia. Third, $U(NK)_d > U(NK)_c$ because North Korea must not want to pay high cost of rejecting the demand. For North Korea no change in its status is preferred to further isolation of its position in the international community after rejecting the demand. In sum, the comparisons between $U(NK)_d$ and $U(NK)_b$, between $U(NK)_a$ and $U(NK)_b$, and between $U(NK)_d$ and $U(NK)_c$ are rather straightforward.

But, what about between $U(NK)_a$ and $U(NK)_c$ or between $U(NK)_a$ and $U(NK)_d$, or between $U(NK)_b$ and $U(NK)_c$? To compare these pay-offs I develop four different types of leadership in North Korea — strong hawkish, weak hawkish, weak dovish, and strong dovish leaders.

Between $U(NK)_a$ and $U(NK)_d$, which payoffs does North Korea prefer? I assume that hawkish leaders — both strong and weak — prefer $U(NK)_d$ to $U(NK)_a$. As the term “hawkish” implies, the best choice for the hawkish leader is not to accept any unfavorable demand from his adversaries. $U(NK)_d$ indicates that North Korea does not accept the demand and the IC does not retaliate North Korea, whereas $U(NK)_a$ is the payoff of the outcome in which it need to accept its adversary's demand to obtain some potential benefit of the improvement of the relations with other nations. So, the hawkish leader prefers $U(NK)_d$ to $U(NK)_a$.

In comparing $U(NK)_b$ and $U(NK)_c$, I assume that only strong hawkish leader prefers rejecting the demand and accepting the consequence of further isolation to accepting the demand and consequently having a chance to improve the economic and political relations with other nations. Even weak hawkish leader, like weak

dovish or strong dovish leader, would prefer accepting the demand and improving relations with other nations to rejecting the demand and being retaliated by the international community. Weak hawkish leader may think that it is too costly for North Korea to be further isolated from other nations.

Comparing $U(NK)_b$ and $U(NK)_c$, I assume that leaders in North Korea would prefer rejecting the demand and being further isolated to accepting the demand and receiving no reward, i.e., no change in North Korea's status, except for the case in which leaders in North Korea are strong dovish type.

With above preference orderings, North Korea's payoffs can be ranked based on its leadership types:

- (i) **strong hawkish:** $U(NK)_d > U(NK)_c > U(NK)_a > U(NK)_b$
- (ii) **weak hawkish:** $U(NK)_d > U(NK)_a > U(NK)_c > U(NK)_b$
- (iii) **weak dovish:** $U(NK)_a > U(NK)_d > U(NK)_c > U(NK)_b$
- (iv) **strong dovish:** $U(NK)_a > U(NK)_d > U(NK)_b > U(NK)_c$.

International Community's Preference

The IC must prefer $U(IC)_a$ or $U(IC)_b$ to $U(IC)_c$ or $U(IC)_d$. As soon as its demand of nuclear inspection is accepted, there is no reason for the IC to consider further retaliatory action against North Korea. But, what about the choices between $U(IC)_a$ and $U(IC)_b$, and between $U(IC)_c$ and $U(IC)_d$? The strongest position that the IC could take is that in return for North Korea's acceptance of the inspection, it is not willing to provide any reward. Instead, the international community might want to make sure that North Korea's humiliation could set the standard in the international system. In this case, the IC must prefer $U(IC)_b$ the most. If the IC takes "strong" position, then they must prefer $U(IC)_c$ to $U(IC)_d$. If North Korea does not accept the demand, they will retaliate for sure.

What if the IC decides to take the "middle" position by showing willingness to cooperate with North Korea when North Korea is ready to accept but by indicating strong will to punish in case North Korea does not accept the demand? The preference ordering for this position must be $U(IC)_a > U(IC)_b > U(IC)_c > U(IC)_d$.

The "weakest" position that the IC could take is that it shows its willingness to reward North Korea in case North Korea cooperates with the international community by accepting the IC's demand.

But, the weakest position could also mean that the IC might not do anything to retaliate North Korea even when North Korea does not accept the demand. The weakest position then must have the following preference ordering: $U(IC)_a > U(IC)_b > U(IC)_d > U(IC)_c$.

Based on the above three possible positions, the International Community's preferences can be ordered as follows:

- (i) **strong:** $U(IC)_b > U(IC)_a > U(IC)_c > U(IC)_d$
- (ii) **middle:** $U(IC)_a > U(IC)_b > U(IC)_c > U(IC)_d$
- (iii) **weak:** $U(IC)_a > U(IC)_b > U(IC)_d > U(IC)_c$.

Equilibrium Analysis

In the above game of the nuclear inspection, there are four leadership types of North Korea and three types of the IC's position. So, we have twelve possible combinations of the leadership types of North Korea and the different positions IC could take. The subgame-perfect equilibrium for the first case in which the leadership type of North Korea is "strong hawkish" and the IC's position is "strong" can be found in the following way. Although the first node in Figure 6.4 is for the IC either to make demand or not to make demand for the nuclear inspection game to begin, it is assumed that the IC demands the nuclear inspection. Therefore, in fact, North Korea's move can be considered the first move after the nuclear inspection game begins.

When North Korea has to choose its strategy first, North Korea would think how the IC will respond to its move. If North Korea chooses to accept (A), then North Korea anticipates that the IC will respond by choosing not to improve ($\sim I$) because $U(IC)_b > U(IC)_a$. In this case, North Korea's payoff will be $U(NK)_b$. But, if North Korea chooses not to accept ($\sim A$), then it anticipates that the IC will respond by choosing to an economic sanction (S) because $U(IC)_c > U(IC)_d$. In this case, North Korea's payoff will be $U(NK)_c$. By comparing the two outcomes, $U(NK)_b$ and $U(NK)_c$, North Korea will finally decide to choose not to accept ($\sim A$) so that it can obtain $U(NK)_c$ which is greater than $U(NK)_b$. By using the backward induction procedure, we can thus find the equilibrium outcome, (D, $\sim A$, S), for the nuclear inspection game between North Korea and the IC in which North Korea's leadership type is "strong hawkish" and the IC's position is "strong." By following the same backward induction, the sub-

game-perfect equilibrium outcomes for other eleven possible combinations based on North Korea's leadership types and the IC's positions can be identified and are reported in Table 6.1.

Table 6.1 Subgame-perfect Equilibrium Outcomes

North Korea's Leadership Type	International Community' Position		
	Strong	Middle	Weak
Strong Hawkish	(D, ~A, S)	(D, ~A, S)	(D, ~A, ~S)
Weak Hawkish	(D, ~A, S)	(D, A, I)	(D, ~A, ~S)
Weak Dovish	(D, ~A, S)	(D, A, I)	(D, A, I)
Strong Dovish	(D, A, ~I)	(D, A, I)	(D, A, I)

*Note: The first strategy in the parenthesis is for the international community, led by South Korea, the second is for North Korea, and the third is for the international community; D means 'to demand,' A means 'to accept,' ~A means 'not to accept,' I means 'to improve,' ~I means 'not to improve,' S means 'to sanction,' and ~S means 'not to sanction.'

The results of this simple extensive form game of perfect and complete information indicate that if North Korea is led by "strong hawkish" leaders, there is no way for the international community to induce North Korea to accept the nuclear inspection and to open its door to the international community. However, if North Korea's leader type is "weak hawkish," the only possibility for the international community to successfully induce North Korea is to take the "middle" position.

It is expected that Kim Jong Il, with his elite technocrats' support, leads North Korea and that Kim Jong Il's leadership type is "weak hawkish."¹⁴ To deal with North Korea on its nuclear weapons program, the international community must show willingness to cooperate with North Korea when North Korea accepts nuclear inspection but demonstrate strong will to punish in case North Korea does not accept the demand. Led by South Korea, the members of the international community should make sure that they use both "carrots and sticks" in dealing with North Korea.

Conclusion

The normalization of the diplomatic relationship between South Korea and China on August 1992 and the North Korea's ongoing nuclear weapons program are two of the major international political events recently happened in the Korean peninsula. In this paper, I have introduced simple game theoretic analyses to help us understand better the outcomes of those major events.

First of all, I have examined South Korea's and the People's Republic of China's preferences in their policy alternatives and have shown that the two courses of actions — South Korea's cutdown of diplomatic tie with Taiwan and the normalization of the relationship between South Korea and China — are not so surprising outcomes of the diplomatic games among South Korea, China and Taiwan.

The nuclear inspection game between North Korea and the international community has been also introduced. Assuming that North Korean leaders are weak hawkish type, the result of the equilibrium analysis of the game suggests that peaceful negotiation between the two sides can be expected if members of the international community use both "carrots and sticks" in dealing with North Korea.

Notes

1. *The New York Times*, August 25, 1992.

2. *The New York Times*, March 13, 1993.

3. Since Taiwan's reaction to South Korea's decision is anticipated by South Korea, Taiwan factor can be taken into account in South Korea's pay-off function of this game. For example, when South Korea decides to sever its tie with Taiwan, South Korea must have thought about potential political and/or economic costs imposed by Taiwan as the result.

4. For the definition of normal form game, see Henry Hamburger, *Games as Models of Social Phenomena* (San Francisco: Freeman, 1979) or Morton Davis, *Game Theory* (New York: Basic Books, 1970).

5. The first strategy in the parenthesis is for South Korea and the second one is for China.

6. For example, Taiwan has initiated an ambitious "Six Years Plan" (1992-1997), which is estimated to cost NT\$ 8.2 trillion (about 328 billion US dollars). Because of the geographical and comparative advantages that South Korean companies have in competing with companies from other countries, South Korea can have a lion's share of the pie by obtaining contracts related to the Plan (*The Asian Wall Street Journal Weekly*, April 20, 1992). The recent visits to Taipei by two personal messengers from President Roh of South Korea indicate that South Korean government realizes the interests involved in the Plan (*World Journal*, January 30, 1992).

7. Here, the term utility simply means that the national interest, benefit or the payoff of the specific strategy.

8. In this normal form game, the two players move simultaneously. That is, each player makes its own decision without knowing which the strategy the other side has chosen.

9. For the definition about the dominant strategy, minimax strategy, and Nash equilibrium, see Hamburger (1979).

10. For the definition of the extensive form game, see Hamburger (1979).

11. This is the stable outcome based on the "subgame-perfect" equilibrium. For the definition of the Subgame-perfect equilibrium, see Reinhardt Selten (1975), "Reexamination of the Perfectness Concept for Equilibrium Points in Extensive Games," *International Journal of Game Theory* 4: 25-55.

12. Here, do nothing means that the international community maintains the status quo by not trying to improve political and economic relations with North Korea.

13. Do nothing in this case means not to retaliate North Korea. So, this strategy is different from the "do nothing" strategy when North Korea accepts the IC's demand.

14. For more details about this arguments, see Woosang Kim, "Inducement Measure for the Opening of North Korea," *Korea Observer*, vol.24, no.4, Winter 1993.

Domestic Uncertainty and Coordination between North and South Korea

Byeonggil Ahn

Introduction

RECENT STUDIES OF INTERNATIONAL RELATIONS HAVE shown that the old separation between domestic politics and foreign policy is not as meaningful as the "Realpolitik" school has assumed. A general consensus has been made among the students of international relations about the necessity of investigating and revisiting the linkage between domestic politics and foreign policy. It is closely related to the recent growth of studies in international relations on subjects such as regime types and foreign conflicts, public opinion and war, the decision making process of rational actors, bureaucratic and personal constraints of foreign policy, and the effects of incomplete information in international crisis.¹

This study also concerns the areas of study illustrated above. Although many existing studies of the two Korean governmental relationships have focused on the international structure surrounding them and major powers' attitudes toward them, not enough investigation, theoretical or empirical, has been made about the effect of domestic politics on the relationship between the two Koreas. I main-

tain that to understand the current and future relationship between North and South Korea, it is very important that we have a correct understanding of the linkage between the two. The structure of the Cold War has been demolished, opening up the degree of freedom nations have concerning their behavior. It is self-evident that the break-down of the old international block system and the increasing number of democratic nations have increased the responsibility of the "liberalized" national leaders from the international political structure on their domestic political patrons.

So far, North Korea has been viewed as a bizarre political entity, which prevents its citizens from contacting or absorbing any foreign influences, succeeding in isolating itself from the outside world. But it is reasonable at this moment to assume that North Korea is and will be witnessing a change of international environment and domestic political situations. On this ground, this paper investigates the possible effects of increasing domestic uncertainty in the two Koreas (for example, the emergence of technocrats as a power group, the weakening politico-military group, and the increasing importance of economic relationships between them) at least theoretically. I have designed a negotiation game to address these situations. First I introduce the idea that the negotiation process between North and South Korea necessarily generates the problem of incomplete information represented in the analysis of signaling games, which helps us to understand the frequent deadlocks of the negotiation. Then, from the analysis of my model, I show that domestic political change in North Korea is necessary to increase the chance of coordination between the two Koreas. I also show that the two Koreas are likely to appear very tough towards each other even when they want coordination.

Since the division of the Korean peninsula, the two Koreas have been very hostile toward each other. They even experienced an extremely destructive war in 1950. The Cold War was said to have increasingly promoted mutual hostility. However, the Cold War has ended. The Soviet Union has collapsed and has been divided into smaller non-communist nations. The Eastern European Communist Block has disappeared. Germany is again a unified nation by West Germany's absorption of East Germany. Even China has lost the original image of a tough communist country. Such significant change in the international political structure seems to guarantee a brighter future for the two Koreas who are often cited as victims of

the Cold War.

It appears that we have two major prospects of change in the Korean peninsula to consider. First, North Korea may collapse like East Germany in the near future. Many Western scholars and journalists argue that Korean reunification could be achieved by the sudden demise of North Korea within this century.² The main reason North Korea is viewed as so fragile is that North Korea is experiencing a very bad economic situation. Many indicators (shortages of oil and other energy sources, lack of infra-structure of industry, poor harvests, shortage of consumer goods, and presumed minus growth rate) show that the North Korean economy is not in good shape. It is well known that North Korea does not even have enough food and necessities to support its population. Kim Il-sung admitted in his 1993 New Year address that the immediate goal of North Korea is to provide good food and housing to the North Korean people. North Korea also does not have enough hard currency to pay its foreign trade and debt. Their excessive investments in military armaments have contributed to a worsening economic situation. Another reason comes from the fact that the North Korean government has always suppressed the needs of its citizens by isolating them from the outside world. Because the regime is not flexible, it is said to collapse easily with a critical blow of domestic unrest as happened in Romania. Once the strict control over the people is broken, the current North Korean regime may not be able to manage to survive.

In contrast to the prospect of abrupt collapse, a gradual self-adjustment is another possible scenario concerning the future of the North Korean regime. Because the leaders of North Korea are not so naive to allow the breakdown of their system, they may try to look for a survival guide (Koh, 1993). Several initiatives have already appeared to fix their economic stagnation. North Korea decided to introduce Chinese style Special Economic Zones to stimulate foreign investment (Chung, 1992). Although the Najin-Sonbong Economic Area is not successful so far, it is a good indicator showing that North Korea wants to reform its weak economic structure. North Korea also has permitted South Korean businessmen to visit Pyongyang to discuss possible joint-venture investments in North Korea. In the area of foreign relations, North Korea is looking for vitalizing the relationship with the United States and Japan. This means that North Korean leaders have realized that the international

political structure is changing and are trying to establish a new context for foreign relationships. Because South Korea has established diplomatic relationships with Russia and China, the North Korean movement looks very reasonable and well-organized.

This recent series of North Korean maneuvers shows that North Korean leaders are not irrational or unreasonable in dealing with their domestic problems. They are still managing their government even though it looks fragile to Western observers. This study covers a negotiation situation between the two Koreas when North Korea follows the second prospect of gradual adjustment which is going on currently. Judging between the collapse hypothesis and the reform hypothesis is beyond the scope of this study.

To understand the negotiation between North and South Korea, I must emphasize first that they generally have two major options. Although the importance of economic issues has increased, the military-security issue is always raised hindering the progress of negotiation. North Korea frequently has stopped the talks with South Korea by pointing out the threat of the annual Team Spirit military exercise between South Korea and the United States. South Korea has requested North Korea to accept IAEA(International Atomic Energy Agency)'s special investigation of its nuclear facilities in order to have actual coordination between them. It seems that the military-security issues have played the role of spoiler in the negotiations of the two Koreas. The two Koreas reached an "Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation" in 1991. Nevertheless, the intermittent appearance of military issues has almost nullified the effects of the agreement. Therefore, this paper assigns two alternatives — Military and Economic — to both states in a possible negotiation process. The two options provide the source of domestic uncertainty in the negotiation. North Korea has a big economic problem and tries to make use of economic coordination with South Korea to solve it. South Korea tries to open North Korea to a market economy for a possible unification chance and wants to invest there to take advantage of North Korean special economic conditions (for example, the cheap cost of labor). Nevertheless, both states also notice that the rival does not want to concede in critical military matters. They know that the rival's military threat still exists, endangering their entities (Han, 1991).

The main purpose of this chapter is to find conditions of coordi-

nation between the two Koreas under the situation described so far. Many scholars have argued that the process for Korean unification should be a gradual one with many obstacles. I try to analyze the problems and possibilities of such transitional coordination using a game-theoretic model.

The Model

Even though this chapter aims at understanding the possible negotiation process between two specific states, North Korea and South Korea, I do not assign particular state labels to the players of the model. Because I believe that both North Korea and South Korea have the same characteristics — utility maximizers in any international negotiation process — I do not have to differentiate the two states by giving specific labels to them. There are two players of the negotiation game, *A* and *B*, initiator and responder respectively. I assume that states *A* and *B* are single unitary actors.³ They represent the preferences of their states. It means that *A* and *B*⁴ face each other at the negotiation table with a certain formulation of aggregating the will of their people, whether it is manipulated for one person or it is generated by a democratic process or bureaucratic decision-making. This assumption departs from the basis of "Power Politics." Although the actors of the game are defined as single unitary actors, they are not merely "billiard balls." They have internal consents to represent preferences. At this moment I don't conceptualize the process of aggregating the preferences of their people. I only assume that there are some domestic processes which determine *A*'s and *B*'s attitudes toward each other in negotiations.

In the beginning, Nature establishes the environment of negotiation by choosing the types of both initiator and responder. Instead of assuming perfect information (both sides knowing the other side's type) or asymmetric information (only one side knowing the other's type), I introduce two-sided incomplete information to the game. Thus neither *A* nor *B* know each other's type, which is supposed to be closest to the real situation of this negotiation. For instance, South Korean leaders do not know exactly how badly or eagerly North Korea needs foreign economic investments and how willing it is to reform its economic structure. North Korea also does not know

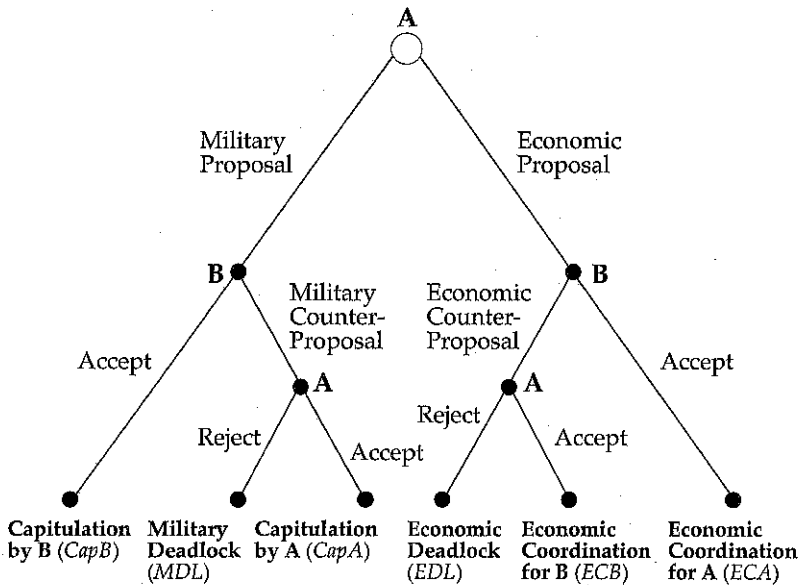
whether South Korea is ready to accept a North Korean economic proposal. This study assumes that there are only two types — Hawk and Dove. The set of A 's types is denoted by $T_A = \{H_A, D_A\}$ and the set of B 's types is denoted by $T_B = \{H_B, D_B\}$. Each state knows its own type but does not know the opponent's type (the assumption of private information). Each state possesses prior beliefs about its opponent's type, and the responder updates its prior belief when it has more information about initiator's type, such as the initiator's initial movement pattern.

The actual possible negotiation situation begins with the initiator A sending a message $m \in M = \{MP, EP\}$ meaning Military Proposal, and Economic Proposal respectively, as a signal to the opponent B , which must react to the message. Thus I assume that A may initiate an issue about either its military-security relationship or economic relationship with B . Because this game has two-sided incomplete information, the initiator's message is based on its prior belief about its opponent's type, as well as its private information about its own type. A strategy for the initiator A is a function $s : T_A \rightarrow \Delta(M)$ where $\Delta(M)$ denotes the set of probability distribution over M . The above specification implies that the initiator can use either a pure or a mixed strategy in initiating a negotiation.

Receiving a message from A , the responder B uses its prior belief of A 's type and updates it. $\mu(t_A | m)$ denotes B 's belief of A 's type given a message. B 's response is denoted by q which is a member of $Q = \{CP, ACC\}$ meaning Counter-Proposal and Accept. When B receives MP or EP , a Counter-Proposal becomes a Military Counter-Proposal (MCP) or an Economic Counter-Proposal (ECP). A strategy for B is function $r : M \rightarrow \Delta(Q)$ which implies again that the reactor can use also pure or mixed strategy in reacting to a message.

Figure 7.1 shows the whole view of the negotiation game without Nature's selection of types. If B responds with a Counter-Proposal, A has another chance to accept or reject it. Six outcomes are possible in this game.

- (1) If A decides to suggest a Military Proposal first, and B responds by accepting it, capitulation by B , denoted as $CapB$ is the outcome.

Figure 7.1 *The North-South Korean Negotiation Game*

- (2) If *B* decides to issue a Military Counter-Proposal responding to the message of the Military Proposal and *A* decides to reject it, Military Deadlock denoted as *MDL* is the outcome.
- (3) If *B* decides to issue a Military Counter-Proposal responding to the message of the Military Proposal and *A* decides to accept it, capitulation by *A*, denoted as *CapA*, is the outcome.
- (4) If *B* decides to issue an Economic Counter-Proposal responding to the message of the Economic Proposal and *A* decides to reject it (*REJ*), Economic Deadlock, denoted as *EDL*, is the outcome.
- (5) If *B* decides to issue an Economic Counter-Proposal responding to the message of the Economic Proposal and *A* decides to accept it (*ACC*), economic coordination for *B*, denoted as *ECB*, is the outcome.
- (6) If *B* accepts *A*'s Economic Proposal, economic coordination for *A*, denoted as *ECA*, is the outcome.

To determine *A*'s and *B*'s preference orderings of the outcomes, I adopt the following basic assumptions. These also identify the characteristics of their types, Hawk and Dove.

- A1. Any state chooses the strategy which is likely to give it more preferred outcome.
- A2. For any state, its own capitulation to the opponent's Military Proposal is the worst outcome. For any state, the opponent's capitulation to its Military Proposal and economic coordination for itself are preferred to any other outcome.
- A3. For a Hawk type state, the opponent's capitulation to its Military Proposal is the best outcome. For a Hawk type state, Military Deadlock is preferred to Economic Deadlock, which is again preferred to economic coordination for the opponent.
- A4. For a Dove type state, economic coordination for itself is the best outcome. Economic coordination for the opponent is preferred to Economic Deadlock as well, which is again preferred to Military Deadlock.

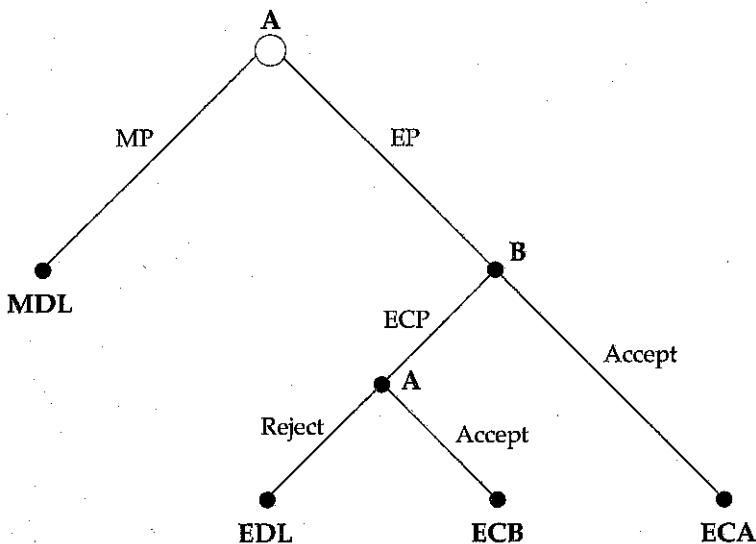
The basic assumptions come from a consideration of the relationship between the two Koreas. A1 says that the guideline for *A* and *B* to choose proper strategies is to maximize their expected utilities. I assume they follow the decision rules specified in a signaling game defined later in this paper. A2 specifies the two best outcomes for any state. It is reasonable to say that both states prefer the rival's capitulation and economic coordination for themselves to any other outcome. North Korea's ultimate goal is to have South Korea incorporated to its system as a total communist nation. On the other hand, South Korea has expressed that the future unified nation will be liberal-democratic with a capitalist economic system. But physical enforcement of the rival's capitulation cannot be the most preferred outcome under certain conditions. As stated in the introduction, many South Koreans believe that the unification process must be a gradual one instead of the abrupt absorption of North Korea following its sudden collapse. Therefore I assume that a Hawk state prefers the rival's capitulation to economic coordination for itself in A3, and that a Dove state prefers economic coordination to the rival's capitulation in A4. A3 also says that Hawks prefer Military Deadlock to Economic Deadlock and Economic Deadlock to economic coordination for the rival, whereas A4 says that Doves have a reversed preference ordering of the three outcomes. It means that Hawks are supposed to have military-oriented preference and Doves prefer mainly

economy-oriented solutions in the negotiation game. It is possible to introduce many different definitions of Hawk and Dove. The definition specified in this paper is a subset of the universal domain of the possible definitions. It is not necessary to discuss all the variations of different definitions here because my main subject is oriented toward the role of domestic uncertainty and information systems between two states. The following shows the list of preference orderings for *A* and *B*.⁵

- Hawk *A*: $CapB > ECA > MDL > EDL > ECB > CapA$
- Dove *A*: $ECA > CapB > ECB > EDL > MDL > CapA$
- Hawk *B*: $CapA > ECB > MDL > EDL > ECA > CapB$
- Dove *B*: $ECB > CapA > ECA > EDL > MDL > CapB$

But I don't need the complete list of preference orderings to analyze the game because some outcomes cannot be reached in any case. There is no reason for any state to accept the opponent's Military Proposal or Military Counter-Proposal according to the list. So using backward induction and eliminating dominated strategies, I reduced the complete list of preference orderings to a simpler one, and the game depicted in Figure 7.1 to the simpler game shown in Figure 7.2.

Figure 7.2 *The Reduced Game*



The reduced game shows that if A suggests Military Proposal to B , Military Deadlock is inevitable.

- Hawk A : $ECA > MDL > EDL > ECB$ denoted as $a > b > c > d$.
- Dove A : $ECA > ECB > EDL > MDL$ denoted as $a' > b' > c' > d'$.
- Hawk B : $ECB > MDL > EDL > ECA$ denoted as $j > k > l > n$.
- Dove B : $ECB > ECA > EDL > MDL$ denoted as $j' > k' > l' > n'$.

I extend a formal definition of sequential equilibrium generally used in the studies of signaling games (Banks and Sobel, 1987; Cho and Kreps, 1987; Kreps and Wilson, 1982). Because the definition is based on one-sided (asymmetric) incomplete information, I changed it to include the idea that the message sender must have a conjecture about the responder's types also (Ahn 1991). A formal definition of sequential equilibrium under two-sided incomplete information is shown in the Appendix. First, the initiator A must choose a message for B in equilibrium to maximize its expected utility (Condition 1). A 's message is based on the prior belief of B 's type and B 's presumed best response. If there exists more than one message in equilibrium, all of them must have the same expected utility by this condition. Second, B must use Bayes' rule to calculate its beliefs for any message sent with positive probability (Condition 3). It restricts the manner in which B updates its beliefs in equilibrium. And then, the responder B must use its best response in any message (in or out of equilibrium) to maximize its expected utility. B 's best response is determined by A 's message and B 's updated belief (Condition 2).

The Equilibrium Analysis

I classify pure-strategy sequential equilibria of the game according to the pattern of the initiator's sending message.

- (1) **Separating Equilibrium:** Each type of initiator sends a different message.
- (2) **Pooling Equilibrium:** Any type of initiator sends the same message.

In a separating equilibrium, A sends only one message for each type. If A sends a message in such a manner, B can update its prior

belief to get *A*'s exact type, which implies that *A*'s type becomes common knowledge. For example, suppose that Hawk *A* always sends a Military Proposal and Dove *A* always sends an Economic Proposal, then the responder *B* knows that *A* is a Hawk (Dove) when it receives the Military Proposal (Economic Proposal) respectively. Thus if *A* uses a separating strategy, it automatically reveals its type. But *B* cannot catch the full knowledge of *A*'s type in a pooling equilibrium because different types of *A* can issue the same message. So *B* must use Bayes' rule to update its belief.

The following lemmas are very useful in the equilibrium analysis of the game.⁶

LEMMA 1. *Dove A does not send a Military Proposal in any equilibrium.*

PROOF: From the list of preference ordering, *MDL* is the least preferred outcome for Dove *A*. By subgame perfection, Dove *A* must send an Economic Proposal as a message in any equilibrium. Q.E.D.

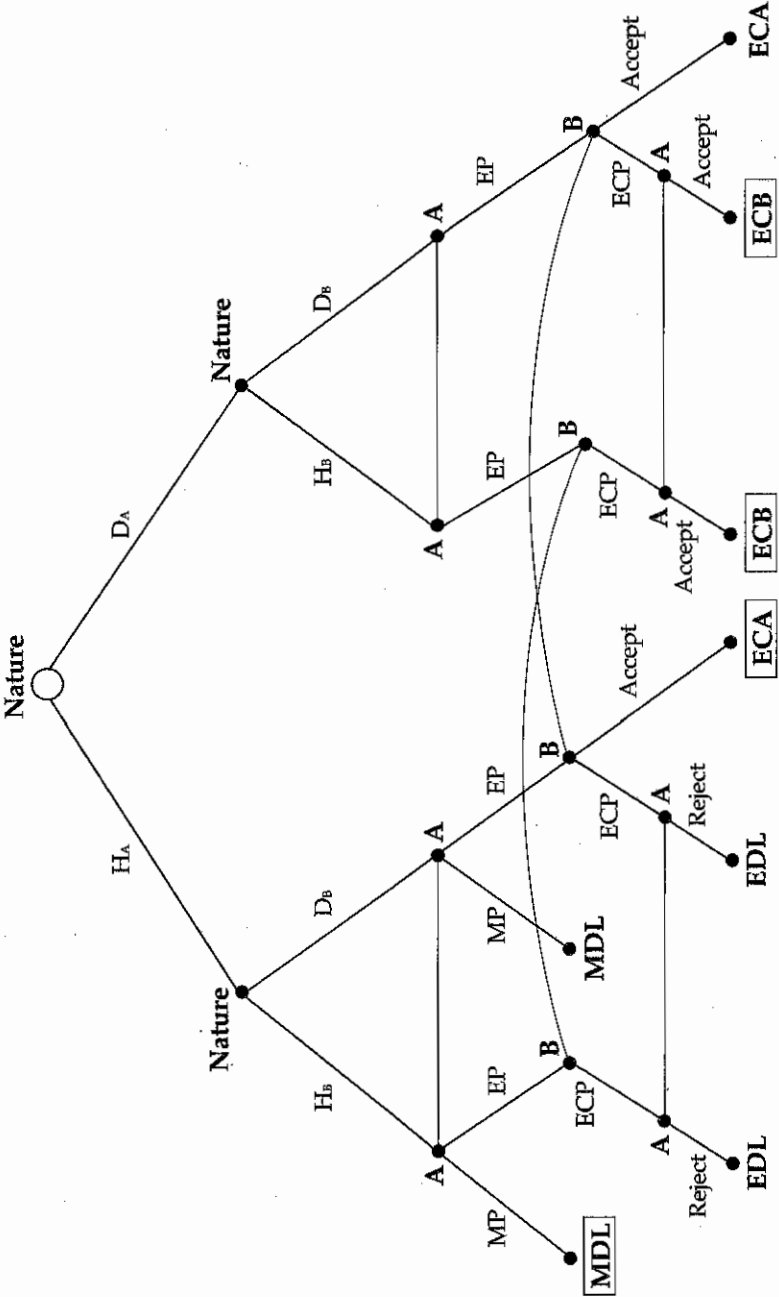
Therefore, if *B* received a Military Proposal as a message in an equilibrium, it knows that *A* is Hawk. Lemma 1 eliminates the alternative of a Military Proposal for Dove *A*.

LEMMA 2. *If A sends an Economic Proposal as an equilibrium message, Hawk B never accepts it.*

PROOF: If *A* sends *EP*, only three outcomes can be reached. *ECA* is available if *B* accepts it. If *B* decides to suggest *ECP*, *EDL* and *ECB* are available according to *A*'s next movement. But *ECA* is dominated by *EDL* and *ECB* for Hawk *B*. Therefore Hawk *B* never accepts it. Q.E.D.

Lemma 2 also eliminates the alternative of Accept when *A* sends an Economic Proposal to Hawk *B*. Lemmas 1 and 2 together help to reduce the negotiation game further, which is depicted in Figure 7.3. Figure 7.3 includes all of the possible pairs of states' types and their available movements in an equilibrium.

Figure 7.3 The North-South Korean Negotiation Game with Incomplete Information



LEMMA 3. *If A sends an Economic Proposal as an equilibrium message, the following conditions are true for Dove B.*

$$r(\text{ACC} | EP, D_B) = 1 \text{ iff } \mu(H_A | EP) > \frac{j' - k'}{j' - l'}$$

$$r(\text{ACC} | EP, D_B) = 0 \text{ iff } \mu(H_A | EP) < \frac{j' - k'}{j' - l'}$$

$$r(\text{ACC} | EP, D_B) \in (0, 1) \text{ iff } \mu(H_A | EP) = \frac{j' - k'}{j' - l'}$$

PROOF: If EP is an equilibrium message, B must update A's type given the message using Bayes' rule. From the condition (2) of equilibrium definition about B's best response, the following must be satisfied to have $r(\text{ACC} | EP, D_B) = 1$.

$$k' > v(H_A, D_B, EP, ECP) \cdot \mu(H_A | EP) + v(D_A, D_B, EP, ECP) \cdot (1 - \mu(H_A | EP))$$

To solve it, we have

$$k' > l' \cdot \mu(H_A | EP) + j' \cdot (1 - \mu(H_A | EP)) \Rightarrow \mu(H_A | EP) > \frac{j' - k'}{j' - l'}$$

From the condition

$$k' < v(H_A, D_B, EP, ECP) \cdot \mu(H_A | EP) + v(D_A, D_B, EP, ECP) \cdot (1 - \mu(H_A | EP))$$

we have $\mu(H_A | EP) < \frac{j' - k'}{j' - l'}$ for $r(\text{ACC} | EP, D_B) = 0$. And if the left-hand

side and the right-hand side are equal (the same expected utility), it follows that B can mix ECP and ACC. Q.E.D.

Lemma 3 explains how Dove B reacts to the equilibrium message Economic Proposal. Because there is no dominant strategy for Dove B given the Economic Proposal, B must use its updated belief to maximize its utility. If Dove B believes B is a Hawk, its response is accepting A's Economic Proposal. Therefore, in order to induce Dove B to accept A's Economic Proposal, A needs to create the proper image of Hawk. If Dove B thinks A is Dove, B tries to exploit A's Economic Proposal, which is likely to produce the best outcome, Economic Coordination for B.

The following three propositions specify possible equilibrium paths in the game under different information conditions.

PROPOSITION 1. *Under perfect information, Military Deadlock is the only possible equilibrium outcome with Hawk A and Hawk B.*

PROOF: By dominance, Dove A does not choose MP. If Hawk A knows B is Dove, it offers EP to get the best outcome ECA. With Hawk A and Hawk B, MDL is the equilibrium by subgame perfection. Q.E.D.

Under perfect information, Dove A always gets the second most preferred outcome no matter what the responder's type is. But it may get the best outcome with incomplete information (Proposition 3). Also two Hawk states can eschew Military Deadlock with incomplete information. Propositions 2 and 3 specifies possible sequential equilibrium paths.

PROPOSITION 2. *The unique separating equilibrium path of the game is composed of (1) Hawk A sends a Military Proposal as a pure strategy, which leads to the Military Deadlock outcome, and (2) Dove A sends an Economic Proposal as a pure strategy and B responds with an Economic Counter-Proposal, which is accepted by Dove A.*

PROOF: The possible equilibrium path must be composed of either (1) $s(MP|H_A) = 1$ and $s(EP|D_A) = 1$, or (2) $s(EP|H_A) = 1$ and $s(MP|D_A) = 1$ from the definition of separating equilibrium.

(1) Suppose $s(EP|H_A) = 1$ and $s(MP|D_A) = 1$ first. From Lemma 1, we know that Dove A does not send MP in any equilibrium. Therefore, a separating equilibrium is not available under this condition.

(2) Suppose $s(MP|H_A) = 1$ and $s(EP|D_A) = 1$ now. For Dove A, EP guarantees a better outcome than MDL from dominance. Because it is a separating equilibrium, B can know A's exact type in the equilibrium path. Therefore, if B receives EP, it suggests ECP forcing Dove A to accept it.

For Hawk A, the following condition must be satisfied to get MP as an equilibrium message.

$$u(H_A, H_B, MP) \cdot p_B + u(H_A, D_B, MP) \cdot (1-p_B) \geq u(H_A, H_B, EP) \cdot p_B + u(H_A, D_B, EP) \cdot (1-p_B)$$

Notice that the definition of sequential equilibrium does not require any constraints concerning the responder's belief in an out-of-equilibrium path. Therefore, if there exists at least one example of any belief satisfying the above condition, MP can be an equilibrium message. Suppose $\mu(H_A | EP, D_B) < \frac{j'-k'}{j'-l'}$. Using lemmas 2 and 3, it's self-evident that the condition is satisfied for any p_b ($b \geq c$).

From (1) and (2), we know the equilibrium path specified at Proposition 2 is a unique separating equilibrium path. Q.E.D.

This equilibrium path occurs when *A* wants to reveal its type. Because Military Deadlock is the worst outcome for Dove *A*, there is no way for Dove *A* to send a Military Proposal as an equilibrium message (lemma 1). Once Dove *A* sends an Economic Proposal in equilibrium, Hawk *B* automatically suggests an Economic Counter-Proposal (lemma 2). Dove *B* also does not accept *A*'s message. Although Dove *B* prefers Economic Coordination for *A* to Economic Deadlock, *B* knows that suggesting a Counter-Proposal guarantees the best outcome for itself because of *A*'s separating strategy. The separating equilibrium path does not require any specific range of prior beliefs for either *A* or *B*. Therefore, this path is always available.

PROPOSITION 3. *There are two possible pooling equilibrium paths, as follows.*

(I) With the condition $p(H_B) \leq \frac{a-b}{a-c}$ and $p(H_A) > \frac{j'-k'}{j'-l'}$, *A* with any type sends only an Economic Proposal. Dove *B* accepts it. And Hawk *B* responds with an Economic Counter-Proposal, which is accepted by Dove *A* and rejected by Hawk *A*.

(II) With the condition $p(H_B) < \frac{a-b}{a-c}$ and $p(H_A) = \frac{j'-k'}{j'-l'}$, *A* with any type sends only an Economic Proposal. Hawk *B* responds with an Economic Counter-Proposal, which is accepted by Dove *A* and rejected by Hawk *A*. Dove *B* adopts a mixed strategy between Accept and the Economic Counter-Proposal.

PROOF: According to the definition of the pooling equilibrium,

A with any type can send either *MP* or *EP* as a pure strategy in a pooling equilibrium. But we know that pooling *MP* is not available from lemma 1. Dove A's pooling *EP* always satisfies the first condition of equilibrium because *MDL* is dominated by other outcomes. Therefore, we only need to check the cases of Hawk A's pooling *EP*. If *EP* is a pooling equilibrium message, B's belief of A's type is updated using Bayes' rule such that $\mu(H_A | EP) = p(H_A)$ and $\mu(D_A | EP) = p(D_A)$ implying that prior beliefs represent B's updated beliefs.

(1) Suppose $P_A < \frac{j'-k'}{j'-l'}$ and Hawk A's pooling *EP*. From lemmas 2 and 3, B, any type, responds with *ECP* against A's message with the condition of prior belief. At the next movement, Hawk A rejects *ECP*. From the definition of equilibrium, the following must be satisfied for Hawk A to get an equilibrium path.

$$u(H_A, H_B, EP, ECP) \cdot p_B + u(H_A, D_B, EP, ECP) \cdot (1 - p_B) \geq u(H_A, MP) = b$$

But this condition cannot be satisfied because the left-hand side equals c . Therefore, there is no pooling equilibrium if $p(H_A) < \frac{j'-k'}{j'-l'}$.

(2) Suppose $P_A > \frac{j'-k'}{j'-l'}$. From lemma 2, Hawk B responds with *ECP*, which is rejected by Hawk A. From lemma 3, Dove B accepts A's message to get *ECA*. From the definition of equilibrium, the following must be satisfied for Hawk A to get an equilibrium path under this condition.

$$u(H_A, H_B, EP, ECP) \cdot p_B + u(H_A, D_B, EP, ACC) \cdot (1 - p_B) \geq u(H_A, MP) = b$$

To solve it, we have the condition $p(H_B) \leq \frac{a-b}{a-c}$.

(3) Suppose $p(H_B) = \frac{j'-k'}{j'-l'}$. Hawk B responds as in (2). From lemma 3, Dove B adopts a mixed strategy between *ECP* and *ACC*. Let $r_1 = r(ACC | D_B, EP)$. From the definition of equilibrium, the following must be satisfied for Hawk A to get an equilibrium path under the condition.

$$u(H_A, H_B, EP, ECP) \cdot p_B + u(H_A, D_B, EP, r(\cdot)) \cdot (1 - p_B) \geq u(H_A, MP) = b \\ \Rightarrow c \cdot p_B + (1 - p_B) \cdot \{a \cdot r_1 + c \cdot (1 - r_1)\} \geq b$$

To solve it, we have $\frac{b-c}{(a-c) \cdot (1-p_B)} \leq r_1$. From $r_1 \in (0, 1)$, we get the

condition $p(H_B) < \frac{a-b}{a-c}$. Q.E.D.

The pooling equilibrium path requires the initiator not to reveal its private information at all. The existence of the pooling equilibrium path to an Economic Proposal implies that it's possible for two Hawk states not to have Military Deadlock. Under perfect information or separating equilibrium, two Hawk states always have Military Deadlock. Both pooling paths come from certain restrictions of *A*'s and *B*'s prior beliefs concerning the opponent.⁷ In the first path, *A* thinks *B* is dovish enough to accept its Economic Proposal. This path also requires that *A* be successful in forcing *B* to believe that *A* is hawkish enough to reject Economic Counter-Proposal. The second path requires a more strict condition of Dove *B*'s prior belief. If *B*'s prior belief hits at a particular value, Dove *B* becomes indifferent between accepting *A*'s Economic Proposal and suggesting a Counter-Proposal. The result is that there are more outcomes available in the second equilibrium path.

Implications

Table 7.1 shows the outcomes of possible equilibrium paths verified in the previous section.

Table 7.1 *The Outcomes of Possible Equilibrium Paths*

Types	No Uncertainty	Separating*	Pooling (I)**	Pooling (II)**
(<i>H_A</i> , <i>H_B</i>)	MDL	MDL	EDL	EDL
(<i>H_A</i> , <i>D_B</i>)	ECA	MDL	ECA	ECA, EDL
(<i>D_A</i> , <i>H_B</i>)	ECB	ECB	ECB	ECB
(<i>D_A</i> , <i>D_B</i>)	ECB	ECB	ECA	ECA, ECB

(Initiator's Type, Responder's Type)

* : Asymmetric Information

* * : Two-sided Incomplete Information

MDL : Military Deadlock

EDL : Economic Deadlock

ECA : Economic Coordination for A

ECB : Economic Coordination for B

If the two Koreas both maintain the type of Hawk, there is no way to achieve economic coordination for any state. They will have only Military Deadlock (under perfect information and separating equilibrium paths) or Economic Deadlock (under pooling equilibrium paths) as equilibrium outcomes. Therefore, a shift of a military-oriented preference to an economic-oriented preference by at least one state is necessary to have any economic coordination. First, suppose that a Hawk responder shifts to a Dove. But this shift does not appear to solve the problem for the two Koreas. Imagine the Hawk North takes the role of negotiation initiator and is considering offering an Economic Proposal to the Dove South in order to get an economic coordination for North Korea under incomplete information. To do so, the North needs to believe that the South is dovish enough to accept its Economic Proposal (Proposition 3). If it thinks that the South is a Hawk, it would take a separating equilibrium path by offering a Military Proposal (Proposition 2). This simple illustration shows that belief a system is very important in achieving economic coordination. The recent confrontation over the nuclear issue probably is related to this problem also. Even though the North badly needs economic coordination, it has sufficient reason to pretend to be hawkish in order to get coordination for itself instead of for the South. Therefore, the North probably pretends to have or be developing nuclear power. As a result, the South thinks that the North is a Hawk, which makes the South request that the North accept IAEA's special investigation (Military Deadlock). But if the negotiation initiator is a Dove, the dilemma disappears. A Dove initiator always suggests an Economic Proposal ending up with economic coordination. So if a state wants to have any kind of economic coordination regardless of the opponent's type, it should be a Dove and should take the initiative of negotiation.

Unfortunately, the two Koreas do not appear ready to adopt a Dove type. For example, the South insists on government controlled economic coordination whereas the North prefers coordination without South Korean government control. North Korea has frequently

expressed its interest in placing South Korean investment in certain North Korean regions (e.g., Nampo and Keumkang Mt.). But both states have always put conditions or restrictions on possible economic coordination. It implies that they are not willing to be Doves against the opponent yet. That is, they have preferred Deadlock, either Military or Economic, to economic coordination for the rival. The intermittent appearance of critical military-security issues (typically, the Team Spirits for North Korea and the Nuclear issue for South Korea) has also prevented them from being Dove.

What preliminary conditions are necessary for either Korea to move to a Dove? Considering the clearcut gap of economic power between the two Koreas, South Korea has dominant leverage in promoting economic coordination. South Korea will be the supplier of possible coordination and North Korea will be its recipient. Therefore, it does not look necessary for South Korea to move to a Dove first and then to help North Korea get coordination. South Korea has always been very cautious in dealing with North Korean dialogue proposals. Although it has accumulated sufficient confidence over North Korea due to successful economic growth, it still worries about North Korean 'Chuche' ideology, the strategy to communize the entire Korean Peninsula, and North Korean military power. So it is highly likely for South Korea to wait until the North is forced to adopt a Dove type. Then, for the purpose of achieving the best outcome as explained in the pooling equilibrium path, South Korea would at least try to pretend to be hawkish even if it also becomes a Dove.

It seems almost certain from my analysis that North Korea needs to be a Dove to get economic coordination. There are two major preliminary conditions for North Korea to become a Dove. First, the role of North Korean techno-bureaucrats must increase in North Korean domestic politics. North Korean key-leaders are still advocating hard-line communism. Without attenuating their position, North Korea cannot become Dove. It does not mean necessarily that Kim Jong-il and Kim Il-sung must be kicked out, which would be the most dramatic change to occur in the collapse hypothesis. Although kicking them out is certainly a way to achieve domestic political change, it does not guarantee the rise of techno-bureaucrats. My point is that North Korean politics should be pluralized under any key-leaders to become a Dove. I presume that more pluralized politi-

cal elites are more likely to raise the importance of economic coordination with the South. Second, North Korean leaders must change their nuclear policy. If they maintain their current policy, South Korea would not believe that North Korea is a Dove in any case. Because the military-security issue has always had the effect of deteriorating negotiations between North and South Korea, North Korea should give up its stubborn nuclear policy.

Is North Korea likely to adopt a Dove type in the near future? This question still remains open. Nevertheless, the following remark by a former South Korean minister of the National Unification Board suggests that the future is not so pessimistic.

"Some North Korean economic officials participating in the South-North talks have confessed to their plight stemming from economic difficulties, and have shown some flexibility in accepting the South's proposals on economic matters. Although it is still premature to conclude that a change in their basic attitude toward the South is taking place, we can safely say that they certainly recognize the necessity of trading with the South." (Choi, 1992)

Concluding Remarks

We have witnessed a fundamental change in the international political structure in the Far East Asian region. The demise of communist countries in Europe ended the alliance between North Korea and the former Soviet Union. South Korea normalized its relationship with China and Russia. China is no longer a strong supporter of the North Korean communist regime. China has frequently recommended North Korea to give up its anachronistic isolationism. This series of changes seems to bring forth a new chapter of reconciliation and cooperation for the two Koreas. But unfortunately, the relationship between them has not shown any significant development. This implies that the international political change was not sufficient to guarantee coordination between the two Koreas. Therefore, this study introduced another plausible element of foreign policy (domestic uncertainty) to explain the current deadlock and to find the conditions of coordination. Departing from the "Power Politics" theory, I proposed a game played by two states with possible domestic uncertainty.

From the analysis, the current deadlock, either military or economic, was diagnosed as coming from both Koreas' Hawk type. I found that it is not easy to derive economic coordination by a negotiation responder's shift from a Hawk to a Dove in the case of the two Koreas. This is mainly due to the belief systems of both states. If the Hawk initiator does not believe in the Dove responder, the negotiation ends up in Military Deadlock. My main results have shown that getting a Dove initiator is almost sufficient to achieve economic coordination in a negotiation between the two Koreas. Considering the gap of economic power between the two Koreas and North Korea's stagnating economic situation, as well as the analysis of the model, I have conjectured that in the future North Korea is very likely to adopt a Dove type to achieve economic coordination, whereas South Korea is likely to remain as a Hawk. I also have maintained that the North Korean shift to a Dove type should come from domestic change (e.g., reforming its rigid ideology, expansion of techno-bureaucrats' role in decision making, and giving up its nuclear policy) to represent the preference ordering of a Dove properly.

Notes

1. For a general evaluation of this paradigm shift, refer to Kegley, Jr. (1993).

2. For a typical supporter of the collapse hypothesis, refer to Foster-Carter (1992).

3. I adopt the common assumption that each nation can be modeled as a unitary actor, which is widely accepted as a key assumption in major theories of international conflicts. For the operational empirical test of this assumption, see Bueno de Mesquita, Siverson, and Woller (1990).

4. They may be viewed as presidents, actual key-leaders, or the heads of governments. No matter what the titles are, they are supposed to have the ultimate responsibility concerning the negotiation.

5. All the preference orderings are transitive. I assume there is no indifferent case between any two outcomes for any state.

6. For the mathematical notations appearing at this section, refer to the equilibrium definition in the Appendix.

7. The exact range of prior beliefs making the pooling equilibrium possible depends on Hawk A 's and Dove B 's utilities of outcomes. For example, if $b \approx c$ and $j' \approx k'$, then the pooling equilibrium is always possible except the cases with $p(H_B) = 1$ or $p(H_A) = 0$. But if $a \approx b$ and $k' \approx 1'$, then the pooling equilibrium path is rarely available. Under that condition, a pooling path is possible only when A almost assures that B is a Dove and B almost assures that A is a Hawk.

Appendix

(Definition of Sequential Equilibrium)

Notations

- $t_A \in T_A$
- B 's prior beliefs of A 's type:
 $p_A = p(H_A)$ (the prior of Hawk A) and $p(D_A)$ (the prior of Dove A)
- A 's prior beliefs of B 's type:
 $p_B = p(H_B)$ (the prior of Hawk B) and $p(D_B)$ (the prior of Dove B)
- A 's expected utility given types, messages and responses:
 $u(t_A, t_B, m, q)$
- B 's expected utility given types, messages and responses:
 $v(t_A, t_B, m, q)$.

SEQUENTIAL EQUILIBRIUM. *Sequential equilibrium consists of strategies s , r and beliefs p and μ such that*

- (1) $\forall t_A \in T_A, s^*(m^* | t_A) > 0$ only if

$$\sum_{t_B \in T_B} u(t_A, t_B, m^*, r^*(m^*, t_B)) \cdot p(t_B) = \max_{m \in M, t_B \in T_B} \sum u(t_A, t_B, m, r^*(m, t_B)) \cdot p(t_B)$$

- (2) $\forall m \in M, r(q^* | m, t_B) > 0$ only if

$$\sum_{t_A \in T_A} v(t_A, t_B, m, q^*) \cdot \mu(t_A | m) = \max_{q \in Q, t_A \in T_A} \sum v(t_A, t_B, m, q) \cdot \mu(t_A | m)$$

- (3) $\forall m \in M$ such that $s(m | t_A^*) > 0$ for some $t_A^* \in T_A$

$$\mu(t_A^* | m) = \frac{s(m | t_A^*) \cdot p(t_A^*)}{\sum_{t_A \in T_A} s(m | t_A) \cdot p(t_A)}$$

A Dynamic Model of Inter-Korean Relations

Sung-Chull Lee

THE RECENT CHANGES WITHIN AND AROUND THE KOREAN peninsula have added a qualitatively new nature to inter-Korean relations. The collapse of Communism in Eastern Europe and the former Soviet Union has been generating a new operating environment for the two Koreas' foreign policy. The two Koreas have engaged in a series of negotiations on a variety of issues and have succeeded in introducing conciliatory elements in their competitive and antagonistic relations. Some of the tangible outcomes brought under the changing environment include the two Koreas' entry into the United Nations; the North-South Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation; South Korea's diplomatic ties with Russia, China and other former communist countries; and North Korea's approach toward the United States, Japan, and other non-Communist nations.

Although these and other developments over the past few years seem to have contributed positively to inter-Korean relations and generated unusually high expectations for national unification, the prospect for a peaceful coexistence of the two Koreas in the near future is not unambiguously encouraging. The current nuclear crisis on

the Korean peninsula clearly demonstrates that the divided Korea remains one of the vestiges of the Cold War era.¹ The two Koreas are at best in a state of "unstable peace"² and their relationship still reflects deep-seated suspicion and hostility.³

An immediate consequence of the mixture of the seemingly opposite forces, old and new or negative and positive, has been the growing complexity and ambiguity in inter-Korean relations. In this highly uncertain situation, a new range of issues and questions have emerged and require both Koreas to reformulate or replace existing policies concerning their relations. Given the continuing hostility and suspicion as well as the unprecedented level of interaction between the two Koreas, the following two issues seem to deserve a closer examination. The first issue deals with appropriate strategic choices and their consequences. Under uncertainty, it is critical to understand the results and implications of a particular policy. It is also important to assess the conditions under which one party's policy involves or avoids the danger of being exploited by the other side. The second issue concerns the effective reduction and elimination of hostility and suspicion on the Korean peninsula. In order to achieve successful reduction/elimination of tension, it is significant to understand fully the forces that have been shaping the current dynamics. It requires identifying the forces and evaluating the relative influence of each force on the dynamics.

This chapter attempts to identify the underlying mechanisms for the current developments in inter-Korean relations and to examine the possible consequences of particular strategic choices employed by the two Koreas. For this purpose, this chapter examines a dynamic model as a form of a system of differential equations.⁴ In the next section a basic structure of the model is described. Analytic results are then derived from the phase portrait analysis of the model and various theoretical and policy implications are discussed in the subsequent sections.

A Dynamic Model

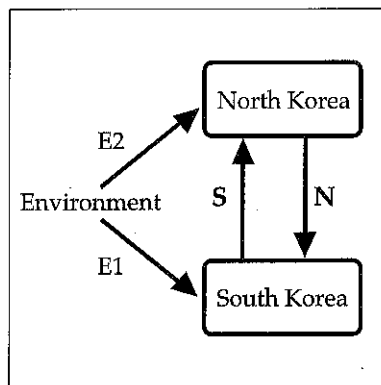
The model in this chapter deals with the degree of hostility in foreign policy activities between South and North Korea. The foreign policy activities refer to interactions between the two Koreas. The two main

variables, $S(t)$ and $N(t)$, represent the level of hostility in South Korean foreign policy toward North Korea and that of the hostility in North Korean policy toward South Korea at time t , respectively. Since an interpretation of negative level of hostility is not always straightforward, the values of $S(t)$ and $N(t)$ are assumed to be non-negative, i.e., $S(t)$ and $N(t) \geq 0$.

The model introduces three types of factors which influence the rates of changes in $S(t)$ and $N(t)$, $dS(t)/dt$ and $dN(t)/dt$: (i) the reaction to the level of the opponent's hostility toward one's regime; (ii) each Korea's foreign policy decisions independent of the adversary's behavior; and (iii) the external environment. The reaction terms in (i) and the independent decisions in (ii) are endogenous while the environmental terms in (iii) are assumed to be exogenous. That is, both factors in (i) and (ii) are described by the main variables, $S(t)$ and $N(t)$. The external environment in (iii) is not affected by the degree of hostility between the two Koreas.

In addition, it is assumed that the external environment does not necessarily affect the two Koreas in the same degree. Thus, E_1 and E_2 are used to denote different degrees of the external impact on $S(t)$ and $N(t)$, respectively. The relationship among the three factors in the above discussion is depicted in Figure 8.1.

Figure 8.1 *Relationship among Variables*



Combining these three factors, the model can be written as the following system of two first order linear differential equations:⁵

$$dS/dt = a_1 N + b_1 S + E_1 \quad (1)$$

$$dN/dt = a_2 S + b_2 N + E_2 \quad (2)$$

where a_1 , a_2 , b_1 , b_2 are the parameters to measure the effects of respective factors on dS/dt and dN/dt .

The first terms in the model, $a_1 N$ and $a_2 S$, represent the level of sensitivity of each regime's response to an adversary's hostile policy. If a_1 and a_2 are positive, then each regime increases dS/dt and dN/dt in response to the other's hostile policy and could reasonably be interpreted as a *threat* or fear that each Korea feels toward the other. Conversely, negative a_1 and a_2 could denote a state's lack of fear or a *confidence* against the opponent since they decrease the rate of changes in $S(t)$ and $N(t)$.⁶

The second terms in the model, $b_1 S$ and $b_2 N$, represent the types of policies each Korea pursues, independent of the other's behavior. If the parameters b_1 and b_2 are positive, they measure the level of *competition* between the two Koreas since the level of hostility in their policies toward each other will increase independent of the adversary's action. On the other hand, the negative values of b_1 and b_2 decrease the degree of hostility in the subsequent policy and they measure the degree of *cooperation* in inter-Korean relations.

Finally, the third terms, E_1 and E_2 , represent the external impacts on $S(t)$ and $N(t)$. If E_1 and E_2 are positive, they increase dS/dt and dN/dt and, therefore, could be viewed as an international *cold-war* situation. The negative values of E_1 and E_2 decrease dS/dt and dN/dt and could represent a non-confrontational, *detente* mood.

Analysis

Classification of inter-Korean Relations

The model developed above can describe various dimensions of inter-Korean relations as well as their surrounding environment. Since the parameters in the model are not specified in terms of the signs, i.e., positive and negative, sixty-four mutually exclusive cases can be obtained by various combinations of their signs.⁷ These sixty-four cases represent the theoretically possible natures of inter-Korean relations and their environment at any given moment.

Table 8.1 *Sixty Four Cases of Inter-Korean Relations*

Case	a1	a2	b1	b2	E1	E2	Analytic Results
1	+	+	+	+	+	+	UN, S
2	-	+	+	+	+	+	UN, UF
3	+	-	+	+	+	+	UN, UF
4	+	+	-	+	+	+	S
5	+	+	+	-	+	+	S
6	+	+	+	+	-	+	UN, S
7	+	+	+	+	+	-	UN, S
8	-	-	+	+	+	+	UN, S
9	-	+	-	+	+	+	SN, UN, S, SF, UF, C
10	-	+	+	-	+	+	SN, UN, S, SF, UF, C
11	-	+	+	+	-	+	UN, UF
12	-	+	+	+	+	-	UN, UF
13	+	-	-	+	+	+	SN, UN, S, SF, UF, C
14	+	-	+	-	+	+	SN, UN, S, SF, UF, C
15	+	-	+	+	-	+	UN, UF
16	+	-	+	+	+	-	UN, UF
17	+	+	-	-	+	+	SN, S
18	+	+	-	+	-	+	S
19	+	+	-	+	+	-	S
20	+	+	+	-	-	+	S
21	+	+	+	-	+	-	S
22	+	+	+	+	-	-	UN, S
23	-	-	-	+	+	+	S
24	-	-	+	-	+	+	S
25	-	-	+	+	-	+	UN, S
26	-	-	+	+	+	-	UN, S
27	-	+	-	-	+	+	SN, SF
28	-	+	-	+	-	+	SN, UN, S, SF, UF, C
29	-	+	-	+	+	-	SN, UN, S, SF, UF, C
30	-	+	+	-	-	+	SN, UN, S, SF, UF, C
31	-	+	+	-	+	-	SN, UN, S, SF, UF, C
32	-	+	+	+	-	-	UN, UF
33	+	-	-	-	+	+	SN, SF
34	+	-	-	+	-	+	SN, UN, S, SF, UF, C
35	+	-	-	+	+	-	SN, UN, S, SF, UF, C
36	+	-	+	-	-	+	SN, UN, S, SF, UF, C
37	+	-	+	-	+	-	SN, UN, S, SF, UF, C
38	+	-	+	+	-	-	UN, UF
39	+	+	-	-	-	+	SN, S
40	+	+	-	-	+	-	SN, S

41	+	+	-	+	-	-	S
42	+	+	+	-	-	-	S
43	-	-	-	-	+	+	SN, S
44	-	-	-	+	-	+	S
45	-	-	-	+	+	-	S
46	-	-	+	-	-	+	S
47	-	-	+	-	+	-	S
48	-	-	+	+	-	-	UN, S
49	-	+	-	-	-	+	SN, SF
50	-	+	-	-	+	-	SN, SF
51	-	+	-	+	-	-	SN, UN, S, SF, UF, C
52	-	+	+	-	-	-	SN, UN, S, SF, UF, C
53	+	-	-	-	-	+	SN, SF
54	+	-	-	-	+	-	SN, SF
55	+	-	-	+	-	-	SN, UN, S, SF, UF, C
56	+	-	+	-	-	-	SN, UN, S, SF, UF, C
57	+	+	-	-	-	-	SN, S
58	-	-	-	-	-	+	SN, S
59	-	-	-	-	+	-	SN, S
60	-	-	-	+	-	-	S
61	-	-	+	-	-	-	S
62	-	+	-	-	-	-	SN, SF
63	+	-	-	-	-	-	SN, SF
64	-	-	-	-	-	-	SN, S

*Note: SN (Stable Node), UN (Unstable Node), S (Saddle), SF (Stable Focus), UF (Unstable Focus), C (Center)

In Case 1 in Table 8.1, for instance, all the parameters are positive. Thus it depicts the situation in which each regime maintains a high level of threat (a_1 and a_2) and competitive relations (b_1 and b_2) in a cold war environment (E_1 and E_2). It is certainly a dangerous situation in that increasing hostility toward one another tends to promote aggressive policy and may result in a war. inter-Korean relations during the 1950s and 60s, including the Korean war, are prime examples. The Korean peninsula was filled with hatred, suspicion, and tension.

On the other hand, Case 64 in Table 8.1, in which all the parameters are negative, shows that the two Koreas pursue conciliatory policies ($-a_1$, $-a_2$, $-b_1$, and $-b_2$) in the non-confrontational international environment ($-E_1$ and $-E_2$). Under these circumstances, any policy differences will be resolved through negotiation and the two sides

would accept coexistence. This case might indicate necessary conditions for peaceful coexistence and eventual reunification.

The remaining sixty-two cases describe the situations between these two extremes. For instance, Case 8 represents the situation where both Koreas do not feel threatened by one another ($-a_1$ and $-a_2$), while domestic considerations favor competitive policy against the opponent (b_1 and b_2) and the international environment is in a cold war atmosphere (E_1 and E_2). Case 9 depicts South Korea unilaterally taking a cooperative policy ($-a_1$ and $-b_1$) and North Korea maintaining a conflictive position (a_2 and b_2) while the international environment is confrontational (E_1 and E_2). And Case 17 considers the situation where the two Koreas adopt the conciliatory positions ($-b_1$ and $-b_2$) while maintaining a punitive policy against the other's hostility (a_1 and a_2) in a cold-war like environment.

Although it is an empirical question to determine which case represents inter-Korean relations and their external environment at any given moment, the sixty-four cases in Table 8.1 are useful theoretical classification for the various nature of inter-Korean relations. Despite the assumption of constant parameters, moreover, the model is also able to capture situations of changing parameters by permuting different cases. For example, a transition from Case 9 to Case 64 may represent the changes in North Korean policy (i.e., a_2 and b_2) over time in addition to those in the international environment (i.e., E_1 and E_2).

Relative Impact of Various policies and International Factors

In order to evaluate the relative influence of each of the three factors in the model, this section analyzes the model employing the phase portrait method. The phase portrait method examines Case 2 to Case 22 and compares them with Case 1, in which all parameters are positive and $S(t)$ and $N(t)$ continue to increase regardless of their starting levels.⁸

When each regime does not feel threatened by the other and unilaterally decides to take friendly responses to his opponent's hostile behavior (e.g., $-a_1$ in Case 2 and $-a_2$ in Case 3), the analysis indicates that a conciliatory responses would not be reciprocated by a similar gesture from the other.⁹ Rather, the outcome is either an exploitation by the opponent when $a_1 a_2 < b_1 b_2$ or a continuing increase of hostility between the two Koreas if $b_1 b_2 < a_1 a_2$.

Figure 8.2 Case 2

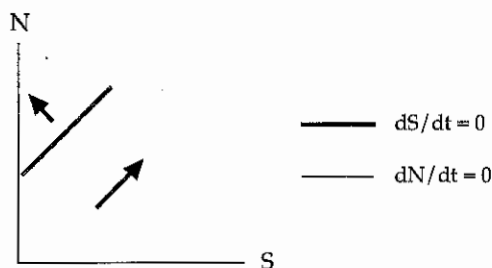
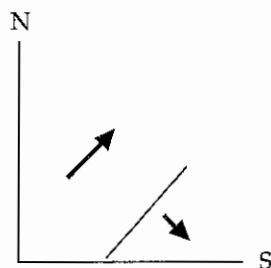


Figure 8.2 Case 3



The situation does not improve even when the two sides take similar policies simultaneously (e.g., $-a_1$ and $-a_2$ in Case 8). When the multiplicative value of the confidence terms exceeds the multiplicative effect of the competition terms (i.e., $a_1 a_2 > b_1 b_2$), the outcome is an exploitation by either party depending on the initial hostility level (Figure 8.2 Case 8a). On the other hand, if the multiplicative value of the competition terms exceeds the multiplicative effect of the confidence terms (i.e., $a_1 a_2 < b_1 b_2$), three possibilities emerge as in Figure 8.2 Case 8b: (i) an initial hostility level in zone (I) increases as time passes by; (ii) If S and N starts in zone (II), North Korea will exploit South Korea; and (iii) S and N initially in zone (III) will develop an exploitation by South Korea. Therefore, a simple elimination of threat between the two Koreas would not be enough to promote cooperative relations. Hostility will continue to grow or an exploitation by one side will occur.

Figure 8.2 Case 8a

Case 8a with Saddle

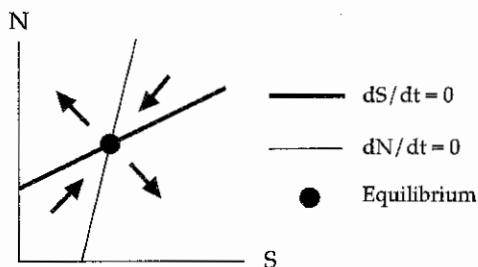
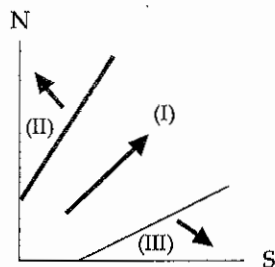


Figure 8.2 Case 8b

Case 8b with Unstable Node



A unilateral cooperative policy by one side (e.g. $-b_1$ in Case 4 and $-b_2$ in Case 5) does not produce a positive outcome. The level of hostility continues

to grow as in Case 1. Simultaneous cooperative policies by the both sides (e.g., $-b_1$ and $-b_2$ in Case 17), on the other hand, improve the situation under certain conditions. If the multiplicative value of the conciliation terms exceeds the multiplicative effect of the threat terms (i.e., $a_1 a_2 < b_1 b_2$), the hostility level will remain in the equilibrium level (Figure 8.2 Case 17a). However, if the multiplicative value of the threat terms exceeds the multiplicative effect of the conciliation terms (i.e., $a_1 a_2 > b_1 b_2$), the outcome is an explosive growth of hostility (Figure 8.2 Case 17b). These results make sense because more emphasis on conciliation terms in both sides' policies will hold down the hostility level even though the policy cannot eliminate it completely. If the threat/fear terms are larger than the conciliation terms, however, both Koreas will become more aggressive with increased hostility.

Figure 8.2 Case 4

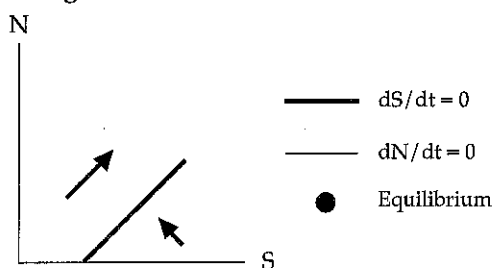


Figure 8.2 Case 5

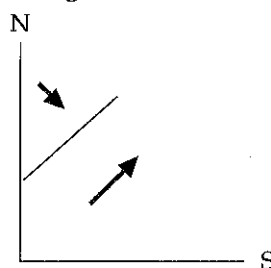


Figure 8.2 Case 17a

Case 17a with Stable Node

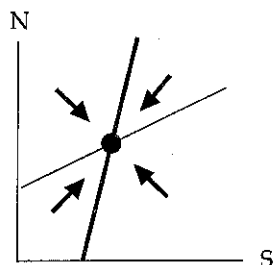
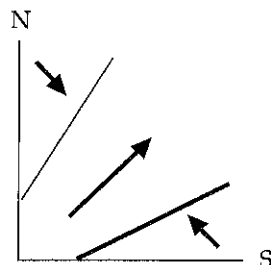


Figure 8.2 Case 17b

Case 17b with Saddle



Consider the situation where the international environment allows only one Korea to be less hostile (e.g., $-E_1$ in Case 6 and $-E_2$ in Case 7). The analysis shows that the situation results in either a continuing increase of hostility on both sides or the exploitation by the other Korea not experiencing the external pressure.

Figure 8.2 Case 6

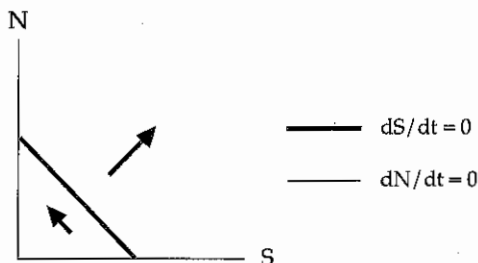
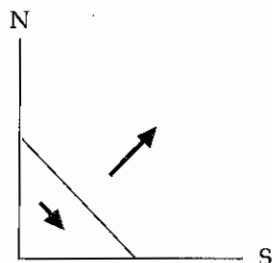


Figure 8.2 Case 7



When both South and North Korea are exposed to a non-confrontational international environment (e.g., Case 22), the situation differs considerably from Case 6 and Case 7. Although the only difference between Case 22 and Case 1 lies in terms of the international environment (negative rather than positive E_1 and E_2), the analysis indicates that the two cases exhibit totally different behavior. Figure 8.2 Case 22a (unstable node) and Figure 8.2 Case 22b (saddle point) illustrate the following varieties in inter-Korean relations: (i) if the initial levels of S and N are in zone (I), then the hostility level will eventually increase like Case 1; (ii) if S and N begin in zone (II), then the hostility between the two will disappear like Case 64; (iii) when the equilibrium is an unstable node (Figure 8.2 Case 22a), initial S and N in zone (III) will develop an exploitation by North Korea, while S and N starting in zone (IV) will result in an exploitation by South Korea; and (iv) if the equilibrium is a saddle point (Figure 8.2 Case 22b), S and N in zones (III) and (IV) will either increase by moving to zone (I) or decrease by moving to zone (II) depending on their starting levels.¹⁰

Figure 8.2 Case 22a

Case 22a with Unstable Node

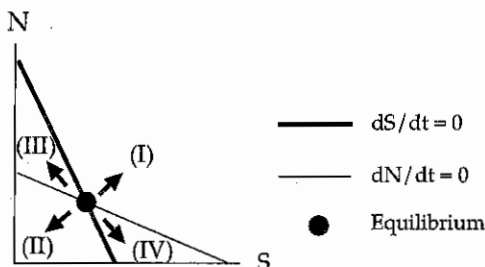
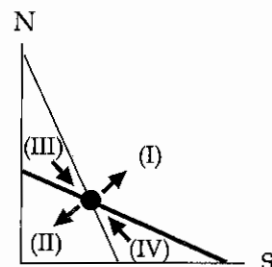


Figure 8.2 Case 22b

Case 22b with Saddle



These results demonstrate the significant impact of the international environment on inter-Korean relations. Reconciliatory global politics produces complex results for the two Koreas' competitive relationship. It may encourage cooperative relations, or it may aggravate the situation by making the two Koreas engage in more fierce competition. And these different outcomes often depend on the existing hostility level between the two adversaries. In general, if the hostility level is not too high (zone (II)), the thawing atmosphere will help the two Koreas to develop more constructive relationships. Too much tension on the peninsula (zone (I)), however, cannot be reduced despite the easing of cold-war environment. In addition, the non-confrontational external mood may also generate an exploitative situation. It is quite possible in the changing environment that one party is allured to adopt a cooperative position while the other takes advantage of the situation.

Consequences of Policy Choices and International Environment

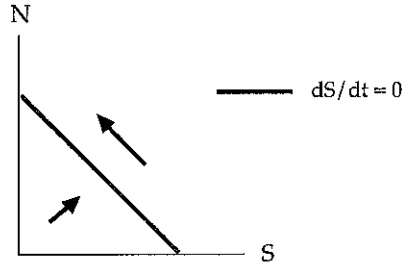
Since an extensive number of cases have been already analyzed in the previous section and it is not feasible to report an individual analysis of the remaining cases, one specific case, Case 9, is analyzed for a methodological as well as substantive purpose. A summary of analytic results of the all sixty four cases will then be discussed in this section.

Case 9 is an interesting example in two aspects. First, it generates all types of analytically possible solutions: unstable node, stable node, saddle, stable focus, unstable focus, and center. There are sixteen such cases in Table 8.1. Therefore, the analysis of Case 9 helps to understand the behavior of the other similar cases. Second, it deals with a substantively important question: to what extent does conciliatory policy by one party risk the danger of being exploited by the other side?

In particular, Case 9 depicts South Korea unilaterally taking a cooperative policy ($-a_1$ and $-b_1$) and North Korea maintaining a conflictive position (a_2 and b_2), while the international environment is confrontational (E_1 and E_2). Can a unilateral conciliatory policy by the South promote a similar policy from the North? The analysis indicates that this situation will result in North Korea's exploitation of South Korea's good will. One party's conciliatory policy will not be r-

Figure 8.2 Case 9

Case 9 with Stable Node, Unstable Node, Stable Focus, Unstable Focus, Saddle, and Center



reciprocated by a similar gesture from the other side. This result will not be changed even if the international environment becomes non-confrontational (i.e., $-E_1$ and $-E_2$ in Case 51). If inter-Korean relations operate exactly as our model is structured, it is dangerous for South Korea to adopt a unilateral conciliatory policy in order to encourage North Korea's cooperation, even in a favorable global atmosphere.

When all sixty-four cases are analyzed, four theoretically possible consequences of policy alternatives are found: extreme hostility; no hostility; continuation of a certain level of hostility; and exploitation by the respective sides. This is an interesting result in that these four consequences are mutually exclusive and exhaustive in a theoretically possible set of policy consequences.

More specifically, the phase portrait analysis of the model shows that there are various alternatives to reduce hostility between the two Koreas although its complete elimination might be very difficult, if not impossible. The non-confrontational international mood alone would be able to eliminate tension on the peninsula.¹¹ However, inappropriate policies may not take advantage of the favorable international situation. Rather, these policies may cause more intense competition between the two. Reciprocal conciliatory policies, together with the threat of retaliation (i.e., tit-for-tat policy) for non-compliance, also prove to reduce hostility. Unilateral conciliatory policy by one party, on the other hand, turns out to be a dangerous idea because it encourages exploitation by the other side regardless of the international atmosphere.

Conclusion

The dynamic model in this chapter deals with complex interplay among three factors in the North-South relations: each regime's policy position independent of the other's; the types of reactionary policy; and the international environment. By various combinations of the parameter values of these factors, the model produces sixty-four distinct categories of inter-Korean relations. With the introduction of a meta-model which governs the parameter values, the potential number of cases generated from the model could increase exponentially.

The phase portrait analysis of the model determines a relative impact of an individual variable on the dynamics of inter-Korean relations. The model also predicts the consequences of a certain policy implemented under a specific international environment. In addition, the analysis suggests various alternatives to reduce hostility between the two Koreas. Of course, the reality may well be more complex than the structure of the model with possible nonlinearities of the variables and other relevant parameters. Those analytic implications deduced from the model are valid only to the extent that the model replicates the essence of inter-Korean relations. However, this simple model has a potential to be a useful heuristic device for policy considerations in a rapidly changing environment.

Notes

1. For useful discussions of the current nuclear crisis on the Korean peninsula, see Mack (1993).

2. For useful discussions of unstable peace, see Boulding (1978: 31-66).

3. Park and Lee (1992) argue that despite some symbolic and tactical changes, inter-Korean relations have changed little in substance. For similar arguments, see also Cotton (1992).

4. The model has been developed and partially analyzed in the previous work (Lee and Park, 1991).

5. The structure of our model is very similar to Richardson's well-known arms race model. Unlike Richardson's model, however, the parameters of our model can take any values, i.e., both positive and negative values. In fact, Richardson's model is equivalent to Case 17 in Table 8.1 in this chapter. For Richardson's arms race model, see Richardson (1960).

6. Too much fear, rather than a lack of fear, could also be employed to represent the negative values of a_1 and a_2 . However, this chapter assumes that the rate of change in hostility is determined by the degree of fear in a linear fashion. Thus, the level of hostility in each Korea's policy increases with fear and decreases with confidence.

7. Since there are six parameters and each parameter can have two different signs (+ and -), 64 possible sign combinations will be obtained, i.e., $2^6 = 64$.

8. Due to a symmetric structure of the model, the same results can be obtained when Case 43 to Case 63 are analyzed and compared with Case 64.

9. In this chapter it is assumed that the dynamic system moves along the trajectory until it reaches the boundary of the first quadrant, at which point one or both of the variables begin to go negative, and there it stops. The assumption that the system is arrested at the boundary of the first quadrant means the linear equations of motion are not satisfied there and are replaced

near the boundary by nonlinear equations which saturate at the boundary itself.

10. The final outcomes of the trajectories from zones (III) and (IV) are determined mathematically depending on the magnitudes of relevant parameters. The so-called separatrix divides the regions.

11. A rationale of this finding can be related to the theoretical argument that a continuing chance of interaction is critically related to the evolution of cooperation even in the prisoner's dilemma situation (Axelord, 1984). The global atmosphere of detente can be conducive to the continuation of interaction between the two Koreas and thus increase the probability of cooperation between them.

An Expected Utility Model of Inter-Korean Relations

Chi Huang, Woosang Kim, and Samuel Wu

Introduction

REGIONAL RIVALRY IS A FAIRLY COMMON PHENOMENON after the World War II. It is a situation where two states (or regimes), influenced by superpower politics, are engaged in a long-standing competition over regional issues that could easily be escalated to war (McGinnis, 1990). The contiguous dyads such as North-South Korea, India-Pakistan, Iran-Iraq, Greece-Turkey, Ethiopia-Somalia, China-Taiwan, North-South Vietnam before 1973, and East-West Germany before the 1990 reunification are the examples of this sort.¹

Recent studies suggest that contiguity may be one of the causes of conflict between pair of nations or regimes (Weede, 1983; Starr and Most, 1976, 1983; Siverson and Starr, 1990). However, contiguous dyads are not all conflictual. How are the two contiguous rivals different from other contiguous dyads? What determines the hostility between the two rivals in a dyad? Although these seem to be important questions, they have not been investigated yet.

According to the definition of regional rivalry mentioned above, there are at least three major similarities among regional rivalry cas-

es which make them different from other contiguous dyads. First, the two states involved in the regional rivalry are dissatisfied with the status quo of the bilateral relationship. Leaders in these countries are usually facing serious challenges from the other side of the dyad to resolve long-standing controversies. Among others, "reunification" or "territorial disputes" have become such salient issues that have created stiff tensions between the regional rivals.

Second, many leaders in regional powers usually find themselves under the domestic pressure to change the status quo. This domestic pressure can serve both as incentive and as limitation to national leaders' security decision. In order to compete against other domestic political groups for the monopolization of the agenda and to transfer the pressure to outside scapegoat, national leaders may be forced to initiate conflict against its rival (Blainey, 1973; Hazelwood, 1975; Hoole and Huang, 1989; Rummel, 1963; Stohl, 1980; Tanter, 1966; Ward and Widmaier, 1982; Wilkenfeld, 1972). The domestic pressure, on the other hand, may cause serious domestic instability. When that is the case, the domestic instability sets limitation to national leaders' security decision.

Third, superpowers' global competition plays an important role. Most of these regional powers command considerable military power within their own regions. However, most of them do not have advanced military industries to sustain their military actions unless they are supported by one of the superpowers for advanced munitions (McGinnis, 1990). Even when they have considerable capabilities to produce munitions, they realize that the military balance between them and their rivals can be changed easily if one side suddenly obtains a significant amount of arms aids from its superpower ally (Kolodziej and Harkavy, 1982). This kind of situation invites superpower involvement into the regional politics. The two superpowers, the United States and the Soviet Union, compete against each other for their own interests in various regions. They usually support different sides in the region and try to maximize both their regional and global influences.

The purpose of this paper is to place the confrontation between the Republic of Korea (ROK or South Korea) and the Democratic People's Republic of Korea (DPRK or North Korea) since 1949 in a broader theoretical perspective of regional rivalry. So, an expected utility model of regional rivalry will be developed and be applied to

the case of the Korean peninsula.

Expected Utility Model of Regional Rivalry

We postulate that hostilities between regional rivals occur when they have conflict of interests due to their different positions in certain issues. More specifically, hostility between two states occurs when one side wants to universalize its value, i.e., to force the other side to accept its position, and is rejected by the other (Riker, 1982).² However, not all the hostilities escalate to conflict. A regional power's conflict decision-making against its rival is assumed to be mainly based on the expected utility calculation. Elites of the nation, dominated by a strong leader, decide to challenge or not to challenge status quo. In the process of decision-making leaders try to maximize the expected value of their potential action against their regional rival.

The expected utility calculation is based on the perceived probability of success in challenging the status quo and the perceived national interests at stake.³ Therefore, the weaker the leaders of one side think their rival is (or the stronger they think their nation is), the higher they think their chance of achieving the policy objectives is. Also, the further the distance between the two rivals' policy positions on conflictual regional affairs is, the larger the national interest at stake is.

The perceived probability of success and the perceived national interest of a regional power are considered to be determined by three factors: (i) such internal factor as the nation's internal capabilities and its domestic problems; (ii) such bilateral factor as its distance with the rival in terms of policy positions; and (iii) such systemic factor as the alliance relationship with its superpower ally and change of international environment.

In the following sections we focus on these factors to develop an expected utility model that can help us understand better the conflict behaviors of the regional rivals. Several hypotheses of the expected utility model of regional rivalry will be tested empirically against the South-North Korea case.

Domestic Politics

Some argue that power distribution between the belligerent, as reflected in the probability part of the expected utility calculation, is one of the crucial elements in national leaders' conflict decision-making (Claude, 1962; Gulick, 1955; Kaplan, 1957; Liska, 1962; Morgenthau, 1973; Wright, 1965; Garnham, 1976a, 1976b; Kim, 1989, 1991a; Organski, 1968; Organski and Kugler, 1980; Weede, 1976). A nation's probability of winning a potential war is determined by the relative power available to each side in the conflict. The power available to each side, in turn, is determined by the state's national capability discounted by the proportion of power needed to deal with its domestic problems and other external threats and by the available support from its allies.

One side's conflict initiation against its rival can be influenced by the domestic instabilities in either side (Wilkenfeld, 1972). This is so because a nation's probability of winning war against its rival is a function of the national leaders' abilities to mobilize the nation's internal capabilities. When leaders of a nation face serious domestic problems, it is difficult for them to mobilize all the internal power to deal exclusively with their rival. Some portions of the power under control may have to be utilized to deal with the internal instability. So, the more domestic problems leaders face, the less the internal capabilities is available for them to fight against their rival. Less available capabilities for nation *i* means lower probability of winning by *i*, and consequently, a decrease in *i*'s expected utility of initiating conflict. Less available capabilities for nation *i* may also mean higher probability of winning conflict by nation *j*, and consequently, an increase in *j*'s expected utility of initiating conflict against *i*.

Hypothesis 1a: The more unstable nation *i*'s domestic politics is, the less likely *i* is to initiate conflict against nation *j*.

Hypothesis 1b: The more unstable nation *i*'s domestic politics is, the more likely *i* is to invite an attack from nation *j*.

Reciprocity

We might also expect reciprocal behaviors between regional rivals. As one side perceives that it has better chance of winning than

losing the conflict, its incentive to fight against its rival increases as the policy difference between the two sides becomes greater. In general, the status quo of greater policy difference is much distasteful than the status quo of less policy difference between regional rivals. Therefore, as one side becomes more and more hostile to its rival, the perceived future policy positions of the two rivals move away from each other. In other words, the more hostile relationship must result from more serious disagreement on some policy issues. In this case, if one side initiates conflict and is successful, then it has a lot to gain. *Ceteris paribus*, a nation's expected utility of challenging will increase as its rival becomes more hostile.

Reciprocal behaviors are common when the two rivals sustain a longstanding hostilities but neither side has enough capability to defeat the other conclusively. Regional powers are more likely to reciprocate the behaviors directed toward them. Reciprocity, also known as "tit-for-tat," is a strategy that one side follows the other side's previous move or the other side replicates its rival's previous behavior. When one side was hostile toward its rival in a previous event, its rival is expected to respond the same way. If one side is cooperative toward its rival, its rival is expected to cooperate.⁴

Hypothesis 2: A hostile behavior initiated by one side is likely to provoke the other side's conflict initiation.

Alliance Politics

The probability of winning by one side may be influenced by the alliance structure in the region. Alliances serve as a substitute for internal sources of national capabilities (Claude, 1962; Iusi-Scarborough and Bueno de Mesquita, 1988; Kim, 1989, 1991a; Most and Starr, 1984; Liska, 1962; Morgenthau, 1973; Walt, 1987; Waltz, 1979). But, nations do not always honor their alliances (Sabrosky, 1980). Therefore, formation of new alliances or confirmation of existing alliance ties will increase the likelihood that the allies will send their military forces (or provide economic or political support) to defend one another.

Regional powers sign new alliance treaties or obtain assurances of security from their major power allies to augment their military capabilities. The more one side increases its capabilities through al-

liances, the higher its probability of success and consequently, the more likely it initiates a conflict against its rival. Other things being equal, an increase in the probability of success will increase the expected utility of conflict and thus, increase the expected utility of challenging status quo. By following the same logic, the more nation *j* decreases its capabilities by failing to obtain commitments from its major power ally, the more likely nation *i* initiates a conflict against its rival *j*.

Also, if nation *j*'s major power ally improves its relationship with nation *i*, then the probability that *j*'s major power ally does not honor security commitment to its regional ally (nation *j*) increases. That will decrease nation *j*'s probability of success and consequently increase nation *i*'s probability of success in case of conflict. So, nation *i* is more likely to initiate a conflict against its rival.

Hypothesis 3a: The more support nation *i* receives from its major power ally, the more likely *i* is to initiate conflict against nation *j*.

Hypothesis 3b: The less support nation *j* receives from its major power ally, the more likely nation *i* is to initiate conflict against *j*.

Hypothesis 3c: The improvement of the relationship between nation *j*'s major power ally and nation *i* increases the likelihood of *i*'s initiation of conflict against *j*.

External Threats

Nations other than the rivals and their major power allies (henceforth, "third parties") may also affect regional rivalry. If nation *i* faces external threats from a third party (or third parties), then it is difficult for *i* to utilize its military capabilities to deal exclusively with *j*.⁵ Therefore, the probability of success by *i* decreases as it faces external threats or it involves in conflicts with third parties. Nation *i* will not only assess its own situation but also assess *j*'s. If *j* is confronting external threats from a third party (or third parties), then *i* may take advantage of the situation. That is, *i* realizes that its probability of success increases as the proportion of *j*'s military capabilities that can be mobilized to fight against itself decreases. All other things being equal, an increase in the probability of success of one side increases expected utility of conflict, and consequently, increases the expected utility of challenging status quo.

Hypothesis 4a: When nation *i* involves in a conflict with a third party (or third parties), *i* is less likely to initiate conflict against nation *j*.

Hypothesis 4b: When nation *j* involves in a conflict with a third party (or third parties), nation *i* is more likely to initiate conflict against *j*.

Superpower Intervention

Finally, the relationship between the two superpowers seems to have a significant influence on regional conflict. During the cold war era, the ties between each superpower and its regional allies have been very strong. As the two superpowers face the declining trend of their relative national capabilities, they start to realize that they cannot afford global competition between themselves, and consequently, they are less willing to confront each other for their regional allies. It might seem undesirable for both superpowers to go back to the cold war period. As a result, the tension between the superpowers diminishes and the improvement of the relationship between them is expected. Recent changes in the global competition also loosens the tightness of the defender-protégé relationship in the regions. Superpowers provide less military and economic aids to their allies than before and regional allies sacrifice less their sovereignty and latitude of foreign policy decision-making in return to the superpower's aids and security protection.

According to the expected utility calculation, regional rivals are less likely to initiate conflict against each other as the improvement of the relationship between the two superpowers loosens existing ties between the superpowers and their regional allies. During the cold war era, not only the superpowers but also the regional rivals have been diametrically opposed to each other. So, if there are any future changes in the regional rivals' foreign policies toward each other, it is difficult for the relationship to get meaningfully worse. Difference in the foreign policy positions may improve or remain at its present level. Either side, believing that relations with its rival may improve in the future, has less incentive to resort to arms against its rival. Although, based on their current relationship, one side may have an incentive for initiating conflict, its expectation that it will have more shared interests with its rival in the future will

countervail current hostilities and preclude initiation of conflict.

Hypothesis 5: The improvement of the relationship between the two superpowers leads to less likelihood of regional conflict.

In the following sections, the hypotheses about the national security elites' conflict initiation behaviors toward their regional rival will be applied to the Korean peninsula. Then, these hypotheses will be tested empirically against the case of South Korea vs. North Korea from 1950 to 1978.

The Case of the Korean Peninsula

In this section we examine the case of North-South Korean conflict from the theoretical perspectives discussed above. We intend to demonstrate that the Korean case is relevant for testing our model of regional rivalry.

Domestic Politics

North Korean leaders' conflict decision-making against South Korea could have been influenced by South Korean domestic problem. For example, when the "civil movement" in Kwangju occurred on May 1980, the South Korean government had "requested that some of its ground forces be released from the combined United States-South Korean command for use in crowd control and security work and the request was granted by Gen. John A. Wickham Jr., head of the joint command." Although the Pentagon did not say how many troops were involved, the 39,000 American troops in South Korea were at the state of alert. The South Korean ally, the United States, was fearful about the potential North Korean invasion of South Korea.⁶

During the Kwangju incident, it must have been difficult for the South Korean leaders to mobilize all the internal power to deal exclusively with North Korea in case of sudden attack by North Korea. Some portions of its ground force have been used to deal with Kwangju incident. So, the more domestic problems South Korean leaders face, the less the internal capabilities are available for them to

fight against their rival. Less available capabilities for South Korea mean higher probability of winning by North Korea, and consequently, an increase in North Korean leaders' expected utility of initiating conflict against South Korea.

Reciprocity

Since the division of the Korean peninsula into two Koreas, South Korea's rejection of the North Korea's proposal on one issue has usually resulted in North Korea's rejection of the South Korea's proposal on another issue and vice versa. South and North Korea have also been involved in arms race. When North Korea increases its military spending, South Korea responds by increasing its military expenditure. If South Korea develops or acquires new weapons, North Korea responds by matching the same types of weapons.⁷ As North Korea perceives that it has a good chance of winning the conflict against South Korea, its incentive to fight against its rival increases as the policy difference between North and South Korea becomes greater. In this case, if North Korea initiates conflict and is successful, then it has a lot to gain. Other things being equal, North Korean leaders' expected utility of challenging against South Korea will increase as South Korea becomes more hostile and vice versa.

Alliance Politics

The influence of the alliance politics has also been observed in the Korean peninsula. South Korea has signed a mutual defense treaty with the United States on October 1953. Although South Korea and the United States have enjoyed the stable relationship since the treaty, they have faced conflict of interests from time to time. During the Carter administration, for example, the United States pushed the South Korean government to meet its human rights standard and also decided to withdraw its troops from the South Korean soil. With strong opposition both from Washington, D.C. and from Seoul, in January 1980, President Carter withdrew only the United States aircraft carrier from the South Korean water, leaving the area without the United States Navy presence for the first time in thirty years.⁸

North Korea has signed defense pact treaties both with the

Soviet Union and with China on June 1961 and on July 1961, respectively (Singer and Small, 1969). With the treaty, for example, the Soviet Union has provided assurance of defense protection, plus financial and military equipment assistance. However, North Korea also has faced uneasy situations from time to time either with China or with the Soviet Union. For example, when the border clashes between the Soviet Union and China have taken place at different points along the Manchurian frontier on March 1969, North Korean government must have faced the dilemma in its alliance policy. Since North Korea has signed defense treaties with both sides, it must have had hard time to decide which side to support. Honoring the treaty with one side means breaking the agreement with the other. Being neutral also means not honoring treaties with both signatories.

As suggested by the previous theoretical discussion, it is crucial for such regional powers as South and North Korea to maintain strong ties with their great power allies. Especially when either side is considering an attack against its rival, confirmation of existing alliance relationship is very important for its strategic purposes. If South Korea improves its relationship with North Korea's ally, the Soviet Union or China, North Korea may expect less support from its allies in case of conflict with its enemy. North Korea may feel less confident without strong support from its allies when it makes such a critical decision to initiate conflict against South Korea. So, North Korea may lose its intention to initiate conflict. However, if North Korea obtains strong support from either China or the Soviet Union, it may feel more confident in achieving its policy objectives. This may lead North Korea to initiate conflict against South Korea.

As far as South Korea can maintain stable relationship with the United States or induce more cooperative policies from the United States, security elites in South Korea will be confident that in case of conflict the United States is going to join their side. Leaders in North Korea may perceive the same way as those in South Korea. Thus, confirming the United States' alliance commitment may also decrease probability of North Korean attack. However, if North Korea improves its relationship with the United States, North Korean leaders might misperceive the United States' intention. That is, they might believe that the United States is less willing to support South Korea in case of crisis. So, we might expect higher probability of

North Korean conflict behaviors toward South Korea.

Superpower Intervention

The division of the Korean peninsula was a result of the superpowers politics at the end of the World War II. Since the division of the Korean peninsula into two Koreas, the two regional rivals have adopted extremely different value system and have been extremely hostile toward each other. Under the pressure of rigidly bipolarized international system, they have fought each other in the fratricidal war, they have been facing crises that could have easily escalated to another war, and have engaged in all sorts of hostile activities against each other. Their policy positions have been diametrically opposed to each other. However, during such transitional period in which the tightly bipolarized world become loose, the regional powers demand more autonomy in their foreign policy decision-making. Previous differences in their policy positions are expected to converge toward each other. This will decrease the incentive for either North Korea or South Korea to resort to force to solve the differences in their policy positions. That is, both sides are less likely to support the idea of reunification through another fratricidal war.

Model Specification

Our theoretical framework for analyzing regional rivalry indicates that a model of conflict initiation should take into account internal, reciprocal, and international systemic factors. We therefore specify two equations based on the expected utility model discussed above, with each aiming at explaining the conflicts initiated by one side of the 38th Parallel on the Korean Peninsula. The countries considered to be most relevant in this region during the period under study include the two rivals (North and South Korea), two superpowers (the Soviet Union and the United States) and the People's Republic of China (PRC).⁹

The first equation aims at explaining the number of conflicts initiated by North Korea toward South Korea (Y1, the first dependent variable). Based on the arguments in the previous section, we hypothesize that it is a function of eleven explanatory variables:

$$\begin{aligned}
 (1) Y_1 = f [& \alpha_0 + \alpha_1(\text{SKDomestic})_t + \alpha_2(\text{SKDomestic})_{t-1} + \alpha_3(\text{SK}=>\text{NK})_t \\
 & + \alpha_4(\text{SK}=>\text{NK})_{t-1} + \alpha_5(\text{SuperPower})_{t-1} + \alpha_6(\text{US}=>\text{SK})_{t-1} \\
 & + \alpha_7(\text{SU}=>\text{SK})_{t-1} + \alpha_8(\text{China}=>\text{SK})_{t-1} + \alpha_9(\text{US}=>\text{NK})_{t-1} \\
 & + \alpha_{10}(\text{SU}=>\text{NK})_{t-1} + \alpha_{11}(\text{China}=>\text{NK})_{t-1}] + e_t
 \end{aligned}$$

where SKDomestic = domestic instability in South Korea

SK=>NK = degree of conflict and cooperation from South Korea to North Korea

SuperPower = degree of conflict and cooperation between the United States and Soviet Union

US=>SK = degree of conflict and cooperation from the United States to South Korea

SU=>SK = degree of conflict and cooperation from the Soviet Union to South Korea

China=>SK = degree of conflict and cooperation from People's Republic of China to South Korea

US=>NK = degree of conflict and cooperation from the United States to North Korea

SU=>NK = degree of conflict and cooperation from the Soviet Union to North Korea

China=>NK = degree of conflict and cooperation from the PRC to North Korea

and subscript t refers to the value of the current year and $t-1$, the previous year. The country in front of the arrow is the actor and the country pointed by the arrow, the target. As can be seen, the first two explanatory variables in the equation, current and lagged domestic disturbances, are about internal factors. The next two variables are about bilateral relationship between the two rivals. All the rest of the variables are international systemic factors, including the relationship between the two superpowers and how the three major powers (the United States, Soviet Union, and China) treat the two regional rivals.¹⁰ In specifying time lag we assume that, due to the speed of information flow, decision makers of regional rivals respond faster to internal and bilateral factors than to international systemic factors. Therefore, both the current and lagged values of the internal and bilateral factors are included in the equation.

The second equation, which models the number of conflicts initiated by South Korea toward North Korea (Y_2 , the second dependent variable), basically follows the specification of the first equation except that the direction of the bilateral relationship variable is reversed.

$$(2) Y_2 = f [\beta_0 + \beta_1(\text{SKDomestic})_t + \beta_2(\text{SKDomestic})_{t-1} + \beta_3(\text{NK} \Rightarrow \text{SK})_t + \beta_4(\text{NK} \Rightarrow \text{SK})_{t-1} + \beta_5(\text{SuperPower})_{t-1} + \beta_6(\text{US} \Rightarrow \text{SK})_{t-1} + \beta_7(\text{SU} \Rightarrow \text{SK})_{t-1} + \beta_8(\text{China} \Rightarrow \text{SK})_{t-1} + \beta_9(\text{US} \Rightarrow \text{NK})_{t-1} + \beta_{10}(\text{SU} \Rightarrow \text{NK})_{t-1} + \beta_{11}(\text{China} \Rightarrow \text{NK})_{t-1}] + e_t$$

where $\text{NK} \Rightarrow \text{SK}$ = degree of conflict and cooperation from North Korea to South Korea.

All other variables are as defined in the first equation.

Data Sources and Measurement

Three types of measurement are included in the two equations specified above: frequency of conflicts initiated by either side of the 38th Parallel on the Korean Peninsula, count of their domestic disturbances, and the degree of conflict and cooperation between each relevant dyad.

Frequency of Conflicts beyond Verbal Hostility

To measure the conflicts between North and South Korea, we rely on the Conflict and Peace Data Bank (COPDAB) compiled by Azar and his associates (1982). COPDAB is a longitudinal collection of daily "events," which are distinct enough from routine exchanges, among 135 nation-states during the period from 1948 to 1978 and are reported in over 70 reputable sources (Azar, 1980: 146). The data set codes events for the date, the actor, the target, the issue type, and the "intensity" of the event. The intensity measure (called conflict scale category) is a scale from 1 to 15, with 1 being most cooperative (voluntary unification into one state) and 15 being most confrontational (full scale air, naval or land battles). Thus, the higher the scale score

represents the higher degree of conflict and the lower the scale score, the higher degree of cooperation. The score of 8 represents the neutral acts.

Events between South and North Korea that are coded from 9 to 15 on the conflict scale are conflicts. However, our research interest focuses on hostile "physical" actions rather than just verbal discord/hostility, which are classified into categories 9 and 10. Therefore, only those conflicts which fall in the last five categories, that is, from 11 (hostile diplomatic-economic actions) to 15, are counted.

Count of Domestic Disturbances

We choose to use the number of riots occurred in each country from 1948 to 1977, as recorded in the *World Handbook of Political and Social Indicators* (Taylor and Hudson, 1972; Taylor and Jodice, 1983), to measure domestic disturbances. This is based on the assumption that, given the authoritarian and totalitarian nature of the political regimes in South and North Korea, it takes a large scale domestic disturbance to attract their leaders' attention and thus influence their decisions. According to the editors of the volumes of *World Handbook*, "[a] riot is a demonstration or disturbance that becomes violent," and "[f]or a riot to be reported at all the participants had to be number in the hundreds, if not thousands." (Taylor and Jodice, 1983: 29). In South Korea, the high frequency of riots roughly coincides with political crisis and/or regime change. For example, the number of riots reaches its peak (56 incidents) during 1960 when the student riots toppled the Rhee regime and also paved the way for the military coup in the following year. Based on *World Handbook*, however, in North Korea there were only four riots occurred in 1948 and had been no riots since. To avoid collinearity (with the constant term) in statistical analysis, this variable is excluded from both equations.

Degree of Conflict and Cooperation between Dyads

In each of our two equations, we include nine explanatory variables measuring the degree of conflict and cooperation from the opposite side of the 38th Parallel, between the two superpowers, from

each of the two superpowers to South and North Korea, and from China to the two rivals. All these variables are taken from the COPDAB by computing the average of conflict and cooperation scores of all the events occurred between the dyads throughout the year. The relationship between the two superpowers is measured by averaging the conflict and cooperation scores from the United States toward the Soviet Union, on the one hand, and from the Soviet Union to the United States, on the other hand.

Methodology

As stated above, the dependent variables of this study are the number of conflicts beyond verbal hostility initiated by either side of the 38th Parallel on the Korean Peninsula toward the other. The data we analyzed include 29 annual observations (1949-1977),¹¹ with an aggregated count of incidents of nonverbal conflict at the end of each year. Our interest focuses on the underlying process that drives each observed count.

Since the frequency of conflicts on and across the 38th Parallel can take on only nonnegative integer values (i.e., only the values 0, 1, ..., occur with nonzero probability), it is a typical discrete random variable called *event count*. Our empirical analysis of the occurrences of conflicts must take into account the data generation process of this particular type of discrete variables. As King (1988) points out, ordinary least squares analyses of event counts are inefficient, have inconsistent standard errors, and may produce unreasonable predictions of negative number of events. Event count models, which are built upon the data generating process of count data, are much more appropriate for our research purpose.

The simplest and most popular event count model is the Poisson regression model. In the study of inter-state conflicts, however, assumption of homogeneity or independence of event occurrence built in the Poisson regression may not be appropriate (see King, 1989a, 1989b). It is very likely that the occurrence rate of conflicts changes under different international and domestic conditions. Conflicts may also be "contagious" in the sense that one type of non-verbal conflict behavior, say, economic blockade, may either stimulate or preempt other types of hostile action such as military attacks. In other words,

contagious process leads to either over-dispersion (i.e., the variance exceeds the mean) or under-dispersion (i.e., the variance is less than the mean). Situation such as this violates the assumption of independence and biases the standard errors estimated by the Poisson regression. In order to take into account these possibilities, we decide to use King's (1989b) generalized event count (GEC) model, which allows for modeling event counts with unknown dispersion. If homogeneity or independence assumption is not violated, the GEC model is reduced to the exponential Poisson regression model.¹²

Empirical Findings

The GEC coefficient estimates of the two equations, as well as their estimated standard errors and t-statistics, are presented in Table 9.1.

Table 9.1 GEC Model of North-South Korea Conflict

Variable	North \rightarrow South (Y_1)			South \rightarrow North (Y_2)		
	Est.	S.e.	t-Stat	Est.	S.e.	t-Stat
Constant	1.041	2.757	0.377	-2.870	2.526	-1.136
SKDomestic _t	0.028	0.020	1.439	-0.011	0.018	-0.619
SKDomestic _{t-1}	-0.071	0.017	-4.279	-0.046	0.016	-2.847
SK \Rightarrow NK _t	0.350	0.129	2.713	-	-	-
SK \Rightarrow NK _{t-1}	0.312	0.196	1.593	-	-	-
NK \Rightarrow SK _t	-	-	-	0.698	0.089	7.842
NK \Rightarrow SK _{t-1}	-	-	-	-0.102	0.124	-0.820
SuperPower _{t-1}	-0.020	0.265	-0.077	-0.296	0.208	-1.426
US \Rightarrow SK _{t-1}	0.374	0.143	2.625	0.295	0.145	2.028
SU \Rightarrow SK _{t-1}	-0.488	0.241	-2.024	0.146	0.170	0.859
China \Rightarrow SK _{t-1}	0.304	0.097	3.138	0.051	0.070	0.733
US \Rightarrow NK _{t-1}	-0.357	0.105	-3.390	0.036	0.091	0.397
SU \Rightarrow NK _{t-1}	-0.273	0.119	-2.300	-0.106	0.086	-1.233
China \Rightarrow NK _{t-1}	-0.397	0.147	-2.709	-0.223	0.079	-2.807
γ	1.176	0.308	3.824	1.255	0.282	4.446

*Notes : (1) Est. = GEC estimate S.e. = standard error t-stat = t-statistics

(2) Y_1 Log-likelihood = 2447.039 Y_2 Log-likelihood = 2459.903

(3) Mean of Y_1 = 21.643 Mean of Y_2 = 23.786

Note that the positive and statistically significant estimates of in both equations provide empirical evidence for positive contagion of hostile actions initiated by both North and South Korea. That is, a conflict increases the probability of another conflict during the next interval of time. The implications of empirical results for our hypotheses are discussed below.

Domestic Politics

The hypothesis that domestic instability in a country may lower the likelihood of its conflict initiation toward its rival is supported in the second equation. That is, the greater number of riots occurred in South Korea in the previous year tend to decrease the frequency of conflicts initiated by South Korea toward North Korea. During the near three decades under study, there were on average 23.786 conflicts initiated by South Korea every year. For each occurrence of large-scale riot, South Korea initiated about one fewer conflicts against North Korea in the following year.¹³

However, the hypothesis that domestic instability in a state tends to invite aggression from its rival is not supported in the first equation, which explains North Korean leader's conflict decision-making. Contrary to our expectation, the empirical result indicates that as the number of riots in South Korea increases in the previous year, North Korea becomes less likely to initiate conflict against South Korea in the following year. There are two possible explanations of this "anomaly." One is that it is probably due to the reciprocity of conflicts between the two rivals. As domestic disturbances suppress the conflicts initiated by South Korea, North Korea finds itself less necessary to be confrontational. The other explanation is that it is probably due to sophisticated calculation of North Korean leaders. Since many riots occurred in South Korea had to do with anti-US influence on South Korean government, North Korean leaders might prefer giving these movements more time to gain its momentum. Unless they were confident that launching an attack at such moments could produce decisive results, North Korean leaders might feel that taking advantage of domestic instabilities in South Korea could only provide South Korean government excuses to keep or even to strengthen its ties with the United States. This might explain why they exercised self restraint under such circumstances.

Reciprocity

Our hypothesis that a state's hostile actions tend to provoke its rival's hostile reactions is strongly supported in both equations. The positive and statistically significant coefficient estimates of $(SK \Rightarrow NK)_t$ and $(NK \Rightarrow SK)_t$ in equation (1) and (2), respectively, indicate that both North and South Korea respond to higher degree of hostility from their counterparts with greater number of conflicts. Not surprisingly, this type of tit-for-tat responses tend to be fast and immediate and thus only the current values of these two variables have significant effects. It also seems that South Korea has been more sensitive to the hostility from the North Korea and tends to have stronger responses to conflicts initiated by North Korea.¹⁴

Alliance Politics

Our alliance hypothesis argues that better relationship between a country and its major ally tends to increase that country's conflict initiation and discourage its rival's hostile actions. Empirical results indicate that this argument is much more accurate about the conflict-initiation behavior of North Korea than about that of South Korea. In the first equation, five out of the six dyads give "expected" signs and are statistically significant. This means that North Korea becomes more militant when its major allies, especially China, are friendlier to itself and more hostile to its rival, South Korea. When the United States show stronger commitment to South Korea and becomes more hostile to North Korea, the latter decreases its hostile actions toward South Korea.

In the second equation, however, only one out of the same six dyadic relationships has statistically significant effect on South Korean conflict initiation behavior, and its sign is different from our expectation. That is, South Korea, instead of being deterred by the stronger ties between China and North Korea, tends to initiate more hostile actions against North Korea under such circumstances. This is probably due to the significant reciprocity between two Koreas. As North Korea becomes more militant, encouraged by stronger commitment from China, South Korea tends to respond with equally hostile behavior. The other possible explanation of this "anomaly" lies again in the sophisticated calculation of South Korean leaders.

As China shows weaker commitment to North Korea, South Korean leaders may prefer seeing such cooler relationship to continue than taking any hostile actions which may pull its two Communist neighbors closer, unless they believe that such actions can have decisive favorable results. On the other hand, when China shows stronger commitment to North Korea, South Korean leaders might have something to gain by launching low-intensity conflict. That is, it may remind its people of the urgency of national security and also attract the attention of its superpower ally, the United States, to provide more military and/or economic aid.

Superpower Intervention

The hypothesis that an improvement of the relationship between the two superpowers tends to decrease the likelihood of regional conflict is not substantiated in either of the two equations. In the first equation, North Korean conflict initiation toward South Korea is not significantly affected by the degree of conflict and cooperation between the United States and the Soviet Union. The same is true for South Korean conflict decisions against North Korea in the second equation. In other words, during the cold war era from 1950 to 1977 the relationship between the United States and the Soviet Union tended to have limited, if any, effect on the number of conflicts initiated by the two regional rivals against each other on the Korean Peninsula.

However, we suspect that this finding is mainly due to relatively small variations (between 7.0 in 1973 and 1975 and 9.65 in 1950) of the US-SU average conflict and cooperation scores during the period under study. Were the COPDAB data available till recent years, we might find significant effect of the warm relationship between the two superpowers on regional rivalry on the Korean Peninsula (Kim, 1991b).

Conclusion

The following conclusions can be drawn from this study. First, large-scale domestic instabilities tend to decrease a country's ability to mobilize resources and thus lower the likelihood for that nation to initiate conflict against its regional rival. Secondly, hostile actions from

either side of the rivals tend to pull their policy positions on salient issues further apart and therefore cause reciprocal responses. Whether the reciprocity also applies to cooperation signal sent by the adversary is an interesting hypothesis to be tested. Thirdly, alliance structure in a region affects the distribution of power between regional rivals. But the actual effect of such alliance on a country's conflict decision-making may vary due to sophisticated calculations, which is not explicitly included in our expected utility model of regional rivalry. The discrepancies between empirical results in the second equation and our theoretical expectations indicate the direction of improvement for our model.

As to the case of North Korea *versus* South Korea, we conclude that during the period from 1950 to 1977 South Korea seemed to be restricted by its domestic disturbances but had been more sensitive to hostility directed from North Korea than to the attitudes of its ally and its rival's superpower ally. North Korea, on the other hand, did not take advantage of domestic instabilities in South Korea, but had been sensitive to hostility from South Korea as well as the attitudes of allies of its own and of its rival. During the near three-decade period, the relationship between the two superpowers did not seem to have significant effect on conflict initiation behavior on either side of the 38th Parallel on the Korean Peninsula.

Notes

1. Regional rivalry may be differentiated into symmetric and asymmetric cases according to the power distribution between the two sides. North-South Korea case may be considered a symmetric regional rivalry and China Taiwan case may be considered an asymmetric one. The differences between the two cases will be explained in detail in a subsequent paper.

2. For example, the hostility in the Gulf War occurred when Saddam Hussein attempted to force other states to accept his position that Kuwait was part of Iraq, and was rejected by Kuwait and other states. The difference of policy positions in various issues that concerns the belligerent may be one of the causes of hostility between them.

3. For details about the expected utility model, see Bueno de Mesquita (1981, 1985).

4. For tit-for-tat strategy or reciprocity arguments, see Axelrod (1984), Axelrod and Keohane (1985), and Goldstein and Freeman (1990).

5. Even the United States, after it committed about half of its conventional military capabilities in the Gulf War against Iraq, could have found it extremely difficult to handle other conflicts at the same time. For the "Operation Desert Storm" the U.S. had to send 75% of its active tactical airplanes (1950/2600), 42% of its modern battle tanks (2500/6000), 46% of its marines (90,000/195300), 37% of its army, and 46% of its aircraft carriers (6/13) to the battle field. Many military experts doubt that the U.S. could fight another similar size war simultaneously, not to mention to fight against a Soviet invasion in the Western Europe. For more details, see *Time*, March 4, 1991, pp. 38-39.

6. *The New York times*, May 23, 1980.

7. For South and North Korean arms race, see Olsen (1986), Park (1980, 1986), and Yang(1989).

8. *The New York Times*, January 20, 1980, p. 12.

9. Japan is, of course, a major actor in the Northeast Asia. However, Japan had little military influence during the period under our study. Its economic and political influence did not become significant until the late 1970s either (Vogel, 1979).

10. In our theoretical model, we argue that regional rivals are less likely to initiate conflict when they are at serious strife with a third party (or third parties). This variable is not included in our statistical equations because a search in Dupuy and Dupuy (1977) and Brecher, Wilkenfeld, and Moser (1988) indicates that neither North nor South Korea involved in this type of conflicts with third parties during the period under study.

11. Data on 1948 is not included because both Republic of Korea and Democratic People's Republic of Korea were not established until the second half of that year. Also note that one observation is "lost" in our statistical analysis due to one time lag of the explanatory variables. Therefore the effective sample size left is 28.

12. Ideally, the two equations should be estimated simultaneously. Unfortunately, the estimation method for simultaneous-equation GEC model is not yet developed. The two event count models which allow for estimating multiple equations simultaneously are the Seemingly Unrelated Poisson regression Model Estimator (SUPREME, see King, 1989c) and its variant called SUPREME2 by King (1991). However, these two models are based on bivariate Poisson distribution and do not take into account contagion. Besides, simultaneously estimating 26 parameters with 28 effective observations pushes the degrees of freedom to its extreme.

13. Due to the exponential function in the generalized event count model, the partial derivative of the expected value of the dependent variable with respect to an independent variable equals the product of the expected value and the parameter (King, 1989d). Therefore, we interpret the effect of an independent variable by multiplying the mean of the dependent variable with the estimate of the coefficient of interest. That is, $23.786 \times 0.046 = 1.094$. Strictly speaking, for each occurrence of large-scale riot, South Korea initiated 1.094 fewer conflicts against North Korea in the following year.

14. The reciprocity hypothesis for the North Korean equation is not supported by a previous study (Kim, 1991b). In that study, however, only the lagged variable is included and is not statistically significant. That result parallels with the result in this study, which shows that only the current value of the variable has statistically significant effect.

PART III

Korean Politics and Rational Choice : An Evaluation

Contribution of Rational Choice Approach to the Study of Korean Politics : An Appraisal

Tong Whan Park

THE STUDY OF KOREAN POLITICS, WHETHER DOMESTIC OR international, has been dominated by the tradition of historical and descriptive analysis, often with a normative bent. In a Confucian society which has just begun to undergo a democratic transition, it may be natural to expect that politics is viewed as a management of the relationship between the rulers and the ruled. And as long as the rulers were regarded to hold the "virtues" or legitimacy with which to govern, their policies were to be followed by the ruled without any serious challenges. In a sense, the rulers were making the choices for the entire society while the ruled seldom, if any, made criticisms about or inputs into these decisions. Simply put, the ruled have hardly been considered as independent actors who would try to maximize their individual and collective interests.

With the coming of a democratic era, however, the Korean society is experiencing a turmoil in which the constituent sectors are voicing their interests and making demands that the policies made by the government reflect their sectoral preferences. Consequently, the politics in Korea has started to resemble that of a pluralistic society and the students of politics are being asked to accommodate in

their analysis the rapid social change and the associated emergence of diverging interests.

One way to meet this challenge to the study of Korean politics is through the utilization of a rational choice approach. By treating various entities in the Korean society, including the government, as rational actors, this approach would enable a systematic analysis of their decision-making mechanisms, the process of bargaining among them and the impact of the decisions made in such a process.

This edited volume is hence an attempt to lay a first stepping stone to the application of the rational choice framework to the study of Korean politics. Just as in any pioneering venture, this work leaves more questions untouched than it answered. Since even a thousand-mile journey has to start from somewhere, however, one should treat this volume as such a beginning. Despite its modest scope, one should nevertheless recognize that this volume will help open a new horizon in the study of Korean politics.

Before appraising the contents of the eight substantive chapters in this book, a few broad questions need to be explored. They are:

- (1) What is the probability of survival for the rational choice approach in the Korean scholarly community?
- (2) What are specific utilities of such an approach for solving the puzzles in Korean politics? and
- (3) What would be the necessary mechanisms to make the prescriptions of this approach acceptable to the policy-making community?

In the Korean political science community, to begin with the first question, the rational choice approach is more than a competing paradigm against the more traditional framework of historical and descriptive analysis. In a sense, the debate between the two schools represents a generational conflict in that the new breed of scholars trained in mathematical modeling and game theory are seen to challenge the establishment. For the time being, there is no danger for the establishment to lose its dominance in the academic community. But what is its attitude to those Wunderkinds who cannot make a presentation without the help of equations and game matrices? The answer is not simple and straightforward because at the moment the established sector appears to be divided. Even though a systematic

survey has never been done on this issue, and probably never will be, a number of informal interviews I have conducted in the last two years tends to support such an observation.¹ According to these interviews, the opinions of those in the establishment seem to have a more or less normal distribution. A small fraction is quite skeptical about the applicability of formal approaches to the analysis of Korean political problems, while another fraction tends to have a highly favorable disposition to it. But the overwhelming majority seems to have an attitude of indifference — one of wait and see if the new approach will survive in the Korean setting.

While it is premature to make a judgment about the future of a formal approach in the study of Korean politics, one can safely assume that it will carve out a small portion of the scholarly community and maintain a symbiotic relationship with the dominant traditional sector. This conjecture does not presume, however, that the relationship between the two schools will remain free of conflict. In fact, the friction between the two has not been negligible and is likely to continue into the foreseeable future. Nevertheless, a historical look at the introduction of new methodologies reveals that the Korean political science community has shown an enormous capacity to adapt itself through a process of learning. Typically, a new approach would meet initial resistance, and over time some of its more readily applicable methods would be accepted, which will then lead to the introduction of more sophisticated methods. This pattern of phased adaptation through learning has manifested itself from the early stage of using simple descriptive and inferential statistics, to the later stage of applying econometric models, and finally to the recent stage of introducing formal models and computer simulations. Given the presence of such a pattern, it can be safely predicted that the fate of the rational choice approach is likely to follow a path similar to its predecessors'.

Moving to the second broad question, what is the utility of the rational choice approach to the analysis of Korean political phenomena? In order to answer this question, let us reexamine the basic ingredients of the rational choice approach. The way it is used in this volume, the rational choice approach assumes that decision-makers are primarily concerned with self-interest, would try to make full use of available information and examine various policy options either simultaneously or sequentially, and maximize the gains from the

chosen policy. At this elementary level of abstraction, there will be no decision-making arena to which some aspects of the rational choice approach cannot be applied. The picture becomes highly complex, however, once we go into the specifics of who the decision-makers are, how the concept of self-interest is delineated, how the information is compiled and routed in the decision-making apparatus, and how the options are synthesized and selected. Depending upon the particular configurations of these four components, not only will the applicability of the rational choice approach vary but also it will often need to undergo refinement and changes in its underlying assumptions.

For a country like South Korea which is in the midst of a Copernican transition to a liberal democracy, it is an understatement to say that one must exercise caution in applying the rational choice approach to the analysis of its politics. Beginning with the first component, it is difficult to determine who the key decision-makers are for both domestic and foreign policies. Under the authoritarian regimes, it was definitely the president and his staff that behaved almost as if they were a unitary actor with a mind firmly set on promoting economic growth, national security, and social stability. And this powerful actor excluded the popular sector from the political process, suppressed the workers' rights, imposed a disciplined and centralized executive structure, adopted an outward-oriented economic development strategy, utilized the military as the power base, and depoliticized the social issues in exchange for technical rationality. With the democratizing reforms, however, virtually all the behavioral traits described above had to be either abandoned or modified, while interest groups and the masses started to make inputs into the policy-making process. This was mainly because the democratization necessitated a rearrangement in the state-society relationship. In general, the transition from authoritarianism to democracy results in reduced state autonomy from the public and increased state autonomy from the privileged social elites including the military and business groups. As various segments of the public began to aggregate their respective interests, the government had no choice but to reflect and coordinate their interests in formulating new policies.²

This leads to the question of how national interests are defined in a changing society like Korea's. Especially, what is the relationship between the perceived national interest and the regime's do-

mestic political interest. While it can be commonly recognized that every regime would try to protect its political standing, authoritarian regimes have often put their parochial political interests ahead of the larger national interests. As shown in many of the chapters in this volume, the Korean decision-makers had a fuzzy conception of the national interests during the time of transition from authoritarianism to a pluralistic democracy. To make the matter even more complicated, some critical decisions had been made not necessarily to further the regime's or nation's interests, but to secure a leader's position in the history of the country. When applying the assumption of self-interest, therefore, one would have to examine the historical context within which a specific decision-maker operates as well as his psychological make-up.

Turning to the issue of information flow in the decision-making apparatus, the models developed for a relatively open society will be hardly applicable to the case of Korea. In both foreign and domestic policy arenas, the assumption of near complete information can be discarded for all practical purposes. In the authoritarian regimes, information gathered by various branches of the government would go directly to the presidential office where it was held tight. There was very little, if any, inter-agency cross-checking or coordination before the information was delivered upstairs. Then the necessary information would flow down vertically in order to justify and support a specific policy made at the top. And this tendency seems to prevail in a democratizing Korea, although more information is slowly becoming available to some of the societal actors. Koreans have lived in a closed community for thousands of years in which a person's status is measured by his location in a pyramid-like network of information flow. Since old habits die hard, those trying to apply rational choice models to Korean politics will definitely need to factor in the incomplete and distorted information in the making of decisions.

As to the formulation of policy options and the final selection thereof, the maximization of expected utilities may not necessarily be the ultimate criterion during the period of democratic transition. Ironically, it might be easier to "postdict" the decision-making behavior of the previous authoritarian regimes, not because there is the help of hindsight but because they behaved more or less as a unitary actor would have. After the process of democratization is completed, the rational choice models will have an increased applicability be-

cause the Korean political arena will begin to resemble that of a pluralistic democracy. While Korea is undergoing the transition from authoritarianism to democracy, the rational choice approach will thus have only a limited utility. There will simply be so many considerations that may tempt a decision-maker to deviate from the dictates of a rational choice model.

Turning to the third question of communicating with Korea's decision-makers, practitioners of the rational choice approach may have a good chance of success provided that they use the language of the decision-making community and demonstrate that their tools produce policy options that are usable in the real world. As shown in the chapters in this volume, the Korean political puzzles can be subjected to formal analyses with highly successful results. As demonstrated here, either the puzzles can be solved or placed under a new perspective which will enhance our understanding of the underlying political process. Because rational choice approaches can help tackle the political questions head on, they may indeed open a new era of cooperation between the scholarly and decision-making communities. This would mark a clear contrast with the earlier behavioralistic approaches which many decision-makers could not understand, due to the communication problem, or would not accommodate, because they could not see the relevance or applicability. It must be pointed out, of course, that rational choice models, like any other model, cannot capture the full details of political issues which are multifaceted, complex, and ever-changing. What could place them a head and shoulders above other models, however, is their ability to approximate the real decision-making process better than others.

Then what is the contribution of this volume and its eight chapters to the application of the rational choice approach to the study of Korean politics? The eight chapters contained in this book have covered a wide range of substantive issues, methodologies, data, and policy prescriptions. As such, it would be convenient for me to examine the chapters in two groups: the first four covering domestic political issues and the remaining four on international relations and foreign policy.

Part I: The Process of Democratization in Korea

Chapter 2. Bargaining over Electoral Reform during the Democratic Transition (Tun-jen Cheng and Mihae Lim Tallian).

The subject of analysis was the choice of a single member district system (SMD) for the parliamentary election in 1988 by President Roh Tae Woo and his ruling party. This decision was seemingly counterintuitive or at least detrimental to the interest of the ruling coalition. It was extremely puzzling to the outside observer for two reasons. One was that the new electoral system would benefit neither the ruling party nor the leading opposition party but the second largest opposition party at that time. The second reason stems from the fact that the ruling party could make a unilateral decision about the number of National Assemblymen to be elected from a single district.

Using this case as a "laboratory," Cheng and Tallian attempted to test whether the Korean political actors were guided by self-interest only or if there were any additional factors affecting their decision. The authors undertook the challenge of explaining this apparently "irrational" behavior from the perspective of rational choice theory. Utilizing the events on the bargaining among the four political parties as the data base, the authors examined the validity of the statement that each political leader favors, and tries to install, an electoral system that is in his best interest, that would maximize the share of assembly seats under his control, and/or that would increase his chance to ultimately become the chief executive.

Cheng and Tallian provided a detailed narrative summary of the bargaining process among the four parties from December 16, 1987 to March 8, 1988, dividing the period into five phases. This narrative ends with Roh's perception of the public opinion which favored the SMD and his decision to choose an honorable and moral course of action. In other words, he put his own self-interest to be remembered as the father of democratization ahead of his party's interest. In analyzing the process of negotiation, the authors specified the preference ordering for each of the four parties and, in the end, concluded that it was the normative pressure from the masses in a rapidly democratizing society which led to Roh's "altruistic" decision. And the result was of course a devastating defeat for the ruling party which

garnered only 34 percent of popular support and 125 seats in the National Assembly of 299 members.

The important contribution of this study is that the reasoning power of the rational choice model can be applied to the Korean electoral bargaining which on the surface appears to defy any rational explanation. But at the same time, the Korean case helps widen the horizon of the rational choice approach by suggesting that the concept of interest needs to be defined more broadly, going beyond the short-term direct gains. Lest it be misconstrued as saying that anything can be considered rational given a proper yardstick, I would like to emphasize that the decision-makers do have a hierarchy of interests and values. And their optimal or satisfying choices need not be identical across all the tiers in that hierarchy.

Chapter 3. The Formation of the Grand Conservative Coalition (HeeMin Kim).

The political instability arising from a small governing party pitted against the big opposition of three parties was in large part caused by Roh's 1988 choice of the single member district for the National Assembly election. Ironically, however, it was this political instability which had led to a historical event in Korea's political history — the creation of a grand conservative coalition through a merger of the government party with two of the opposition parties in 1990. In this chapter HeeMin Kim addressed the question of this coalition formation treating the parties as rational actors attempting to maximize their self-interests. In particular, he wanted to find out why the merger took place and why the actors chose this particular form of coalition out of eleven possibilities.

On the first question of why the three parties with very little in common decided on a merger, he sought an answer in the fact that the cost of a merger was not too high in a budding democracy which tended to put higher premium on political stability than each party's maintenance of a rigid ideological doctrine. In order to explain the second, more difficult, query of why that specific form of coalition was formed, he brought in two important variables which would affect each party's decision: the party's preference over the size of the new coalition and the rivalry between Kim Young-sam and Kim Dae-jung, the two civilian pillars in Korea's political arena.

With regard to the size of the coalition, HeeMin Kim made a reasonable assumption that none of the parties preferred a sub-majority coalition while at least a simple majority should be the most preferred size for all of the four parties. Kim was also correct in pointing out the hidden desire of two of the three parties (the ruling DJP and Kim Jong pil's NDRP) that eventually merged to seek a possible two-thirds majority which would then enable them to bring about a constitutional amendment for a parliamentary system of government.³ Combine that with the long-standing rivalry between the two Kims (Young-sam and Dae-jung) and one can see that which of the eleven possible coalitions would be the most rational outcome of this game of political reshuffling. By going through a careful exercise of elimination through reasoning based upon the above assumptions and observations, HeeMin Kim reduced the options to two finalists from which the final coalition was formed among the three parties that were least progressive ideologically.

The additional contribution of this chapter is his discussion of the pivotal power which became rested in each of the three parties as a result of the coalition. In essence, each came to have the veto power for the maintenance of the two-thirds majority. Immediately, Kim Young sam seized this opportunity to jump-start his presidential ambition, and exploited this veto power to the fullest blocking any attempt for a constitutional amendment for a parliamentary system of government.

While Chapter 2 addressed the dimensionality of the interest in rational choice thinking and thus the limitation of the simplistic application of the rational choice model to the Korean politics, this chapter demonstrated that, by choosing a question readily amenable to a rational choice reasoning, how the coalition building can be clearly explained using the straightforward process of elimination.

Chapter 4. The Rationality of Labor Strategy during the Democratic Transition, 1987-1989 (Jongryn Mo).

This chapter was an attempt to analyze the labor-state interactions during the period of democratic transition in Korea. Drawing on the works of Hibbs (1976), O'Donnel and Schmitter (1986), Payne (1991), and Valenzuela (1989), Jongryn Mo pitted the labor's market and electoral power against the government's capacity to retaliate.

Specifically, he tried to examine the empirical validity of the two propositions. One stipulated that during the time of transition, the labor's demand increases in its market power and decreases in the cost of absorbing retaliation. The other stated that again during transition, the probability of retaliation increases as the labor's market power increases, while it decreases as the cost of retaliation to labor increases. Regarding the labor's electoral power, however, the probability of the government's retaliation increases only if the cost of retaliation is sufficiently low.

While Jongryn Mo did not test the hypotheses with data in this chapter, he traced in detail the evolution of Korean industrial relations from 1987-1992 in the context of the two propositions. Since the Korean labor movement had strong market power but very weak electoral power during the time of democratic transition, Mo concluded that the labor could not be effective in bringing about any institutional reforms in its favor.

With this heuristic application of a formal model to Korea's labor-state relationship, Mo was able to show that it would be possible in the future to develop a complex model and apply it rigorously to the case.

Chapter 5. Voting and Abstention in the 1992 Presidential Election (Chae-Han Kim).

This chapter marks a contrast with but complements the two previous chapters in that it deals with the different level of analysis — voters as actors and their political participation. Borrowing the key concepts which underlie the utility function of voting developed by Riker and Ordeshook (1988), Chae-Han Kim investigated the voting/abstention behaviors of the Korean voter in the 1992 presidential election. Included in his study as the determinants of abstention were a number of variables representing alienation, indifference, voting efficacy, civic duty and voting costs, and the consequences of abstention. Measures for these variables were carefully derived from the interview data for 1200 randomly selected citizens. In addition, the author included age, sex and such socio-economic variables as education, income and urbanization.

Bivariate and multiple regression analyses revealed that most socio-economic factors could not explain the level of abstention. On the

other hand, alienation, indifference, and expectation of a landslide victory tended to yield low voter turnout. Other things being equal, Chae-Han Kim found that "a citizen is more likely to vote when he expects the election result [to be] very close than he is when he is sure who would win. And he is more likely to vote when he has a different preference for each leading candidate than he is when his preferences are indifferent...Also he is more apt to participate in the election when he does not mistrust the candidates (see to p. 96)."

Though preliminary in nature, the analysis presented in this chapter showed that the rational choice approach can serve as a guide for the choice of variables in explaining voter abstention. This should give the researcher a confidence that the Korean voter is likely to calculate his expected utilities. Sure, there must remain the imprint of Confucian politics where each citizen is not supposed to behave so as to maximize his personal gains. But the rapid industrialization must have helped produce radical social changes and the political culture of an emerging liberal democracy.

Part II: Security Issues in the Korean Peninsula

Chapter 6. South Korea's Foreign Policy Strategies Toward Main Actors in the Northeast Asia (Woosang Kim)

In this illustrative work, Woosang Kim demonstrated the power of "backward reasoning" in the two games he chose to analyze — the diplomatic normalization game between South Korea and China and the nuclear inspection game between North Korea and the international community. For the first game, he was able to deduce the normalization between Beijing and Seoul as the most likely outcome of the negotiation process, while for the second game, he arrived at a number of policy prescriptions that the international community might adopt for a pacific settlement of the issue of inspecting North Korea's nuclear weapons program.

The first game was rather clear-cut in that some commonly acceptable assumptions had led to the preference orderings for South Korea and China, which were then subjected to a process of reasoning to find the Nash equilibrium point. The problem was, of course, that the equilibrium point represented a status quo consisting of

Seoul's dominant strategy of maintaining the existing relationship with Taiwan and Beijing's minimax strategy of not normalizing its relations with Seoul. In order to break the deadlock, it was necessary for one of the two players to make a first move. Here Woosang Kim argued that South Korea would be inclined to make such a move by severing its ties with Taiwan, because South Korea could then expect that China would respond with normalization to maximize its expected utility. In contrast, China did not have the incentive to make the first move, because in this extended form game it could be reasoned that China's first move would not produce any change in the status quo.

In the negotiation involving sequential moves by North Korea and the international community about the inspection of the former's nuclear facilities, the author developed an extended form game in which the types of Pyongyang's leadership were brought in as an intervening variable: strong hawkish, weak hawkish, weak dovish, and strong dovish. Then he postulated preference ordering for each type of leadership in power. To make the game more realistic, Woosang Kim also introduced some variance to the position that the international community might take, ranging from the strongest to middle and the weakest in terms of its demand to North Korea. Preference ordering was also made for each of the three possible positions to be taken by the international community. Then he presented subgame-perfect equilibrium outcomes for the twelve possible combinations of North Korea's leadership types and the international community's positions. Though his analysis assumed that the game be played under the condition of complete information, the author's designation of Kim Jong Il's leadership type as "weak hawkish" appeared quite reasonable. As such, the prescription given in this chapter is highly instructive as a response by the international community — namely, the latter should show a willingness to cooperate with North Korea when North Korea accepts the nuclear inspection, but demonstrate a strong will to punish in case North Korea refuses to accept such an inspection.

If the most unique strength of this chapter were to be singled out, it should be that a game-theoretic approach can be applied even to some complex international interactions without the use of a complicated mathematical formulation.

Chapter 7. Domestic Uncertainty and Coordination between North and South Korea (Byeonggil Ahn).

The approach taken by Ahn was very similar to the previous chapter's in that each side was assumed to have either a hawkish or dovish attitude and that their preference orderings would be different. But the similarity ended right there. Unlike Woosang Kim's study, Ahn started the game with incomplete information about each other. Utilizing the sequential equilibrium under two-sided incomplete information, Ahn sought stable outcomes in the game played by the two Koreas on two fronts — military and economic negotiations. And his game showed that unless North Korea changed to become a dove, the bilateral economic cooperation would become difficult.

This is a highly suggestive work shedding light on why the two Koreas have not made any substantive progress in their bilateral relationship despite the fanfare of visits and agreements between the two. Of course, one may take issue with Ahn's conjecture about how the North would become dovish given the domestic and international dilemma it is placed in. But this should in no way undermine the heuristic value of the game he created.

Chapter 8. A Dynamic Model of Inter-Korean Relations (Sung-Chull Lee).

In a departure from the game-theoretic approach, this chapter serves as an example that a simple action-reaction model can become quite useful in explaining the interactions between the two Koreas. Designating the rate of change in the level of hostility initiated by one Korea and directed to the other as the dependent variable, Lee developed a Richardson-type model of dynamic interactions. As in Richardson's arms race model, Lee chose three independent variables: the level of the opponent's hostility to one's regime, the internal decisions independent of the adversary's behavior, and the external environment. In this model, the first independent variable can be seen as a "threat" factor as in the Richardsonian tradition. Unlike Richardson's formulation, however, the second independent variable was the level of conflict initiated by one regime to the opponent, intended to represent the type of policies each Korea pursued indepen-

dent of the other's behavior. While the second independent variable in the Richardson equation postulated the burden of defense spending on one's own economy, Lee's second variable was essentially a black box containing the entire spectrum of domestic decision-making process for each Korea. As to the third term in the model, Richardson's stipulation was a direct measure of initial grievances, whereas Lee attempted to bring in an indicator of the "international Cold War situation."

Due to the fact that Lee's last two independent variables are of comprehensive nature, his model is both richer and weaker than the Richardsonian formulation. Its richness can be attributed to the broad conceptual meanings of the model, especially many different ways in which the implications of the last two variables can be interpreted. But it is precisely this comprehensiveness that may add confusion to the understanding of the model. For example, a positive coefficient for the second independent variable, the level of one's own hostility, can be seen coming from the hawkish leadership in the regime and/or the fear cumulated over time due to the opponent's hostilities. Likewise, the third independent variable, the Cold War situation, can cause many different interpretations because the mood of international detente can both mitigate and aggravate the inter-Korean conflict as witnessed by the events of the last two years.

This potential conceptual problem notwithstanding, Lee's model and the phase portrait analysis thereof have revealed a great deal about not only the relative impacts of independent variables, but also the consequences of policy choices and international environment. By combining the three independent variables, Lee produced sixty-four distinct categories of inter-Korean relations and evaluated the dynamic behavior of the model for some of the illustrative samples. There is no doubt that this can serve as a heuristic device for the policy-makers in choosing a rational course of action in the action-reaction process.

Chapter 9. An Expected Utility Model of Inter-Korean Relations (Chi Huang, Woosang Kim, and Samuel Wu).

While the previous chapter put strong emphasis on the dynamic behavior of the model without any empirical testing, this chapter attempted to model what goes on in the black boxes themselves. Thus

the rivalry between the two Koreas were hypothesized to be determined by the internal, bilateral, and the international systemic factors. Specifically, the authors of this chapter chose domestic political instability, action-reaction in hostile behavior, the relationship with one's allies, involvement in a conflict with a third party, and relationship between the two superpowers. The dependent variable selected for analysis was the number of conflicts (non-verbal physical actions only) initiated by each Korea toward its opponent, while the period covered was from 1950 to 1978. Since the authors had to use the event count data according to the Conflict and Peace Data Bank (COPDAB) specification, they had to use the Poisson regression model. Although the empirical findings of the study were not conclusive, they were highly suggestive and most of the regression coefficients made intuitive sense.

There are two areas of potential problems, however, in this analysis, both of which are data-related. One is the paucity of data on riots in North Korea, which forced the authors to exclude this otherwise important variable. Given the totally closed nature of the North Korean society, such sensitive information as the riots will hardly be made available to the outside. Hence the authors may have to search for a surrogate measure for North Korea's domestic instability — an important concept which should have been included. Perhaps a content analysis of the speeches made by its leaders can shed some light on this. The other and more fundamental data problem is with the physical act of conflict initiated by South Korea toward the North. Except for the period of the Korean War of 1950-1953, any data source which suggested that South Korea initiated such and such *physical* acts of conflict must be scrutinized very carefully. Anything published in the non-Communist media should have made it clear that the South was responding to the North's provocation. And since all COPDAB sources were published news media, the interpretation of South Korea's conflict behavior targeted to the North must be interpreted with extreme caution regarding the explanatory power of various independent variables.

After a careful reading of the eight substantive chapters, one should arrive at a realization that it is indeed possible, and fruitful, to apply rational choice approaches to the study of Korean politics. Not only the billiard ball-like international interactions, but also the

intricate give-and-take of domestic politics may be subjected to rational choice reasoning for a meaningful analysis. But it should be also clear that this volume is to serve only as an illustration of what can be done with the rational choice approach. It should never be considered as showing the limit of the approach's capability. There is no doubt that a richer and more rigorous application of the approach to the study of Korean politics will continue by the unceasing efforts of the present and future generations of rational choice scholars.

Notes

1. These interviews were conducted in the context of attempting to place new Ph.D.s from the United States in Korean colleges and universities which offer political science in their regular curriculum. More than thirty leading scholars in political science were consulted on their views about the direction to which political science is headed as a discipline.

2. For a theoretical examination of how the democratic transition would influence policy changes, see Park, Ko, and Kim (1994).

3. Due to the constitutional stipulation of the single-term presidency, the most comfortable way for the ruling party to prolong its hold on the power would have been a parliamentary system like that in Japan. For Kim Jong Pil's NDRP, the smallest of all the parties, there wasn't the remotest possibility of having its presidential candidate elected. Consequently, the best method of its wielding some political power would also have been a parliamentary form of government in which power-sharing would be more common than in a winner-take-all presidential system.

South Korean Domestic Politics, 1948-1993

Daniel H. Cox and HeeMin Kim

IN THIS CHAPTER, WE COMPILE IMPORTANT DOMESTIC political events in South Korea beginning with the establishment of the Republic of Korea in 1948 all the way through 1993. These events include, among other things, all national level elections, both Presidential and National Assembly elections, the creation and evolution of all major political parties, all authoritarian measures taken by authoritarian leaders, student and citizen protests against them, the democratic measures introduced starting in 1987, and the changes in political institutions to accommodate the changing political environments. Information for this chapter was obtained from *The New York Times Index of Events*, The New York Times, New York, NY, published annually, and *The Korea Annual*, Yonhap News Agency, Seoul, Republic of Korea, published annually. Information on the recent elections and democratization processes also came from Kim (1992, 1994).

1948

May 10

More than 85% of the eligible population votes in the first national assembly election held in South Korea. The National Council to Expedite Independence, headed by Dr. Syngman Rhee, wins 55 seats, the Democratic Party wins 29 and Independents win 85.

May 29-31

Dr. Rhee is elected Chairman of the Assembly at its first session.

June 13

The South Koreans invite North Korea to elect representatives and join the Assembly.

June 27 - July 1

The United Nations formally acknowledges the South Korean National Assembly, by announcing approval of the May 10 South Korean election.

July 17 - 21

Dr. Rhee signs the constitution. The Assembly elects Rhee as the first President of the Republic of Korea, and Lee Si-yung as the first Vice President. They receive 180 of the 196 votes cast.

August 2

The National Assembly approves Rhee's appointment of General Lee Bum-suk as Prime Minister.

August 15

The Republic of Korea is officially proclaimed.

November 20

The National Assembly defeats a resolution requesting the withdrawal of US troops, citing a need for them to stay until the country can defend itself.

December 12

The Socialist Party is formed in South Korea.

December 13

A resolution of the UN General Assembly recognizes the South Korean regime.

December 22

The cabinet approves a land redistribution program, designed to aid small farmers. The program includes measures to confiscate land previously owned by Japanese, as well as land to which no clear title exists, government purchase of land owned by absentee landowners, redistribution of these lands to farmers based on their abilities. The program is funded through a twenty percent assessment on the annual crop yield for six years.

1949

January 2 - 6

The Republic of Korea is formally recognized by the US, Taiwan, Great Britain, and France.

June 3 - 8

The National Assembly demands the dismissal of Rhee's cabinet. After a week of debate, President Rhee yields to the Assembly's pressure and dismisses two ministers for improper use of office.

July 28

North and South Korean forces skirmish in Kaesong, following South Korean capture of hill 488 located in territory claimed by the North.

October 21

North Korean forces regain possession of hill 488 after 5 days of border battle.

November 12

The Democratic Party aligns with anti-Rhee groups to form the Democratic Nationalist Party (DNP). The DNP controls 69 seats in the National Assembly. Pro-Rhee groups respond by forming the Nationalist Party, controlling 71 seats. Minor parties and indepen-

dents control 58 seats.

1950

March 10 - 14

The National Assembly debates a constitutional amendment making the cabinet responsible to the legislative branch rather than to the executive. Fighting breaks out on the Assembly floor after supporters of Dr. Rhee try to close debate. The amendment is defeated, after receiving a majority of the votes, but falling short of the 2/3 vote necessary to change the constitution.

March 15

Rhee calls for a change to a bicameral legislative system and postpones most spring elections. On April 1, President Rhee postpones the National Assembly election from May to November.

April 4

Prime Minister Lee Bum-suk resigns.

April 11

Under pressure from the United States, the National Assembly re-passes the election law, overrides Rhee's veto of amendments restoring the right of appeal in subversive cases, and begins studies of tax measures, aimed at stabilizing the economy.

April 22 - 23

Rhee appoints Shin Sung-mo as temporary Prime Minister despite a disapproval vote by the National Assembly.

May 30

In the general election, the Nationalist Party wins 57 of the 210 seats, the DNP wins 24, and independents win 126.

June 25 - 29

North Korea declares war and invades South Korea. They capture Seoul, forcing President Rhee and his cabinet to move their military and governmental headquarters south of the Han River.

August 18

The South Korean Government moves from Taegu to Pusan.

September 29

The United States' force led by General MacArthur liberates Seoul, officially restoring the capital to President Rhee.

November 1

China intervenes in the Korean War on the side of North Korea.

November 17

The South Korean Government is accused of treating people that remained in Seoul during the communist occupation as collaborators. Claims of civil rights abuses are levied. The Assembly demands the resignation of Rhee's entire Cabinet.

November 18

Dr. Chang Myun, Ambassador to the United States, is confirmed as Prime Minister.

1951

January

The government relocates to Pusan for a second time.

May 3

The National Assembly refuses to accept Vice President Lee Si-yung's resignation. Some members demand Rhee quit, and mention impeachment moves. The crisis stems from dissatisfaction with Rhee's appointments, his failure to dismiss some officers and his persistent veto of bills.

May 12

Rhee's cabinet resigns amid disputes in the Assembly highlighting reports of corruption in government, and assumptions of too much power by Rhee.

July 1

China and North Korea accept a UN bid for a cease fire, but name different conditions. North Korean Prime Minister Kim Il-sung and Chinese General Peng De-huai sign the armistice and propose the Kaesong area as a meeting place for negotiations to end the conflict.

July 10

Peace talks begin at Kaesong.

August

The Liberal Party is formally inaugurated.

October 10

The peace talks are permanently moved to Panmunjom.

1952

January 13

Minister Huh Chung is named Acting Prime Minister to fill in while Dr. Chang is ill.

April 21

Dr. Chang resigns as Prime Minister due to ill health. Chang Taek-sang replaces him.

April 25

Voters choose 17,559 councilmen in the first nationwide local elections.

May 10

Elections are held for the first provincial assembly.

May 20

Over 1000 people attempt to storm the National Assembly building in Pusan, demanding the dismissal of 14 "treacherous" Assemblymen, for their role in the prosecution of Sun Nih-ho. Sun is charged with killing a South Korea Army Captain in a tea house

quarrel.

May 24

Police resort to violence to break up additional demonstrations, one demonstrator is killed, and 144 are hurt. President Rhee is accused of condoning the violence. Assembly members publicly oppose a Rhee re-election bid.

May 25

Martial law is declared in Pusan.

May 28

The military detains 47 Assemblymen, 39 are later released. The Assembly votes to lift martial law, denying any threat of communist activity. The rift between the Assembly and President Rhee widens.

May 30

Vice President Kim Sung-soo resigns in protest of Rhee's actions.

June 1

Rhee defies the Assembly and the UN by tightening military control over the civilian population.

July 3

Rhee's supporters accept a compromise amendment depriving the President of many powers. The Assembly approves the constitutional amendment providing for popular election of the President, establishing a bicameral legislature, and giving the Assembly control over the Cabinet. National elections are set for August 15.

July 19

The Liberal Party meets and nominates President Rhee as its candidate for the August Presidential election.

August 15

Rhee receives 70% of votes cast, and is inaugurated for a second term.

October 1

Prime Minister Chang Taik-sang offers his resignation, citing ill health.

1953

February 15

The government initiates currency reforms, renaming and revaluing the national currency in attempts to curb inflation. Trade is virtually halted.

June 10

Thousands of South Koreans demonstrate in Seoul after the Assembly, in a unanimous vote, rejects a truce presented by China, North Korea and the UN.

July 10

Under pressure from UN members, President Rhee accepts the truce.

July 19

Eleven members of the DNP shift support to Rhee's Liberal Party.

July 26

The truce is signed.

August 29 - 31

The National Assembly votes to return to Seoul from Pusan, and for the first time in 30 months, supervises the repatriation of Korean civilians to Seoul.

September 11

President Rhee dismisses two minsters, dissolves all youth groups and begins a campaign against government corruption and subversives.

December 11

The Liberal Party votes to expel its Vice president, Lee Bum-suk. No official reason is given.

December 30

The Liberal Party wins 12 of 14 Assembly committee chairmanships, two others are independents, considered to be Rhee supporters.

1954

January 15

The South Korean National Assembly unanimously approves a joint defense pact with the United States.

January 25

Rhee proposes a constitutional amendment converting nationalized industries to private enterprise.

March 20

Twenty members of the National Assembly propose that President Rhee be given lifetime tenure.

April 11

Martial law, imposed since the beginning of the war, is lifted in Seoul and other areas to facilitate a free Presidential election.

May 22

In the election for the National Assembly, the Liberal Party wins 136 seats, holding a 2/3 majority for the first time. During the campaign, police interference is alleged.

July 1

Rhee retains 7 cabinet members, and names 5 others. After an initial vote in the National Assembly fails to confirm the appointments, the new cabinet is approved without revision.

July 19

Rhee backs constitutional amendments to abolish office of Prime Minister and create Foreign Minister, to require approval of laws affecting national integrity and security by 2/3 of eligible voters in referendum, to revise economic clauses to set up a free economy, and to provide succession in the event the President is incapacitated.

September 7

The Liberal party introduces bills to denationalize major industries in an attempt to spur foreign investment, amend the Constitution to end the two-term limit for President, create office of Foreign Minister, and provide for referendum on major national issues.

November 28

Rhee suffers a temporary setback when he falls one vote short of the 2/3 majority necessary to amend the Constitution, and allow him to serve more than two terms as President. After his supporters change the minutes of an earlier session and declare the amendment exempting Rhee from the two-term limit adopted, opposition members walk out of the assembly.

December 1

A new opposition party to fight against the constitutional amendment is formed by 46 Independent and 15 Democratic Nationalist members of the Assembly. The Alliance for the Defense of the Constitution is headed by Vice chairman of the National Assembly, Kwak Sang-hoon.

December 10

Twelve Assemblymen resign from the ruling Liberal party.

1955

January 23

Sixty Assemblymen denounce the Government Reorganization Bill, because of a provision abolishing the corruption probe committee. After they stage a walk out, the bill is passed by the remaining

110 Assemblymen, but subsequently vetoed by President Rhee.

March 10 - 15

Members of the Assembly urge Rhee to punish Lt. General Won Young-duk for testing the loyalty of six Opposition leaders by having North Korean Communist propaganda leaflets delivered to their homes. Rhee rejects the Assembly and backs Won.

March 18

Government halts publication of a newspaper, *Dong-a Ilbo*, for publishing a headline linking Rhee with the word "puppet". The paper is allowed to resume publishing after 30 days.

September 20

The Democratic party is formed, and is merged with the Democratic Nationalist Party. The Party is opposed to the Constitutional amendment giving Rhee the right to seek unlimited terms of office. Party members include Dr. Chang Myun, Assemblyman Cho Pyung-ok, Shin Ik-hee, and 34 Assemblymen.

1956

March 5 - 30

At the demand of his supporters, Rhee accepts the nomination for a third term as the presidential candidate of the Liberal Party, and endorses Lee Ki-poong as his vice presidential candidate. The Democratic Party nominates Shin Ik-hee for president, and Chang Myun for vice president. The Democratic Progressive Party nominates Cho Bong-am as its candidate for president, and Pak Ki-joo as vice presidential candidate.

May 5

The Democratic party candidate, Shin Ik-hee dies of a cerebral hemorrhage while campaigning in Iri. The Democrats cannot name a new candidate so close to election day. Riots take place in Seoul and Pusan.

May 15

Rhee is elected to a third term, receiving 3,420,000 votes (57%). However, votes for Cho Bong-am (1,493,747) and Shin Ik-hee (1,190,867) are surprisingly high. Democratic party candidate Chang Myun leads Lee Ki-poong in the vice president race.

May 19

Rhee concedes Chang's victory over Lee saying it is an "unprecedented and difficult situation".

June 9

Rhee's Liberal Party wins three top National Assembly posts. Lee Ki-poong is elected chairman, Cho Kyung-kyu and Hwang Sung-soo are elected vice chairmans.

August 5

Local elections are held. The Liberal Party wins 75% of the contested posts. The Liberals deny the charge of barring opposition party members from registering for the elections.

August 16

Rhee and Chang are inaugurated. Chang charges the Rhee Administration with corruption, disregard for human rights, and questions the failure of the administration to form an upper house of the parliament as provided for in the Constitution.

September 28

Chang is shot and wounded in the hand by a young assailant, who says he made the assassination attempt because Chang supports normalization of relations with Japan.

1957

January 18

Opposition party members ask Rhee to dismiss Minister Lee Ik-heung for alleged involvement in the attempted murder of Vice President Chang.

February 5

Rhee names Chang Kyung-keun Minister of Internal Affairs, replacing Lee Ik-heung.

May 26

A mob disrupts an opposition political rally in Seoul, keeping Democratic Party leader, Cho Pyung-ok, from speaking.

November

The country's economic situation is improved due to a bumper rice harvest. Inflation is almost halted, and a balanced budget is planned.

1958

January 13

Five Progressive Party leaders are arrested on suspicion of an anti-government plot.

February 12

Cho Bong-am and nine other opposition Progressive Party officials are indicated for violating security laws.

February 26

Rhee outlaws the Progressive Party.

April 1

The Appeals Court sentences ex-presidential candidate Cho Bong-am and Yang Myung-san to death for espionage.

May 5

Rhee's party fails to bar Vice president Chang from possible succession to President. Opposition Democrats hold one more seat than the 1/3 necessary to block attempts to amend the Constitution.

May 25

Newly elected independents join the Liberal Party bringing its strength in the Assembly to 136 seats, the Democrat Party wins 79

and independents win the remaining 17.

November 24

Newspaper editors protest proposed security law revision as infringing on freedom of the press. The police ban outdoor rallies.

December 25

Over 70 opposition members staging a sit-down strike in the National Assembly are forcibly evicted and locked up while the Liberal Party enacts a bill giving the government stronger power over national security.

1959

January 14 - 30

The new national security law causes consecutive demonstrations. However, Rhee rejects Vice President Chang's request to a conference aimed at reducing tensions. Some Democratic Party members are arrested for demonstrating against the law.

February 4

The Supreme Court upholds the death sentence imposed on Cho Bong-am as well as most sentences for other Progressive Party members.

May 2 - June 27

The government closes the newspaper, *Kyung-hyang Shinmun*, and indicts two newsmen for allegedly printing false reports intended to spur rebellion against the Rhee regime. On June 27, the newspaper is suspended indefinitely, despite a Seoul Appeals Court injunction permitting publication to resume.

June 29

President Rhee accepts the Liberal Party nomination to seek a fourth term, and chooses Assembly Chairman Lee Ki-poong as his running mate.

August 1

Former Presidential candidate Cho Bong-am is hanged for allegedly working for North Korea. Yang Myung-san has already been hanged for the same crime.

November 27

The Democratic Party names Dr. Cho Pyung-ok as its presidential candidate and Chang Myun as vice presidential candidate for the 1960 election.

1960

February 16

Dr. Cho Pyung-ok, opposition candidate for the presidential elections scheduled for March 15, dies at Walter Reed Army Medical Center following surgery. The proximity of the death to the election prevents the opposition from fielding another candidate, guaranteeing President Syngman Rhee reelection to his fourth term.

March 3 - 14

Opposition party leaders accuse the Rhee administration of plotting election irregularities and call for voters to cast protest votes by either invalidating their ballots or voting for the late Dr. Cho. Concern about the atmosphere of the election grows when an opposition party official is murdered. The election proceeds under the pressure of violent, anti-government protests.

March 15

Dr. Rhee receives 9,633,376 votes, easily winning reelection. His vice presidential running mate, Lee Ki-poong, defeats the incumbent, Chang Myun, a member of the opposition Democratic party, by 6,000,000 votes, a margin of 3:1. In 1956, Dr. Chang had defeated Mr. Lee by only 200,000 votes. Dr. Chang alleges election fraud based on the vote spread in this election.

March 18

Seventy Democratic Party assemblymen walk out of the national assembly in protests of the election irregularities.

April 19

Following a period of minor demonstrations in several cities, a massive demonstration against the election results is staged in Seoul. Police and military clash with 100,000 students marching against the Presidential mansion. Martial law is declared. Reports surface of 115 dead and 777 injured.

April 20 - 25

As the violence continues, Dr. Rhee's cabinet resigns and Dr. Rhee agrees to restructuring of the government to a parliamentary system, based on a ceremonial presidency. Dr. Rhee continues to demonstrate his resolve to reform by disassociating himself with the Liberal party and offering to resign the presidency if it is the desire of the people.

April 26

Following a National Assembly resolution calling for his resignation, Dr. Rhee steps down and is replaced by a caretaker government headed by his foreign minister, Huh Chung. Following his resignation, Dr. Rhee is accused of malfeasance in office and of embezzling nearly \$20,000,000.00 of foreign exchange.

May 14

The proposed constitutional amendment limiting the power of the presidency is jeopardized when members of the Liberal Party threaten to quit the National Assembly in protest of persecution of the party's leaders. If these resignations were to occur, the 2/3 majority necessary to amend the constitution would be unattainable. The basis for the party's discontent is the methods employed by the Democratic Party in their attempt to uncover fraud in the April election. The Liberals accuse the Democratic Party of attempting to create an atmosphere of intimidation that would lead to a sweeping Democratic victory in the new elections.

May 29

Rhee enters self-imposed exile in the United States. Opposition party assemblymen call for an inquiry into circumstances allowing Dr. Rhee to escape. Huh Chung, claiming he feared a Rhee centered counter revolution, accepts responsibility for Rhee having been

granted an exit visa.

June 15

The vote on the amendment is held as scheduled and passes with 208 votes for and 3 against. The amendment replaces the powerful presidency with a cabinet system styled after the British, maintains the independence of the judicial branch, neutralizes the power of the state police and reserves local autonomy for the people.

July 30

The Democratic party headed by Dr. Chang Myun appears to have a victory in the new elections held on July 30. Initial tabulations show 164 of 233 seats in the lower house were won by his party. Voting had to be suspended in some areas as mobs attacked election offices in protest of the Democratic victory. Violence ranging from burning of ballots to stoning of police is reported.

August 2 - 12

Maneuvering begins between Dr. Chang's supporters and members of another faction of the Democratic party, headed by Yoon Po-sun, to determine which man will serve as the ceremonial president and which will hold the more powerful post of Prime Minister. On August 12, the assembly elects Mr. Yoon president, and, after rejecting his first nominee, confirm Dr. Chang as the first Prime Minister of the Republic of Korea.

October-December

Students occupy the National Assembly in protest of the mild sentences received by officials of the Rhee government. Several of these officials are rearrested. In December, the Assembly passes a law revoking the rights of 1500 of these officials for a period of seven years.

1961

May 16 - 18

Military generals lead a coup that quickly takes control of all three branches of government. President Yoon is placed under house

arrest, Prime Minister Chang Myun resigns from office, and the legislature is dissolved. Army General Chang Do-young leads the Military Revolutionary Committee.

May 20 - 23

Junta leaders consolidate power by dissolving all political parties and trade unions, prohibiting political activity, and arresting military officers who did not support the coup. In addition to the officers, potential communist and "hoodlums" totaling 3500 people are arrested.

May 30

The Constitution is suspended.

June 7 - 10

A military dictatorship is established with full executive, legislative and judicial powers. The government is to be headed by the Supreme Council for National Reconstruction, General Park Chung-hee is vice president of this council and chairman of the standing committee.

July 2 - 10

General Chang Do-young and three of his strongest supporters resign from the Revolutionary Council. Park Chung-hee becomes president of the Supreme Council. The military command charges Chang Myun and 11 of his former cabinet members with pro-communist activities. A plot to kill Park Chung-hee is discovered. General Chang Do-young is implicated and arrested along with 44 of his supporters.

August 12

Park announces that a new constitution will be ready by March, 1963. Political activity would then be allowed, and general elections would be held in May, 1963.

1962

March 22

President Yoon resigns in protest of a junta decree banning over three thousand former Democratic Party leaders from participating in politics. General Park assumes the presidency.

June 1

The government arrests 41 members of the deposed Democratic Party for plotting to restore civilian rule.

June 16 - 19

The government introduces currency reforms, and seizes private bank accounts totalling \$89 million. Prime Minister Song Yo-chan resigns in protest. Park Chung-hee assumes the title of Prime Minister.

November 4

Government officials introduce the new constitution, which contains an amendment that provides for return to civilian rule, and set December 17 as the date a referendum will be held to approve the changes. They warn that military rule will be indefinite if the referendum fails.

December 5

Martial law is suspended to facilitate holding the referendum.

December 17

The referendum is passed with 8 million votes for, and 2 million against. The constitution will go into effect after the National Assembly is elected in May, 1963.

1963

January 19

Kim Jong-pil, head of the national police and intelligence agencies, forces a showdown among government party members when his faction leaves the party and forms the Democratic Republican Party (DRP).

January 28

President Park supports the DRP, however, Kim Jong-pil is unable to extract a commitment from Park to represent the party in the presidential election, and begins to lose support within the party.

February 26

Kim Jong-pil begins a self-imposed exile traveling throughout Asia and Europe. He is accused of involvement in financial scandals during his tenure as director of the KCIA.

March 18

President Park suspends all political activity and asks for a referendum to extend military rule for four more years.

March 20 - 30

Former President Yoon Po-sun and former Prime Minister Huh Chung are arrested for protesting the proposed referendum. Park responds to the protest by offering a military / civilian coalition government. Student protests are fueled by President Yoon's refusal to negotiate his call for free elections and swift return to civilian rule.

April 6

President Park recapitulates and sets elections for October or November, with return to civilian rule on December 26.

May 15

The Civil Rule Party is formed, Yoon Po-sun is nominated its presidential candidate.

May 27

President Park Chung-hee is nominated presidential candidate of the DRP.

July 18

Former Prime Minister Song Yo-chan is nominated presidential candidate for the Liberal Democratic Party (LDP).

September 1

President Park resigns his military positions in order to accept

the nomination of the DRP.

September 5

Song Yo-chan is arrested for anti-government statements made during a campaign rally. He was considered the front runner in the upcoming election. Subsequently, he withdraws his candidacy, and urges his supporters to vote for Yoon Po-sun.

October 15

The election is held. Park Chung-hee receives 4,699,328 votes, Yoon Po-sun receives 4,534,785.

November 26

Elections are held for the unicameral National Assembly. The DRP wins a solid majority, capturing 110 of 175 seats. The Civil Rule Party wins 41 seats and the Liberal Democratic Party wins 13.

December 18

The National Assembly convenes, Park is sworn in as president and the junta is dissolved.

1964

March 27 - 31

Responding to student protests, President Park recalls Kim Jong-pil from Tokyo, where Kim had been engaged in secret talks aimed at normalizing relations between South Korea and Japan. Park meets with the student leaders on March 31 to explain the national interest in normalization of these relations and announces his intention to continue the talks.

April 26

The government asks the National Assembly to consent to the arrest of an opposition leader, Kim Joon-yun. Kim had accused President Park and Kim Jong-pil of accepting money from the Japanese government.

June 3 - 15

Responding to ongoing student protest in which more than one thousand students had been arrested, the government declares martial law in Seoul, and places 1,200 more students under arrest. The protest is brought under control when soldiers are mobilized in all major cities. Universities are closed. Kim Jong-pil resigns from his public positions, and on June 15, he announces that he is leaving South Korea to study at Harvard University.

July 29

Martial law ends.

August 16

Newspaper editors protest a controversial law passed through the National Assembly by the DRP. The law prescribes penalties, including imprisonment, for misreporting news pertaining to the chief of state.

September 1

The government responds to the editors' protest by suspending government-arranged bank loans to the newspapers, reducing allotments of newsprint, and ordering stoppage of subscriptions to public agencies.

1965

January 1

Kim Jong-pil returns to Korea. He states he has no intention of becoming involved in politics.

April 1 - 23

Protests against normalization of relations with Japan turn violent. Troops occupy the streets of major cities as adults join students in the protest. Over one thousand people are arrested on the eve of the fifth anniversary of the violence that led to the end of the Rhee government. President Park advises students to study hard and not meddle in politics. Opposition members begin a boycott of the National Assembly in protest of actions taken against the demonstra-

tors.

May 5

The Civil Rule Party merges with the Liberal Democratic Party to form the Minjung Party. Four leaders are immediately arrested for inciting rebellion against the government.

June 22

Troops move into Seoul in anticipation of violence over the signing of the treaty normalizing relations with Japan. Over five hundred students are arrested for protesting. Former President Yoon begins a hunger strike.

July 15

The National Assembly erupts in a fistfight during debate over ratification of the treaty. The assembly adjourns on July 21 without voting on ratification.

August 12

Debate over ratification of the treaty is suspended when 62 opposition Assemblymen resign in protest. The treaty is ratified by unanimous vote of the 110 remaining members.

October 1

The Assembly reconvenes after the remaining members refuse to accept the Minjung Party's resignations.

December 28

During the DRP annual convention, the party unanimously elects Park Chung-hee president of the party and Kim Jong-pil chairman of the party.

1966

February 16

Yoon Po-sun forms the New Korea Party in preparation for the 1967 Presidential and National Assembly elections.

September 22 - 26

Opposition party members accuse the government of being involved in a scheme to smuggle saccharine into the country through a fertilizer company owned by Lee Byung-chul. Park's cabinet resigns in humiliation after Assemblyman Kim Du-han publicly accuses them of involvement. Kim is forced to resign from the Assembly, and is arrested. Park refuses to accept the Cabinet resignations.

October 8

Students and opposition leaders stage protests accusing the government of complacency for not prosecuting Lee Byung-chul and cabinet members implicated in the scandal.

1967

February 3

President Park accepts the nomination of the DRP to run as their presidential candidate in the upcoming election. He pledges to continue the policies that have led to the economic growth experienced under his regime.

February 6

Leaders of the four opposition groups agree to merge into the New Democratic Party (NDP) in order to present a unified candidate, Yoon Po-sun, for president. Yoon's campaign centers around exposing corruption in the Park regime.

May 3

Park Chung-hee wins the presidency by more than one million votes. UN observers say that election rules were followed.

May 9

Three opposition leaders are arrested for remarks made during the election campaigns.

June 3

National Assembly elections are held under heavy police presence. The DRP wins 129 of 175 seats. They had been predicted to win

only 109. Opposition members allege voting irregularities occurred, and threaten to boycott the National Assembly.

June 13 - 20

NDP president Cho Jai-chun and chairman Yu Chin-oh are among 81 party members arrested for protesting the vote. Student protests result in the closure of 31 universities and 143 high schools, and the arrest of over one thousand students. President Park responds by expelling 135 DRP members for involvement in election fraud. Among those expelled were winners of six of the assembly seats.

July 11

The convening session of the National Assembly is boycotted by opposition members. Eight of the assemblymen are among 50 demonstrators arrested. The boycott ends November 21 when the DRP agrees to a bi-partisan committee to investigate the allegations of election fraud.

1968

February 21

President Park announces plans to form an armed militia, consisting of veterans, reservists and civilians, to protect against infiltrations from the North. Opposition members accuse him of attempting to form an armed pro-government force that could be used for political purposes.

April 2

The Home Defense Force is formally activated, consisting of over 2 million people.

May 30

Kim Jong-pil resigns from all political and party positions.

September 27

Rumors begin to surface that the DRP will sponsor a constitutional amendment to allow Park to run for another term as president.

1969*June*

Members of the DRP publicly announce their intention to amend the constitution to allow Park another term. Protest against the proposed amendment are staged on campuses throughout Seoul.

July 12

The DRP expels 93 party members who had publicly opposed the amendment.

July 25

President Park offers to resign if the amendment fails to receive the 2/3 vote necessary to pass in the National Assembly. Park's DRP controls 123 of the 175 assembly seats rendering his offer mute.

September 14

The DRP passes the amendment in the absence of the opposition members.

September 24

In response to protests, Park calls for a popular referendum to validate the amendment.

October 17

The NDP begins a boycott in protest of fraud during the referendum. The amendment passed 7,553,589 for and 3,636,369 against. The NDP claimed stuffed ballot boxes and intimidation were used to insure the victory.

1970*January 27*

Yoo Chin-san is elected president of the NDP at its annual convention.

May 12

The opposition party ends its boycott of the National Assembly.

None of their demands for ending the boycott have been met by the DRP.

September 30

The NDP holds its national convention to vote for candidates for the 1971 presidential elections. In the first ballot, Kim Young-sam receives 421 votes, Kim Dae-jung receives 382, and 82 votes are invalidated. Neither candidate captures a simple majority of the party. Following political maneuvering, Kim Dae-jung wins the second ballot, 458 to 410.

1971

January 27

A bomb explodes at the home of Kim Dae-jung, Presidential candidate for the NDP.

February 5

Police attribute a fire at the home of NDP Assemblyman Chung Yil-hyong to an overheated fireplace. Members of the NDP claim it was arson.

February 10

Kim Chol, head of the Unification Socialist Party is arrested for advocating simultaneous entry of both North and South Korea to the UN.

March 17

President Park Chung-hee is officially nominated presidential candidate for the DRP.

April 2 - 16

Police and students battle as students protest mandatory on-campus military training. On April 14, police raid the Seoul National University Teacher's College, rounding up student protestors. On April 16, a violent protest against mandatory on-campus military training is broken up by police dropping tear gas from helicopters.

April 27

President Park is reelected, says he will not seek another term. Park receives 6,342,828 votes (51.2%) to Kim Dae-jung's 5,395,900 (43.6%).

May 10

Yoo Chin-san resigns as president of the NDP. He had created a rift when he resigned his district representative post to run for a proportional seat.

May 17

Students call for all opposition parties to boycott upcoming elections in protest of alleged rigging of the presidential election.

May 25

The DRP wins 113 of 204 assembly seats falling short of a 2/3 majority for the first time. The NDP wins 89 seats.

May 27

Classes are suspended at Seoul National University following student protests of election results, classes do not resume until June 24.

June 3

Kim Jong-pil is appointed Prime Minister.

October 15

Troops raid ten major universities in Seoul. 1800 students are arrested, 156 students are expelled, 74 campus organizations are dissolved, and 13 campus newspapers are suspended. Troops occupy the campuses for a week.

October 26

The government drafts 4000 students who were involved in protests against mandatory on-campus military training.

December 6

Citing concerns about the North Korean threat, Park declares a nationwide state of emergency.

December 21 - 27

Debate over the Special Bill on Extraordinary Security Measures ends when the DRP passes the bill in the absence of opposition members.

1972

September 26 - 29

Factional infighting results when Yoo Chin-san is elected chairman of the NDP. The opposition faction, headed by Kim Hong-il files suit in the Seoul district civil court, seeking an injunction to block the election.

October - November

Martial law is declared, the Constitution is suspended, the National Assembly is dissolved and political activity is banned. On October 27 the Extraordinary State Council release a draft constitution that further strengthens the power of the presidency by allowing him to hand-pick 1/3 of the National Assembly Members. This group, the Yujong-hoi, has equal status to the representative members of the Assembly. Another constitutional body, the National Conference for Unification (NCU), is responsible for electing the President and approving his nominations for the Yujong-hoi. The amended constitution is approved by national referendum, with 13,186,559 votes for and 1,106,143 against.

November 28

Colleges and Universities reopen, 42 days after martial law was declared.

December 13

Martial law ends.

December 15

Elections are held to pick the 2359 members of the NCU.

December 23

Park Chung-hee is elected first president of the new republic at

the inaugural meeting of the NCU. He is elected to the six year term 2357 to 2, there is no other candidate.

December 27

Park is sworn in and the new Constitution is promulgated.

1973

January 27

The Democratic Unification Party (DUP) is formed by a dissident faction of the NDP. Yang Il-dong becomes president of the party.

February 27

Elections held for the National Assembly. The DRP wins 73 seats, the NDP wins 52, the DUP wins 2 and independents win 19. Ballot box stuffing and other irregularities are noted, and 31 election officials are arrested.

March 2

President Park appoints the 73 member Yujong-hoi securing a 2/3 majority in the assembly.

August 8

Kim Dae-jung is kidnapped from his hotel room in Tokyo as he was preparing a speech critical of the Park administration. He is released 5 days later at a Seoul intersection near his home. A group known as the National Salvation Union takes responsibility for the action, and promises to go anywhere, even overseas, to bring to justice anyone who betrays the fatherland.

October 2

An estimated 200 students are arrested for protesting. They demand that the government restore Kim Dae-jung's civil rights and tell the truth about who ordered his abduction. Twenty-three are expelled from school, 18 are told to voluntarily withdraw and 56 are suspended indefinitely.

October 26

Kim is released from house arrest. He says he has no intention of re-entering politics under current conditions. He applies for a passport to leave Korea to study at Harvard.

November 9

Yang Il-dong is prevented from holding a rally to call for the Park administration to restore civil rights. Eight universities are effected by student boycotts.

November 12

University officials warn students to return to class as protests continue to spread. Student demands expand to include the resignation of Kim Jong-pil and removal of CIA agents from newsrooms. On November 16, the campus of Korea University is closed for one week to prevent students from gathering to organize further demonstrations.

December 3

President Park reshuffles his cabinet in response to student demands. However, he retains Kim Jong-pil as Prime Minister.

December 7

President Park orders the release and reinstatement of all students disciplined for recent campus demonstrations. The government announces an end to CIA involvement in news reporting and a return to autonomous university management of campus affairs.

December 25

A petition drive begins, demanding a new democratic constitution. Kim Jong-pil warns the constitution's critics not to challenge the government.

1974

January 8 - February 7

President Park issues emergency decrees one and two banning criticism of the Constitution. Eleven church leaders are arrested by

the General Emergency Court Martial established by the decrees. Seven students arrested by the Court Martial are sentenced to 10 years in prison, six church leaders receive 15 year sentences.

April 1-July 16

Park announces emergency decree number four assigning the death penalty for underground student activities against the government. On May 27, the government arrests 54 student activist for violating emergency decree number four. On July 16, former president Yoon Po-sun is arrested for involvement with a student group outlawed under emergency decree number four.

August 15

President Park escapes an assassin's bullet, but his wife is killed in the attempt on his life.

August 22

Kim Yong-sam is elected head of the NDP.

August 23

President Park suspends the emergency decrees. Since the decrees were implemented, 203 students were arrested, 167 have been released.

1975

January 22

President Park announces plans for a national referendum to determine popular support for his regime.

February 12

Park receives 73% of the votes in the referendum. 9,800,206 voters approve of his government.

April 8

Presidential Emergency Decree number nine banning anti-government activity on campus goes into effect. Korea University is temporarily closed.

October 8

Representative Kim Ok-sun of the NDP is stripped of her National Assembly seat for making a speech critical of President Park.

December 19

Choi Kyu-ha is appointed Prime Minister replacing Kim Jong-pil in a major cabinet reshuffling.

1976

February 14

President Park presents a roster of 73 candidates to be elected as Yujong-hoi lawmakers by the NCU. All 73 are accepted by the council.

March 10 - 26

Police arrest Kim Dae-jung along with ten other dissidents for issuing an anti-government manifesto. On March 26, Kim Dae-jung, Assemblyman Chung Il-hyung, and 16 other dissidents are formally indicted for agitating the overthrow of Park's government. The trial begins on May 4.

June 9

The Central Election Management Committee ruled that the NDP leader Kim Yong-sam's tenure expired on May 31. Kim resigns and Assemblyman Lee Chung-hwan becomes acting president of the NDP.

September 15

Assemblyman Lee Chul-seung is elected president of the NDP at the national convention.

December 29

Kim Dae-jung is sentenced to one to five years in prison, for the manifesto issued on March 10.

1977*July 17*

Fourteen of the dissidents arrested with Kim Dae-jung are released from prison.

December 19

Kim Dae-jung is transferred from prison to Seoul National University Hospital for medical care.

1978*May 18*

The election for the Second National Conference for Unification is held, 79% of the population votes in the election.

July 6

The NCU re-elects Park Chung-hee as president for six more years. No other candidate is proposed. Park receives 2577 of the 2578 votes, one vote is declared invalid.

December 12

Elections are held for 154 assembly seats. The DRP wins 68, the NDP wins 61.

December 21

The NCU approves Park's list of 77 Yujong-hoi candidates, giving the DRP control of 145 of the 231 Assembly seats.

December 26

Kim Dae-jung is among 2291 prisoners granted amnesty by President Park.

1979*March 17*

After all opposition members leave the opening session of the

National Assembly, the DRP elects former Yujong-hoi chairman Paek Tu-jin, Chairman of the Assembly.

May 30

Assemblyman Kim Young-sam defeats Lee Chul-seung in the bid for the leadership of the NDP.

July 17

Eighty-six political prisoners are granted amnesty.

September 8 - 10

The Seoul District Civil Court issues an injunction suspending Kim Young-sam and four party vice presidents from party activities. The court appoints Chung Un-gap acting NDP head.

October 4 - 13

The National Assembly expels Kim Young-sam for making a speech denouncing the Park regime. This is the first time the Assembly has expelled a lawmaker. On October 13, all NDP lawmakers resign from the National Assembly, protesting the treatment of Kim Young-sam.

October 18

Martial law is declared in Pusan in response to student protests.

October 26

The two-decades-long reign of President Park Chung-hee ends when he is assassinated by his own KCIA director Kim Chae-kyu. Prime Minister Choi Kyu-ha becomes acting president.

November 10

Choi Kyu-ha announces plans to uphold Constitutional provisions for electing a successor to Park.

November 12

Kim Jong-pil becomes president of the DRP.

December 6

Choi Kyu-ha is elected president by the NCU. He wins 2465 of

2549 votes, there is no other candidate.

December 12

General Chung Seung-hwa, Martial Law Commander, and several other generals are arrested and accused of involvement in Park's assassination. This action is seen as an attempt by General Chun Doo-hwan, head of the Army Security Command, to change the power structure of the military and to assume personal control. A group of top generals, headed by Major General Roh Tae-woo, supports Chun's attempts to eliminate members of the military that support a shift away from authoritative rule.

1980

February 29

Yoon Po-sun and Kim Dae-jung are among 685 political dissidents who have their civil rights restored by Choi Kyu-hah.

March 13

The government inaugurates a 68 member Constitution Revision Deliberation Council.

April 14

President Choi appoints Lt. Gen. Chun Doo-hwan acting director of the Korean Central Intelligence Agency.

March 17

The government declares nation wide Martial Law. The decree bans political activities, assemblies and rallies; closes colleges and universities; and censors newspapers, broadcasts and other publications.

May 17

Opposition leaders Kim Dae-jung and Kim Jong-pil are arrested in a move by the military government to consolidate control and silence opposition movements. Students and citizens riot in the city of Kwang-ju. The citizens capture weapons and succeed in gaining control of the city. Martial Law troops invade on May 27, resulting in

hundreds of casualties and thousands of arrests.

May 31

Lt. Gen. Chun Doo-hwan is appointed head of the Special Committee for National Security measures. The Martial Law Command denies allegations that this committee is nothing less than a military government.

June 24

Kim Jong-pil, President and potential candidate of the DRP and former prime minister under Park Chung-hee, resigns all political and party positions after he is indicted for embezzlement.

July 9

The government purges 232 high level government officials from office.

August 12

Kim Young-sam resigns from public life.

August 16

Choi Kyu-ha resigns the presidency.

August 27

The NCU elects Chun Doo-hwan to the office of president, by a vote of 2524 to 16.

September 17

Kim Dae-jung is sentenced to death for allegedly plotting anti-state activity.

September 25

The government announces a ban on political participation for over 800 prominent opposition party members. Kim Young-sam, Kim Dae-jung and Kim Jong-pil are included in the ban.

September 29

A new constitution, extending the presidential term to seven years, is proposed.

October 22

A national referendum is held to ratify the new Constitution. 95.5% of the population votes in the referendum, overwhelmingly accepting the revisions.

October 27

All political parties are disbanded under an amendment to the new Constitution.

November 22

The Martial Law Command removes the ban on indoor gatherings in order to facilitate the formation of new political parties.

1981

January 15

The Democratic Justice Party (DJP) is inaugurated, naming Chun Doo-hwan as its presidential candidate.

January 17 - 23

Two opposition parties form: The Democratic Korea Party (DKP), headed by Yu Chi-song and the Korea National Party (KNP), headed by Kim Jong-chul.

January 24

Martial Law ends.

February 11

Election for the new, 5278 seat, electoral college is held. The DJP wins 3676 seats.

February 25

Chun Doo-hwan is elected 12th President of the Republic of Korea, winning 4755 of 5270 votes in the electoral college.

March 25

The National Assembly election is held. The DJP wins control with 114 of the 215 seats.

July 16

President Chun names former military general, Roh Tae-woo, Second Minister of State for Political Affairs.

1982

January 5

The midnight to four A. M. curfew, that had been in existence since the end of the Korean war, was lifted in all areas except along the demilitarized zone separating North and South Korea, and the coastline.

April 28

Roh Tae-woo is appointed Home Affairs Minister.

December 16

Kim Dae-jung is transferred to a Seoul hospital from prison. He is granted permission to leave the country for medical care in the United States.

1983

January 1

President Chun announces he has no intention of proposing revision to the Constitution which limits his presidency to a single seven year term.

July 11

Roh Tae-woo becomes the Chairman of the Seoul Olympic Organizing Committee.

August 12

The government grants amnesty to 1944 convicts. Of these, 695 had been public security law violators.

August 23

President Chun announces his support for a peaceful transfer of

power at the end of his term.

December 21

The Education Ministry allows 1363 students, expelled for campus turmoil during the 1980's, to return to classes.

December 23

275 political prisoners are among 1765 criminals granted amnesty.

1984

January 17

President Chun stresses that nonviolence is imperative to peaceful transfer of power.

April 12

Campus unrest results in the closing of Sogang University for three days.

October 12

About 1700 students conduct anti-government protests in Seoul, resulting in a large scale police force occupying the Seoul National University campus for two days.

November 30

The ban on political participation is removed from most of the opposition politicians. The ban remains in place for Kim Dae-jung and Kim Young-sam.

December 20

Opposition groups unite to form the New Korea Democratic Party (NKDP). Assemblyman Lee Min-woo is elected founding president.

1985

January 22

NKDP leader Lee Min-woo calls for constitutional revision to allow for a popularly elected president.

February 8

Kim Dae-jung returns to Korea after a two year exile in the United States. He is immediately placed under house arrest.

February 12

The DJP takes 148 seats in the National Assembly election. The NKDP takes 67 of the remaining 128.

February 23

President Chun names Roh Tae-woo Chairman of the DJP.

March 6

President Chun removes the ban from political participation for Kim Yong-sam and Kim Jong-pil.

April 3 - 4

The opposition Democratic Korea Party members of the National Assembly begin wholesale defections to the new NKDP. This results in the NKDP controlling 102 of the National Assembly seats.

August 6 - 17

Debate between President Chun and the NKDP begins with the announcement of a Campus Stabilization Law. This law would allow troops to occupy campuses without the request of school officials. Chun suspends the debate on August 17.

December 31

Twelve NKDP members defect to the governing DJP. This results in the DJP controlling 160 seats in the assembly, and the NKDP controlling 90. The remaining 25 seats are controlled by minor parties and independents.

1986

February 6

Kim Young-sam joins the NKDP. He calls for an open debate on a plan for the democratization of the country.

February 8

Kim Dae-jung is placed under house arrest to prevent him from attending a luncheon to celebrate his return to Korea. This is the eighth time he has been arrested since that return.

February 13 - 20

Police seal off the headquarters of opposition groups who are attempting a petition drive to call for direct presidential elections. On February 20, thousands of police are deployed to prevent demonstrations after 300 opposition leaders are arrested in government attempts to end the petition drive.

February 23

Kim Dae-jung is released from house arrest.

February 24

President Chun agrees to meet with the opposition leaders to attempt to resolve the deadlock on the direct election issue.

March 7

The government indicts 51 students for their involvement in the petition drive.

March 23

Tens of thousands attend a rally led by Kim Yong-sam. Police prevent Kim Dae-jung from attending.

March 31

An anti-government rally in Kwang-ju turns violent, resulting in a ban on opposition rallies.

May 1

President Chun agrees to accept a constitutional change if it is

promulgated by the National Assembly, where his party controls 160 of the 256 seats.

June 9

Debate on revision of the constitution begins in the assembly.

July-November

Over 3500 people are arrested in numerous protests. Five universities are closed. On November 29, in an attempt to prevent further protests, the government deploys the largest show of force ever on the streets of Seoul.

1987

May 1

Kim Young-sam forms the Reunification Democratic Party (RDP), calling for direct presidential elections and a civilian government.

May 27

Opposition politicians, dissidents, clergy and others launch a joint campaign for political and constitutional reform.

June 10

Roh Tae-woo is nominated presidential candidate for the ruling DJP.

June 10 - 26

Student protests become increasingly violent as the highest period of social unrest in the country's history continues.

June 24

President Chun calls for resumptions of inter-party debate on Constitutional reform. Kim Dae-jung is released from house arrest.

June 29

Responding to pressures from protestors, President Chun completely reverses his position, and proposes constitutional revision to

provide for direct presidential elections, and revision of election laws to promote unrestricted campaigns.

July 9

The political rights of Kim Dae-jung are restored.

July 10

Chun Doo-hwan resigns the DJP presidency, and Roh Tae-woo is appointed his successor.

August 31

The bipartisan debates on constitutional reform end with participants issuing a joint bill to the National Assembly.

September 28

Kim Jong-pil forms the New Democratic Republican Party.

September 29

Kim Dae-jung and Kim Yong-sam are unable to agree on which of them will be the opposition RDP presidential candidate. Kim Dae-jung announces that he is forming the Party for Peace and Democracy (PPD), and accepting its nomination for the Presidential election, but will withdraw from the race if he determines his candidacy jeopardizes chances for the opposition to win.

October 12

The Constitution is amended by the Assembly to require direct election of the president.

October 27

The new Constitution receives 93.1% approval in the referendum held for its passage.

December 16

Roh Tae-woo wins the presidential election receiving 8.3 million votes (36.7%), Kim Young-sam receives 6.34 million (28.0%) and Kim Dae-jung receives 6.1 million (27.0%).

1988

February 25

Roh Tae-woo is sworn in and the revised Constitution goes into effect.

February 29

Opposition leader Kim Dae-jung calls for the release of all political prisoners, and establishment of freedom of the press as part of his plan for further democratization of the country.

April 26

In the National Assembly race the DJP loses majority status. They win 125 seats, the PPD wins 70, the RDP wins 59 and the NDRP wins 35.

May 18

The leaders of the three opposition parties agree to set up six special committees to tackle controversial political problems left by the Chun administration.

June 15

Over 200 judges sign a petition outlining judicial reforms that would be necessary to restore the public's confidence in the system.

October 27

Cabinet members join opposition leaders in calling for an investigation into wrong doings in the Chun administration.

November 23

Former president Chun Doo-hwan publicly apologizes for abuse of power during his administration. He enters internal exile at a remote Buddhist temple.

1989

February 16

The American Cultural Center in Kwang-ju is attacked by stu-

dents claiming the United States ignored the Chun administration's actions against students in that city in 1980.

May

After 45 days of anti-government demonstrations, the Education Ministry closed Seoul National Teacher's College to prevent further unrest. On May 17, the Education Ministry dismisses 80 teachers for involvement in the Teacher's Union.

September 7

Police raid Dongguk University to end a performance of the North Korean revolutionary opera, "The Sea of Blood."

September 18

The National Assembly begins an inspection of 329 governmental agencies.

December 31

Former President Chun appears before a National Assembly hearing to testify about improprieties during his administration. Mr. Chun walks out of the Assembly and refuses to continue testifying after he is interrupted by opposition members during his response concerning his role in the Kwang-ju incident.

1990

January 22

Roh Tae-woo, Kim Young-sam, and Kim Jong-pil announce a merger between the DJP, RDP and the NDRP. The merger is seen as an attempt by Kim Young-sam to become the leading candidate for president after the term of Roh Tae-woo ends, by isolating Kim Dae-jung as the only opposition party leader.

February 9

The Democratic Liberal Party (DLP) is inaugurated.

February 11

Students clash with police when a protest over the merger turns

violent.

March 17

Roh replaces 15 of 28 cabinet ministers to incorporate the DLP into the government.

April 9

The New Democratic Party is formed by a merger of the PPD and other minor opposition parties. Kim Dae-jung is named its president.

April 25 - 28

A strike by 20,000 workers at the Hyundai shipyard ends when 10,000 riot troops occupy the grounds.

May 9

The DLP holds its convention and elects Roh Tae-woo party president, Kim Young-sam executive chairman, and Kim Jong-pil and Park Tae-joon vice-chairmen.

May 21

Police fire on demonstrators in Kwang-ju after three days of riots commemorating the 10th anniversary of the Kwang-ju uprising.

June 15

The Democratic Party is formed by members of the former RDP who had refused to join the DLP. Assemblyman Lee Ki-taek is party president.

July 14

The National Assembly passes 26 bills by voice vote. Five of these bills, related to the organization of the armed forces, broadcast restrictions, and compensation of victims of the Kwang-ju uprising, are very controversial to opposition party members. Seventy-nine of these members turn in their resignations in protest.

October 8

Opposition leader Kim Dae-jung begins a two week hunger strike in an attempt to draw attention to political reform. Over 40

Assembly members join him in the demonstration.

October 21

Kim Dae-jung ends his hunger strike after the ruling and opposition parties agree that elections for local officials will be held for the first time in the country's history. Opposition members return to the National Assembly ending the boycott they began on July 14.

1991

March 26

The local elections are held amid charges of vote buying and intimidation. The DLP wins control of over 70% of local offices. Kim Dae-jung's NDP wins only 18%.

April 26

Police beat a student protestor to death during the interrogation.

May 1 - 15

Student protest turns violent. Several students set themselves on fire, committing suicide in protest of the beating death on April 26. The students call for an end to the Roh government and the removal of United States troops from Korea.

June 23

The second phase of elections for local council members results in a resounding victory for the DLP. They win 564 of the 866 contested seats, the NDP wins 165.

September 11

The opposition NDP merges with the Democratic Party to present a unified front against the governing DLP in the upcoming National Assembly election.

1992

March 23

Chung Ju-young, chairman of Hyundai Corporation, forms the Unification National Party (UNP).

March 25

National Assembly election is held. The DLP wins 149 seats, the Democratic Party wins 97, the UNP wins 31, and independents win 22. Chung Ju-young offers to form a coalition with either major party.

May 15

Chung Ju-young receives the presidential nomination for the UNP.

May 19

Kim Young-sam receives the presidential nomination for the DLP.

May 26

Kim Dae-jung receives the presidential nomination for the Democratic Party.

September 20

All three candidates for president try to distance themselves from allegations of vote buying in the National Assembly election.

October 11

President Roh replaces his cabinet and resigns from the DLP.

December 19

In what is widely seen as the first Korean election in which the military did not influence the outcome, Kim Young-sam wins, receiving 42% of the vote, Kim Dae-jung receives 34% and Chung Ju-young receives 16.1%.

1993*February 10*

Chung Ju-young retires from politics after being indicted for embezzlement and election law violations.

February 25

Kim Young-sam is inaugurated as the first non-military president in thirty years.

March 7

Kim restores the civil rights of over 41,000 people in a general amnesty.

May 30

Students demonstrate in Kwang-ju against the United States' involvement in the 1980 Kwang-ju incident. The sentiments of student demonstrations are increasingly anti-US.

June 13

Students begin a march to the border with North Korea in an attempt to meet with students from the North. Police intervene, arresting 300 students and wounding dozens.

August 12

President Kim outlaws the tradition of using fictitious names to conduct financial transactions. This practice was widely used to avoid income taxes and to make secret donations to political parties.

November 2

Chung Ju-young is sentenced to three years in prison for violating election laws.

International Political Events around the Korean Peninsula, 1960-1993

Uk Heo and Woosang Kim

IN THIS CHAPTER, WE COMPILE IMPORTANT INTERNATIONAL events around the Korean peninsula beginning with the establishment of the Third Republic in South Korea in 1960 all the way through 1993. Information for this chapter was obtained from various sources including *Asian Survey* (1971-1992), *Strategic Survey* (1969-1992), *Los Angeles Times Index* (1979-1990), *New York Times Index* (1960-1993), and *The Korea Annual* (1987).

1960

May 4

South Korea and North Korea exchange fire at the Sea of Japan.

June 19

United States President Eisenhower visits Seoul.

June 20

President Eisenhower assures South Korea that the United States

will permit no intrusion across border. He also warns that aids can be effective and deserved only if democratic ideals are preserved in South Korea.

July 30

A South Korean navy boat sinks a North Korean gunboat 4 miles off South Korean east coast.

September 6

A goodwill mission led by Foreign Minister Kosaka arrives in South Korea as the first Japanese official to set foot in Korea since 1945.

October 14

Communist China decides to provide long-term loan of \$105 million plus aid in development program to North Korea.

December 19

The South Korean navy captures a North Korean ship.

1961

April 8

Two South Korean Navy patrol crafts exchange fire with eight North Korean ships.

April 11

United Nations demands North Korea return 43 South Korean fishermen recently seized.

April 13

South Korean ships exchange fire with six North Korean torpedo boats in South Korean waters.

April 21

A United States air force pilot was killed in forced landing after attack by planes over North Korea when he mistakenly crossed into demilitarized zone.

June 15

North Korea charges a UN submarine bombarded North Korean east coast.

July 7

Khrushchev signs 10-year military aid pact with North Korea pledging support for the regime against attack with all forces and by every means. Treaty provides new USSR financial credits.

July 12

North Korea and Communist China sign a mutual defense pact to jointly adopt 'all measures to prevent aggression.'

September 1

UN charges North Korean soldiers who attacked a South Korean guard post, killed one soldier, and injured four.

September 17

A UN patrol boat sinks a North Korean ship in South Korean waters trying to land espionage agents.

November 13

South Korean President Park Chung Hee visits the United States.

November 15

United States President Kennedy promises South Korean President Park 'all possible economic aid.'

1962

September 6

UN troops shoot and kill four North Korean soldiers in clash in demilitarized zone. It is reported that North Koreans crossed the demarcation line and fired on UN troops. Two North Koreans are injured and one UN officer is injured in the incident.

October 23

Kim Jong Pil visits Japan to discuss normalizing ties between the

two countries.

November 4

Kim Jong Pil visits the United States.

November 22

The UN command charges North Korean attacks on UN patrol boats in the Han River. One United States soldiers is killed in the incident. North Korea attacks a UN observation post, truce zone, and one soldier is wounded.

1963

February 11

China reports that a United States plane fired on over North Korea.

March 20

North Korean soldiers fire on South Korean guard posts.

April 4

The United States cut economic aids to South Korea.

May 17

A United States army helicopter makes emergency landing in North Korea. UN asks return of 2 pilots and craft. North Korea charges it intruded illegally.

June 7

North Korean President Choi Yong Keun and delegation visit China and confer with Chairman Liu Shao-chi.

July 29

Two United States soldiers are killed and three are wounded in ambush by North Koreans 25 yards inside UN zone.

July 30

One United States soldier, two North Korean soldiers, and one

South Korean policeman are killed, and one North Korean and one American wounded in clash 6 miles inside South Korea.

August 2

United States troops kill North Korea infiltrators in shooting flare-up that lasts for 2 hours.

August 5

United States soldiers repel North Korean raid in 2 hour clash 13 miles east of Panmunjom.

August 8

The Korean Central Intelligence Agency reports that two North Korean agents are arrested while trying to organize Communist cells.

September 16

Liu visits North Korea.

September 25

The UN Command reports that a United States Army observation plane carrying two men is missing near demilitarized zone.

November 14

North Korean troops fire on eight unarmed United States and South Korean soldiers on authorized mission in demilitarized zone. One American is wounded, and one South Korean is killed.

December 10

North Korea reports clash of United States and North Korean troops. One North Korean is killed and one is captured.

1964

January 15

A South Korean jet fighter is downed by North Korea. North Korea promises to return body of the pilot, but rejects UN's request for explanation of the violation.

January 18

The United States approve \$15 million grant to South Korea to buy essential commodities from the United States.

May 16

North Korea releases United States helicopter pilots held since May 1963.

August 19

Japan sells \$20 million worth of industrial raw materials to South Korea in order to ease economic crisis in South Korea.

August 30

South Korea curbs imports from Japan pending normalization of diplomatic ties.

September 11

Communist party organ Rodong Shinmoon says the USSR cheats North Korea in economic dealings. The USSR suspends the current aid program in retaliation for the attack.

September 22

Four South Korean soldiers are shot and wounded 25 miles north of Seoul. Four attackers are believed to be North Korean agents.

September 23

One South Korean soldier is killed and one wounded near Yangyang by five men believed to be North Korean agents.

November 22

Japan bars North Korean Communist party group from attending Japanese Communist party convention.

November 25

One North Korean agent trying to enter South Korea is killed, and another captured.

December 4

South Korean and Japanese negotiators reopen talks, in Tokyo, on establishing ties, 7th attempt in over 12 years.

December 12

Japan grants South Korea \$20 million worth of raw materials and equipment. The allotment is outside the \$600 million aid Japan expected to grant when South Korea and Japan establish ties.

1965*February 14*

Chinese Communist Press reports that two United States 'agents' captured after intruding into demilitarized zone and attacking Communists.

February 21

Shiina and Lee Dong Won discuss an initial draft treaty on basic Japan-South Korea ties, which is the first important advance in 14 years of talks. The draft calls for immediate diplomatic and consular ties. Shiina formally voices regret for past relations.

April 3

South Korean Foreign Minister Lee Dong Won and Shiina sign draft agreements on 3 major issues.

May 16 - 17

President Park Chung Hee visits the United States. President Johnson-President Park communique on talks notes that the United States pledges to continue aid and specifies \$150 million development loan.

June 17

The UN command releases two North Korea armed fishing boats captured off South Korea week ago.

June 22

Minister Shiina and Lee Dong Won sign South Korea-Japan

treaty and 20 related documents in Tokyo. Japan may open diplomatic mission in Seoul and will grant \$300 million to South Korea over next 10 years and also make other long-term loans. Japan stipulates provisions on fishing rights and resident rights for South Koreans in Japan.

July 22

The UN command reports that United States soldiers shot and captured 'apparent North Korean agents' south of demilitarized zone.

July 25

Two North Korean agents are killed and 1 captured in clash, 70 miles east of Seoul.

October 14

Three South Korean soldiers are killed in attack on truce zone guard post apparently by North Korean raiders.

October 17

UN and North Korean truce committee members agree on forming a joint border marker team, but waste 4 hours debating proper position of truce line markers.

October 25

A South Korean army officer and two in his family are killed in Yanggu by men believed to be North Korean agents.

November 20

United States army patrol is attacked near demilitarized zone; assailants believed to be North Koreans.

1966

January 8

South Korea and Japan approve each other's appointment of ambassadors; South Korea names Kim Dong Jo.

January 15

South Korean Foreign Minister Lee Dong Won indicates South Korea will be flexible in dealing with countries having formal ties with North Korea.

February 24

United States Vice President Humphrey arrives at Seoul and talks with Premier Jung Il Kwon. Humphrey reportedly arranged for more United States economic aid in return for more Korean troops in South Vietnam.

May 19

The South Korean government reports that two North Korean spies and one South Korean policeman are killed in gun battle in Chinju.

May 25

One North Korean agent is killed, two are captured, and two South Korean policemen are killed in gunfight in Kangnung.

July 9

The South Korea-United States Status of Forces Agreement is signed in Seoul.

July 30

A South Korean patrol boat clashes with nine North Korean vessels, south of military demarcation line.

August 13

North Korean communist party proclaims independence of both Chinese and USSR leadership. It suggests possibility of purge of pro-Chinese elements within North Korea.

August 21

Three North Korea spies are killed by South Korean counter-intelligence agents in gunfight near Seoul.

October 12

The South Korean navy sink a North Korean 'espionage' boat af-

ter fight off Kansong.

November 2

United States President Johnson visits South Korea. Six Americans and one South Korean soldier are killed in attack by North Koreans south of demilitarized zone.

November 3

North Korean infiltrators clash with South Korean forces east of Panmunjom 3 hours after first attack, and one is killed. The first attack occurred 30 miles from Walker Hill resort where President Johnson was staying. The UN command reports that another United States soldier is wounded.

November 6

South Korean troops are fired on by group of North Korean infiltrators near demilitarized zone. No casualties are reported.

November 23

Three South Korean navy boats are fired on off the coast south of demilitarized zone by North Korean shore batteries. South Korean navy boats return fire.

1967

January 20

North Korean shore guns shell and sink a South Korean navy patrol boat. 11 in crew of 79 are wounded, and 28 are missing.

February 3

South Korean troops repel North Korean attack near center of demilitarized zone. One North Korean is killed.

February 12

A United States soldier is shot and killed while on patrol south of demilitarized zone.

March 6

Pyongyang radio reports that a new defense pact is signed with USSR which includes cooperation in economic, scientific and technology fields. The pact is reported signed in Moscow.

March 19

Private United States economic mission arrives in Seoul to confer investments and trade expansion.

April 6

United States soldiers kill three North Koreans in skirmish near Panmunjom.

April 13

A North Korean platoon attacks 48 South Korean soldiers, southern part of demilitarized zone. It is reported that at least three North Koreans and one South Korean are killed and three South Koreans are wounded.

April 17

A South Korean plane sinks a North Korean boat in Yellow Sea 5 miles south of the 38th parallel. It is reported that the ship tried to land agents. Another espionage ship is sunk 60 miles southwest of Inchon, six wounded North Korean agents are captured.

May 28

The South Korean navy and the North Korean shore batteries exchange fire for 20 minutes off western coast.

May 30

A North Korean gunboat reportedly kills four South Korean fishermen, wounds seven in four raids on fishing boats in Yellow Sea off North Korea. It is also reported that one South Korean boat with eleven crewmen is missing.

June 2

South Korean troops kill two North Korean infiltrators in gun battle south of demilitarized zone.

June 20

South Korea reports four policemen and villagers are killed in gun battle with four North Korean agents, Taegu area. A North Korean agent is killed, but three others escape.

July 4

North Koreans recently kill seven South Korean soldiers and wound five in ambush. Ten North Koreans are killed in the clash.

July 16

North Korean troops kill three American soldiers, wound one South Korean in attack on CP in demilitarized zone.

July 22

A North Korean agent is captured, and four others are killed in gun battles.

August 11

Three United States soldiers are reportedly killed and two South Koreans are wounded by North Korean troops.

August 9 - 11

The first Korea-Japan Annual Ministerial Conference is held in Tokyo. Japan agrees to lend \$200 million for development programs. The loan will bring total Japanese aid commitments to South Korea over 10 year period to \$1 billion.

August 21

Six South Korean soldiers are killed, and five are wounded by North Korean troops.

August 23

One United States soldier is killed, and one is wounded. South Korean troops kill three North Korean soldiers.

August 29

North Korean soldiers kill one United States and two South Korean soldiers and wound 25 others including civilian employees.

October 8

North Korean gunners open fire on a United States patrol boat near demilitarized zone. One crewman is missing.

October 21

North Korean troops shell South Korean barracks, southern part of demilitarized zone. Two South Korean soldiers are killed.

November 4

Two North Korean patrol boats fire on a fleet of South Korean fishing boats near demilitarized zone and seize at least 9 fishermen.

November 11

South Korean army reports that five soldiers are killed and eight are wounded in two incidents in demilitarized zone.

November 26

South Korean shore batteries fire on a group of North Korean navy vessels trying to seize South Korean fishing boats operating near demarcation line.

1968

January 21

A 31-man North Korean commando team sneaks into Seoul in an attempt on the life of President Park. National police report armed North Korean infiltrators killed a South Korean police officer and five civilians on Seoul street. One North Korean is killed, another is captured in fire exchange with the police and troops near President's mansion. Five other North Koreans are killed outside city.

January 23

North Korean patrol boats seize United States Navy intelligence ship *Pueblo* off Wonsan, take the vessel and the crew of 83 into North Korean port.

January 30

South Korean Defense Minister Sung Eun Kim reports that the

United States has agreed to accelerate material aid to counter intensified espionage and subversion campaign directed by North Korea. He says it will deliver \$32 million worth of equipment by the end of February.

February 9

United States President Johnson asks supplemental appropriation of \$100 million to be spent within 5 months for emergency military aid to deter renewed aggression from North Korea.

February 11

United States President Johnson sends ex-Deputy Secretary Vance to South Korea as his special representative for talks on 'grave threat' to South Korea.

February 15

South Korean President Park and Vance agree on moves to counter North Korean aggression.

May 11

The United States and South Korea sign three economic aid accords.

August 21

South Korean troops kill eleven members of a 14-man North Korean commando unit attempting to land on Cheju Island from a high-speed boat.

November 2

South Korea reports Government forces kill 39 of 60 guerrillas who infiltrate into the country through the shore of Samchok and Ulchin on the east coast.

1969

February 12

The Korea-Japan Cooperation Committee open its inaugural conference in Seoul.

April 12

North Korean MIG fighters shot down a US Navy EC-121 reconnaissance plane on the East Sea, south of Chongjin, north Korea.

April 21

The United States Navy deploys special task force in the Sea of Japan following North Korean destruction of a US Navy aircraft, EC-121.

April 26

United States naval task force withdraws from the Sea of Japan after Soviet and Japanese expressions of concern.

May 21

United States troops kill North Korean infiltrators.

August 20

South Korean President Park visits United States President Nixon.

August 26

Three South Korean soldiers are killed and five are wounded in a clash with North Koreans who crossed demilitarized zone.

October 14

South Korean jets sink an armed North Korean ship after sea battle with navy patrol.

December 11

A Korean Air Lines official reports one of its planes apparently hijacked to North Korea. The plane had taken off from Kangnung for Seoul but reportedly landed at gunpoint at Wonsan.

1970

March 3

The South Korean government signs the Korea-Japan Tariff Agreement effective October 9.

April 2

Communist Chinese Premier Chou En-lai visits North Korea. The visit is viewed as a significant shift in Peking's policy toward Pyongyang since the relationship was cooled down in 1965.

June 6

South Korean Defense Minister reports that two North Korean gunboats attacked and captured a South Korean naval craft with 20 crewmen aboard near armistice demarcation line in Yellow Sea.

June 12

Top United States Defense Department official says strong budgetary pressures are forcing the Administration to seek an agreement to remove large part of American military force over two or three years, starting in 1971.

June 15

South Korean troops clash with North Korean intruders in two border incidents.

June 17

South Korean President Park's top aids protest United States' plan to withdraw troops as 'breach of international faith.' They insist 1975 is the earliest date by which the United States could safely remove its troops.

June 22

The Japanese government, despite left-wing demonstrations, announces automatic renewal of the Mutual Security with the United States.

June 23

The South Korean government reports that North Korean agents were killed when a group of Communist infiltrators accidentally detonate a bomb which they were attempting to mount on gate at the National Cemetery. Other agents escaped.

June 29

The South Korean government reports capture of North Korean

spy boat after two hour battle. Defense Minister reports that North Korean agents who escaped from captured vessel are killed in fight in nearby island.

July 17

The South Korean government reports that two North Korean agents were killed in gunfight with South Korean soldiers, 15 miles outside of Seoul. Two South Korean soldiers were wounded.

July 22

Korea and Japan open the annual ministerial talks aimed at spurring close ties.

July 26

Communist Chinese Army Chief of Staff Huang Yung-sheng reportedly pledges Chinese Army will join North Korea in any future war against the United States and Japan.

July 29

South Korean planes sink a North Korean speedboat believed to have put Communist agents ashore.

August 25

Vice President Agnew pledges the United States will provide funds to modernize South Korean Army and shift a wing of F-4 Phantom jet fighters from Japan to Korea.

September 16

North Korea proposes a confederation of the two Korean states as a step towards reunification.

September 21

The South Korean government security forces kill two armed Communist infiltrators off Inchon.

October 12

South Korean warships sink North Korean spy boat in the Sea of Japan.

October 13

The UN command reports that North Korean guards and civilian workers attacked UN command's security guards and injured seven, Panmunjom. UN will boycott the 306th meeting of Military Armistice Commission in protest.

November 6

The United States withdraw the Second Infantry division guarding 18 miles stretch of demilitarized zone and turn over defense of entire 155 mile boundary to South Korean troops.

November 12

The Nixon Administration reportedly has prepared a supplemental request for about \$150 million in military aid to South Korea to help modernize its armed forces as 20,000 American soldiers are withdrawn.

November 23

Communist China quietly drops its long-standing claim for cession of 100 square mile strip of North Korean territory in Mountain Paektu area which it had sought as 'fraternal compensation' for Chinese participation in the Korean War.

December 6

South and North Korean troops fight a 9 hour series of gun battles across a border river, along the western sector of the truce line. Five South Koreans are reportedly wounded.

December 10

The United States House of Representatives Appropriations Committee approves a supplementary military aid bill including \$150 million for South Korea.

December 22

The United States announces that a wing of 54 American Phantom fighter-bombers and a detachment of EC-121 electronic reconnaissance planes will be moved to South Korea from Japan by the end of June 1971.

December 23

The United States Congress passes the bill authorizing \$150 million in aid for South Korea.

December 27

The South Korean government announces its naval vessels repelled a North Korean gunboat the attempting to capture a disabled South Korean fishing boat in Sea of Japan. The reports say a sharp exchange of gunfire.

1971

January 23

Japan announces sending an exploratory mission to North Korea in a move towards improving relations.

January 26

South Korean Defense Minister reports full accord with the United States on the reduction of US forces by 20,000 and on modernization of South Korean forces.

January 30

South Korean Army Security Command reports that it has smashed seven North Korean espionage rings in Seoul, Taegu, and the eastern port of Pohang.

February 11

South Korean forces assume responsibility for defense of the armistice border following US force reduction.

March 16

The United States transfers an Air Force wing of 50 F-4 Phantom fighter-bombers from Japan to a permanent base in Kunsan, South Korea to reassure the South Korean government, which is the only operational US fighter wing permanently stationed in South Korea.

July 13

The first annual United States-South Korea security consultative

meeting is held in Seoul. US Secretary of Defense reaffirms US' determination to assist in the event of any attack.

August 20

South Korean and North Korean Red Cross officials hold a 4-minute meeting, Panmunjom, in the 1st step toward uniting families divided by the Korean War. South Korean Government reports new clashes between North Korean infiltrators and South Korean security forces on Kanghwa Island in the Han River Estuary. The report says 2 North Koreans and 3 South Koreans are killed and 3 South Koreans are wounded.

September 2

Japan pledges to provide South Korea with \$170 million in soft loans in a continuing program to help South Korean economic development in the annual ministerial meeting.

September 6

Communist China signs an accord to provide North Korea with enclosed armament of free military aid.

September 20

The South Korean government reports three of four North Korean Communist terrorist infiltrators in Kumgokni have been killed in a gun battle.

October 3

Growing role of Japan in South Korean economy discussed. South Korean economists see it gaining a dominant position in a few years if the current trend continues. August conference at which Japan agreed in principle to give South Korea \$210 million in loans to help finance 6 economic projects and pledged aid to other projects in the third 5year economic development plan.

October 7

North Korean Red Cross agrees to South Korean proposal to hold talks in Seoul and Pyongyang alternately at Panmunjom meeting.

October 17

California Governor Reagan visits Seoul, delivers a personal message from President Nixon to President Park Chung Hee. He says message assures Park that the United States will not abandon its commitments to South Korea.

1972

May 2

Director of South Korean Central Intelligence Agency, Lee Hu Rak, visits North Korea secretly to initiate talks on reunification. Talks continued in Seoul with North Korean Second Vice-Premier, Pak Song-chol (May 29).

July 4

High level representatives of South and North Korea held secret talks in Seoul and Pyongyang recently and agreed on principles to reunify Korea by peaceful means. A joint South-North Korean communique announced in Seoul on July 4 by Lee Hu Rak, director of South Korean Intelligence Agency. The communique says that both sides agreed to refrain from 'armed provocations' whether on large or small scale and to take positive measures to prevent inadvertent military incidents. It says they will carry out 'varied exchanges in many fields' and agreed to install a direct telephone line between Seoul and Pyongyang to prevent outbreak of unexpected military incidents arising between them. The communique announces an accord on principles that unification shall be achieved through independent efforts without being subject to external imposition or interference, that unification shall be achieved through peaceful means and that, as a homogeneous people, a great national unity shall be sought above all. South and North Korea also agreed to set up a 'South-North coordinating command' headed jointly by Lee Hu Rak and Kim Yong Ju to resolve existing problems and settle unification problem on the basis of agreed principles.

August 30

The first historic full-dressed talks between South and North Korean Red Cross societies open in Pyongyang.

October 12 - 13

South-North Korean Joint Coordinating Committee members meet, October 12, in Panmunjom in move to improve their relations and seek eventual reunification of Korea. The delegates pledge mutual efforts towards peaceful reunification.

October 24

South Korean delegation travels to Pyongyang for the third round of Red Cross talks with North Koreans on proposed family contacts.

November 2 - 4

South Korean delegation led by Lee Hu Rak, on November 2, meets with North Korean delegation headed by Deputy Premier Pak Sung Chul in Pyongyang, to continue talks on reunification of Korea. South and North Korea agree to halt propaganda broadcasts against each other effective November 11. South and North Korea also agree to organize a joint machinery to arrange political, economic, and other exchanges between them to promote peaceful unification and to end leaflet distribution.

November 23

Delegates of South and North Korean Red Cross societies hold the 4th round of talks in Seoul, Korea, on November 22. They agree in principle to set up a joint organization to trace divided Korean families as the 1st step in efforts to reunite them. The accord is the first substantive one reached in Red Cross talks.

1973*March 12 - 15*

South and North Korea delegations meet in Pyongyang and Seoul to discuss eventual reunification of the two countries, but disagree on procedure.

April 17

South Korean troops guarding Korean demilitarized zone kill two North Korean infiltrators.

June 13

South Korea and North Korea open their deadlocked political talks aimed at improving their relations and eventually reunifying nations. Lee Hu Rak, director of South Korean Central Intelligence Agency, restates South Korea's position that the North-South coordinating committee should promote economic, cultural and social exchanges to build mutual understanding and trust before settling military and political questions. Deputy Premier Pak Sung Chul of North Korea calls for withdrawal of American troops, mutual reduction of armed forces and conclusion of peace treaty as well as expanded unification talks.

June 23

South Korean President Park declared in a seven point foreign policy statement that the government would not object to simultaneous entry of the Republic of Korea and North Korea into the United Nations.

July 5

United States Embassy has reportedly convinced South Korea to discriminate in trade in favor of the United States and against Japan by implicitly noting American commitment to South Korea of 43,000 soldiers, whom President Park eager to retain although American forces are being reduced elsewhere in South East Asia.

November 16

United States Secretary Kissinger, on the last stop of his 10-day round-the-world tour, spends 3 hours with President Park Chung Hee in Seoul to assure the South Koreans that he made no deals at the expense of South Korea in his Peking talks with Chairman Mao Tse-Tung and Premier Chou En-Lai.

December 1

South Korean-North Korean military Armistice Committee meet at Panmunjom. Tensions rise between North and South Korea as North Korea claims territorial rights to waters around 5 Yellow Sea islands held by South, and as Seoul puts armed forces on special alert. Chief North Korean delegate Major General Kim Pong Sop says South Korean ships must get permission from North Korea be-

fore sailing to islands, identified as Paengyong, Sochong, Taechong, Yonpyong. Earlier South Korean Defense Minister Yu Jae Hung reported that North Korea had sent gunboats close to islands six times in past two weeks.

December 25

At the 347th meeting of Joint Military Armistice Committee, North Korea reiterates its claim to the Yellow Sea waters around five tiny islands held by South Korea, as he did at December 1 meeting. The claim says the United States and South Korea must get North Korean permission before sending vessels to the islands. North Korea warns of grave consequences if South Koreans ignore the request. The UN Command member of the Committee, United States Major General T. U. Greer, rejects the demand and says UN Command vessels will continue visiting islands without the North's permission. He says that any hindrance of free passage to islands constitutes a blockade.

1974

January 30

Wave of strong anti Japanese sentiment is aroused in South Korea January 29 by a report of a recent statement by Japanese Premier Kakuei Tanaka to Japanese Parliament that Japan's occupation of Korea from 1910-1945 brought 'spiritual' benefits to Korean People.

February 15

South Korean Defense Minister reports North Korean warships sank a South Korean fishing boat and crippled another boat.

March 25

North Korea announces that it has proposed direct talks with the United States leading to a peace settlement. The United States rejects the proposal.

June 28

North Korean gunboats sink a South Korean patrol boat 9 miles

south of the border between the two countries.

July 3

A South Korean patrol boat reportedly sinks a three ton North Korean vessel thought to be a North Korean intelligence ship off Pusan.

July 22

The South Korean navy destroys a North Korean reconnaissance vessel and kills at least five crewmen.

August 15

Gunman, named Mun Se-kwang, kills the wife of President Park in South Korea in an unsuccessful attempt to assassinate the President and is arrested.

November 16

UN command spokesman discloses that North and South Korean troops fought a gun battle on November 15 when South Korean troops discovered a tunnel dug by Northern forces to a point about 1,000 yards south of the military demarcation line. No South Korean casualties are reported.

November 22

United States President Ford arrives in Seoul for a 1 day visit intended to affirm American-South Korean friendship.

December 12

The Ford Administration accepts a Congressional compromise to cut United States military aid to South Korea by \$20-million until Ford can report that South Korean President Park is loosening his repressive political policies.

1975

February 16

South Korean Defense Ministry announces that South Korean forces sank a North Korean spy boat in South Korean waters off east

coast. No mention is made of North Korean casualties.

April 30

United States Secretary of State Kissinger, commenting on the impact of Indochina on United States relations in the Far East, says the United States will reaffirm its commitment to South Korea, the Philippines and Japan.

June 26

Schlesinger confirms that there were American tactical weapons in South Korea.

July 1

More than a dozen North Korean guards attack two United States soldiers outside a building in the truce compound of Panmunjom, South Korea, where the Korean Military Armistice Committee is meeting. South Korean Defense Ministry Spokesperson reports that five people were killed in Kwangju in an incident between South Korean combat police and two North Korean infiltrators.

July 13

South Korea puts its entire armed forces on emergency alert and charges that six North Korean navy vessels have violated South Korean waters.

August 27

The UN Command in South Korea announces that two armed North Korean soldiers intruded into the southern part of the demilitarized zone and kidnapped a farmer from the village of Taesong Dong, also known as Freedom Village.

October 6

A North Korean intelligence vessel is sunk by South Korean aircraft.

October 11

The United States Defense Department sells 60 advanced F-5 jet fighters to South Korea for \$205-million.

1976*January 21*

United States President Ford proposes to end free military material for South Korea.

February 1

South Korean officials report that the pressure from the United States, bordering on threats, caused them to cancel plans to buy a French plant for reprocessing spent uranium from nuclear power plants, which includes extraction of plutonium that can be used to make nuclear weapons. The United States threatened to block the Government's acquisition of reactors for peaceful purposes. South Korean foreign ministry spokesperson, in saying there will be no official comment, indicates Government wants to avoid an open clash with United States when many members of Congress are critical of President Park's repression. South Korea reports it has signed an agreement with Canada that will include the purchase of a reactor.

August 6

South Korean and North Korean soldiers exchange gunfire along eastern sector of the truce front. No casualties are reported.

August 18

North Korean guards attack United States and South Korean soldiers trimming trees in the demilitarized zone and kill 2 US officers. North Korean, United States and South Korean forces are put on alert on August 19. The United States dispatches air reinforcements to South Korea on August 20. The North Korean government expresses regret over the killings. The United States finds the statement unacceptable. The United States and North Korean representatives meet at Panmunjom to discuss the incident while troops remain on alert.

August 30

The South Korean Office of Fisheries announces that the 17.3-ton fishing boat Shinjinho No.3 with 23 crewmen aboard was abducted by North Korean gunboats while engaging fishing operations in the East Sea.

September 6

The United States and North Korean representatives agree to partition of the joint security area at Panmunjom. The United States and South Korea end their military alert.

December 10

South Korea and Japan open an 8-day meeting, in Seoul, to discuss South Korea's request for Japanese financial cooperation in its 4th five-year economic development program to begin in 1977.

1977*January 12*

South Korean President Park Chung Hee declares he will not oppose the withdrawal of United States troops if North Korea agrees to sign a non-aggression pact. North Korea rejects the proposal on January 26.

February 20

South Korean Foreign Minister Park Dong Jin announces that South Korea has no plans to acquire nuclear weapons to offset the proposed US troop withdrawal.

May 27

An American delegation arrives in South Korea to discuss US troop withdrawal. President Carter promises to use tactical nuclear weapons to defend South Korea on May 30.

June 5

The United States has informed South Korea and Japan that it intends to withdraw about 6,000 ground troops by the end of 1978 in the first phase of President Carter's pull-out program.

July 14

North Korea shoots down a US helicopter that strays into its airspace — three crewmen killed and one captured. The bodies and surviving crewman are returned on July 16.

1978*March 6*

42,000 United States troops and 65,000 South Korean troops begin maneuvers for a mock battle against a simulated North Korean invasion.

March 11 - 12

The United States and South Korea hold an exercise to improve the ability of the United States to reintroduce forces to Korea.

April 21

A Korean Air Lines Boeing 707 jetliner with 110 persons aboard is intercepted by the Soviet Union and forced to land about 354 km south of Murmansk. On April 23, the Soviets allow the surviving passengers and crew members to leave the country for home. US President Carter announces a plan to withdraw one combat unit from South Korea in 1978 and two in 1979.

April 29

The South Korean Defense Minister discloses that South Korean patrol boats sank a North Korean spy boat off of the southern coast after a brief clash that left at least three persons dead.

June 23

The United States House of Representatives votes to cut off \$56 million in food aid in retaliation for Seoul's refusal to make Kim Dong Jo available for Congress Panel for a hearing.

August 31

The United States Defense Department sends a formal notification of plans to sell South Korea \$60 million in spare parts and supplies for US-made fighter planes, light bombers and transport planes.

September 20

The United States Army reduces its forces in South Korea by 2,600 soldiers, mostly through attrition. Total strength reportedly is 30,000 troops as of July.

October 28

The UN Command announces it has found a new North Korean tunnel beneath the demilitarized zone. The UN protests the tunnel to North Korea for what American officials term is an 'act of aggression'.

1979

January 14

Senators Sam Nunn, John Glenn and William Roth arrive in South Korea for Asian military tour. A meeting is held with Prime Minister Choi Kyu Hah.

January 20

South Korean President Park proposes new peace talks with North Korean leaders. United States leaders are hopeful that North Korea will accept.

January 24

The Senate Armed Services Committee recommends that the United States halt plans to withdraw troops from South Korea, in light of new North Korean army estimates.

January 26

North Korean officials say they welcome President Park's proposal to resume peace talks.

January 27

South Korea and North Korea exchange proposals, urging each other to resume negotiations deadlocked since 1973.

January 31

North Korea announces it will stop its propaganda war against South Korea in a first step toward ending hostilities.

February 1

North Korea, calling for resumption of talks with South Korea, says it will halt its use of epithets.

February 2

South Korea unsuccessfully tries to reach North Korea on the hot line to discuss the reopening of political talks. North Korea has refused to answer the hot line since 1976, because of tensions in the Korean peninsula caused by the murder of two United States officers.

February 13

South and North Korean officials propose new talks on reunification.

February 16

South Korea and North Korea agree to meet at Panmunjom in their first major meeting in six years.

February 18

South and North Korean officials meet in Panmunjom. North Korea agrees to reopen the telephone line linking the two countries. North Korea has ignored the hot line for three years.

March 1

North Korea charges South Korea, and the United States with ignoring its proposal to end hostile actions by going ahead with joint military actions.

March 14

South Korea doubts that current talks with North Korea on reunification will achieve any results due to a lack of trust. North Korea has refused to participate in talks set up under the North-South coordinating committee.

March 23

North Korea charges the UN command with its 'intention to start war' on the Korean peninsula by holding joint military exercises in South Korea. Charges are delivered by North Korean General Han Ju Kyung at the 392nd meeting of the Korean Armistice Commission.

March 27

The South Korean government announces a modified plan to re-

open stalled negotiations with North Korea. North Korea rejects the meeting.

April 21

South Korean National police arrest seven South Koreans on charges of spying for North Korea.

May 4

UN Secretary General Kurt Waldheim ends his trip to North Korea and says President Kim assured him that North Korea would never attack South Korea. President Kim also stated that peace talks should be carried out with the United States without South Korea. The United States and South Korea rejected the North Korean proposal for direct peace talks with the United States only.

June 27

The US Coast Guard seizes a North Korean fishing boat off the Alaskan coast for violating the 200 mile fishing zone.

June 29 - 30

President Carter arrives in Seoul. South Korean President Park and President Carter reportedly have put aside their differences to renew the United States' promise to protect South Korea from any North Korean intrusion.

July 1

Diplomatic sources say that the United States and South Korea will issue call for three-way talks with North Korea to relieve Korean tensions. Carter will name a special representative to the talks. Carter tells South Korea President Park that he believes South Korea can match its civil rights efforts with its economic accomplishments.

July 2

Park and Carter issue a joint communique praising South Korea's economic progress, thus renewing commitment to South Korean security, and expressing hope in new efforts to deal with North Korea.

July 3

North Korea criticizes the proposal for tripartite talks on Korean reunification. The critique says unification is an internal problem.

July 11

North Korea's foreign ministry rejects South Korea's talks proposal.

July 16

United States representative Stephen Solarz arrives in Pyongyang. He is the first United States representative to visit North Korea in 30 years.

July 20

United States President Carter has decided to freeze US ground troops withdrawals from South Korea at least until 1981.

July 22

South Korea reports that it sunk a North Korean spy boat, killing 7 North Koreans.

August 15

The US government condemns what it terms excessive and brutal action by South Korean police raid on New Democratic Party headquarters in South Korea.

October 10

South Korean interior ministry announces that 20 members of the underground anti-government organization loyal to North Korea have been arrested.

October 29

North Korea, in the first official comment on South Korean President Park's assassination, states that the killing reflects growing political and social chaos in South Korea. United States Secretary of Defense Harold Brown announces that United States aircraft carrier and radar warning planes are being sent to South Korea to deter North Korea exploitation of political crisis in South Korea.

October 31

United States ambassador William Gleysteen denounces innuendos in South Korea and charges by North Korea that the United States was involved in Park's death.

November 10

The Combined Forces Command formed by the United States and South Korea will conduct joint military exercises to test responses to possible attack by North Korea.

November 18

South Korea and the United States hold week-long antisubmarine exercises off the southeast Korean coast.

December 9

North Korea grants the UN command's request to search for missing United States soldiers reported injured in the DMZ mine explosion.

December 13

The United States State Department warns North Korea not to exploit the political situation in South Korea.

1980

January 12

North Korean Prime Minister proposes reunification talks with the South Korean Prime Minister. South Korea accepts the proposal on January 24.

January 24

South Korean Prime Minister proposes meeting with North Korean high officials on February 6 to discuss reunification.

January 31

North Korean Prime Minister accepts the offer to meet with the South Korean Prime Minister.

February 7

Delegates from North Korea and South Korea meet prior to the Prime Ministers' meeting. South and North Korea reopen telephone lines between Seoul and Pyongyang which have been closed since 1976.

March 14

The UN command continues large scale military exercises over protests from North Korea.

March 19

South Korea and North Korea agree on Panmunjom for Prime Ministers' conference.

March 24

South Korean troops kill three armed North Korean frogmen crossing the Imjin river.

April 11

South Korea authorizes US commercial aircrafts fly to mainland China via Seoul while Korean airplanes were allowed to fly to Europe via three cities in the US.

May 8

The Soviet ambassador to Japan says USSR has increased forces in Far East due to Korean instability.

May 20

Hodding Carter warns that the United States will react quickly if North Korea exploits the situation in South Korea.

May 24

A United States aircraft carrier remains in Korean waters citing unrest as its reason.

May 27

Chairman Hua begins the first official visit to Japan by a Chinese head of state for 2,000 years to assure Japan that North Korea will not invade South Korea.

June 4

President Carter sends naval forces to South Korea to dissuade the North Korean military from action during the South Korean unrest.

June 22

South Korea reports a sea-air clash during a South Korean attempt to seize a boat carrying North Korean agents. Eight North Koreans are reported killed.

July 1

South Korean Prime Minister Lee Kwang Pyo claims that North Korean espionage and infiltration has increased.

July 12

US President Carter and Secretary of State Muskie refuse to meet with South Korean Foreign Minister Park Dong Jin during Carter's Tokyo visit. The Japanese anger at Korea is believed to be linked to the refusal.

July 19

North Korean President Kim drops the demand that South Korea repeal their anti-communist law before reunification. Kim meets with US representative Solarz. Kim calls for exchanges with US.

July 20

United States State Department officials pledges military support for South Korea as long as tensions remain as its reason.

August 21

North Korea cancels reunification talks, citing "unusual" South Korean political situation.

August 22

Chun Doo Hwan resigns from Army and takes aggressive stance toward North Korea in speech.

September 15

The Japanese news agency Kyodo reports that North Korean President Kim has stated he will give up defense pacts with USSR and China in exchange for a direct peace treaty with the United States.

October 11

The United States sends F-16's to South Korea to replace F-4's.

October 13

North Korean President Kim Il Sung says that the overthrow of the South Korean government is the key to reunification.

November 5

South Korean Defense Ministry reports that three North Korean infiltrators are killed on the Hwaengando island.

December 2

South Korea reports that two North Korean infiltrators are killed and gunboats are sunk off Namhae island.

December 10

US President-elect Reagan's state department transition team warns of North Korea exploitation of the South Korean unrest.

1981

January 17

South Korean President Chun suggests to the North Korean President Kim that they should exchange visits.

January 20

North Korea rejects Chun's offer.

January 28

South Korean President Chun embarks on a 10-day trip to the United States at the invitation of President Reagan.

February 1

Chun asks the United States to help facilitate the exchange visits between Kim and Chun.

February 3

US President Reagan agrees to normalize relations with South Korea. Reagan confirms to Chun that 39,000 United States troops will stay in South Korea.

February 4

Chun renews the invitation to North Korean President Kim Il Sung.

June 13

South Korea reports a North Korean seizure of a South Korean fighting boat near the Western sea border.

August 15

North Korea reports a United States spy planes flight over North Korea.

August 26

The United States charges that North Korea fired an anti-aircraft missile at an American SR-71 reconnaissance plane flying in South Korean airspace.

August 28

North Korea charges the United States with DMZ area provocations.

August 29

North Korea denies that missile launch. The United States says that the missile was detected launching from the ground.

August 31

North Korean Prime Minister Li visits Moscow en route to Syria.

November 3

A short machine gun battle between North Korea and South

Korea occurs. No casualties are reported.

November 28

Interparty talks on issues of mutual interest to China and North Korea reach an agreement on two significant talks. One was China's acknowledgement of Kim Jong Il and the other was North Korea's endorsement of the economic readjustments and other policies adopted in China.

December 29

The United States says North Korea holds war games without notification, prompting the United States to send ships to Korean waters. North Korea reportedly staged large scale war games without notifying the United States, causing them to send warships to the area.

1982

January 10

North Korea accuses the United States of an SR-71 spy plane overflight on January 7.

January 22

South Korean president Chun Doo Hwan proposes that North and South Korea adopt a joint constitution.

January 27

North Korea rejects South Korea's latest offer to reunify. The reason is that United States troops must withdraw first.

February 1

South Korea urges North Korea to open border, start cultural exchanges, and share resources.

February 10

North Korean government calls for a meeting of 100 officials to discuss reunification.

April 26

The Reagan administration presses House for more aid to South Korea.

June 8

North Korea and South Korea exchange gunfire across DMZ.

1983

January 11 - 12

Japanese Prime Minister Yasuhiro Nakasone becomes the first Japanese Prime Minister to visit South Korea. Nakasone agrees to provide South Korea with \$4 billion aid.

February 1

North Korean government puts entire armed forces on semi-war alert in response to South Korean and the United States military exercises.

May 18

South Korean and Chinese officials meet in Seoul to deal with hijacking of PRC civil aircraft — their countries' first official contact for over 30 years.

August 5

South Korean patrol boats, planes, and shore troops sink a North Korean patrol boat near nuclear plant at Wolsong. 3 North Korean crewmen are dead.

August 7

A Chinese air force pilot defects to South Korea in Mig-21.

August 13

South Korean navy sinks North Korean "spy boat" off South Korean eastern island.

October 9

4 South Korean cabinet members and 15 others are killed in

bomb blast in Rangoon, Burma, but President Chun escapes. Chun blames North Korea.

October 11

South Korea increases anti-North Korea rhetoric but admits it has no evidence of bomb.

October 14

North Korea charges ten South Korean soldiers crossed border at DMZ, firing 500 rounds of ammunition.

October 16

South Korean team investigating Burma bomb states North Korea is responsible for the bomb incident in Rangoon, Burma, without doubt.

October 16

South Korean President Chun claims North Korea planned to invade South Korea after killing him with bomb in Burma.

October 30

North Korea accuses the United States of flying a spy plane overflew North Korea twice.

November 11

United States-led UN command accuses North Korea of bombing attempt in Burma.

November 9 - 14

US President Reagan visits South Korea. He urges South Korea to pursue democracy as real security and denounces North Korea. Reagan reaffirms US policy in the region.

November 14

Reagan leaves South Korea and pledges steadfast support for South Korea. The USSR calls for Reagan visit to Korean DMZ provocative and meant to intensify regional military preparation.

December 1

South Korean foreign minister claims that North Korean bomb plot was designed to invade South Korea.

December 4

North Korea protests United States-South Korean military maneuvers.

December 5

South Korea pursues a North Korean spy boat and captures two enemy agents near Pusan.

December 29

United States-South Korean troops hold military exercises to symbolize Reagan's support for South Korea.

1984

January 11

North Korea reports it has proposed unity talks with the United States and South Korea. Reagan says four nation conference the United States, South Korea, North Korea, and China should be held to discuss unity.

January 12

South Korea rejects North Korean unity talks with the United States. The reason is that North Korea must apologize for Burma bombing first.

January 26

A Senior North Korean official rejects United States' suggestion that China joins unity talks. Senior North Korean officials reject United States' suggestions that China take part in North Korea-South Korea-United States talks on United States peace treaty.

February 10

South Korea offers meeting with North Korea to give its response to peace plan.

February 15

South Korea calls for strictly bilateral meeting with North Korea, with possibility of including the United States later. North Korea rejects South Korea's call for direct talks on the Korean peninsula on 16.

February 25

Eight Koreans visit China for the first time in four decades to participate in the preliminary games of the Davis Cup Tennis Tournament in Kunming.

March 15

South Korea insists again that North Korea apologize for Burma bombing attack before talks resume.

April 3

South Korean officials claim that North Korea kidnaped 2 South Korean movie stars and held them for six years. North Korea claims that they were defectors.

May 4

Chinese Communist Party General Secretary Hu Yaobang pays an eight-day visit to North Korea to discuss their different opinion on the issue, such as North Korea's refusal to allow Chinese and South Korean dialogue, the tripartite talks involving China, and Korean unification strategy.

May 5

South Korea says North Korea called for secret talks with the United States to prepare for talks with the United States. The United States say North Korea called for conference propaganda ploy.

May 8 - 10

US Defense Secretary Weinberger arrives in Seoul to review security on the Korean peninsula and signs an agreement for the United States to provide \$230 million in foreign military sales credits to South Korea in 1984.

May 23 - 26

North Korean President Kim visits the USSR to ask for more military aid. North Korean President Kim ended his visit to the USSR 20 years ago. Kim received more aid from the USSR, and the USSR is seen to gain more influence lost to China.

June 13

South Korea claims that North Korean soldiers fired automatic weapons across DMZ at Chorwan.

June 16

North Korea states that South Korean soldiers were killed north of DMZ. North Korea claims that the killed South Korean soldiers were spying.

June 23

South Korea says it may resume non-political exchanges with the USSR that were canceled during 1983 KAL incident.

September

South Korean President Chun visits Japan to gain Japan's economic commitments for South Korea and an apology for the past. The Japanese Emperor Hirohito expresses his regret on the past.

September 15

South Korea accepts North Korean offer of flood relief.

September 19

Talks on aid delivery from North Korea to South Korea break down over North Korean direct transport of flood aid.

September 23

North Korean Red Cross plans to give aid to South Korea discussed.

September 30

North Korean trucks pour into South Korea and stop in a village near Panmunjom.

October 1

Four North Korean ships enter South Korean port at Inchon with 25,000 tons of cement for flood victims.

October 2

South Korean President Chun states that North Korea is strengthening its power at DMZ, and at the same time North Korea supplies aid.

October 23

North Korean President Kim Il Sung makes a secret visit to China to dissuade China from accepting the Burmese President's report on North Korean involvement in the Rangoon bomb incident.

November 23

North Korean troops and UN troops clash over DMZ when a Soviet soldier defects. Two South Korean soldiers were killed. 3 North Korean soldiers were dead, and one United States soldier was wounded. North Korea breaks off trade talks on 23.

November 25

The United States, and North Korea meet to discuss shooting. North Korea vents anger at South Korea, and the defected Soviet soldier was questioned in Seoul.

November 26

North Korean President Kim visits China again.

November 28

North Korea cancels economic talks as a result of DMZ incident.

December 1

The United States decorates South Korean soldiers with posthumous Bronze Star. South Korea soldiers were killed in DMZ clash over Soviet defector.

December 16

South Korea states it has resumed trade and Red Cross talks with North Korea.

1985

January 1

Japan lifts the sanctions which had been imposed on North Korea in 1983 after killings of 4 South Korean Ministers in Rangoon.

January 23

North Korea postpones economic and trade talks with South Korea, citing military exercises with the United States.

April 24

South Korean President Chun visits Reagan in the United States. Both express concern over North Korean deployments close to DMZ. They renew the security relations between the two countries. Chun expresses concern over the increasing US criticism of South Korean protectionism.

May 28

South and North Korea restart talks concerning reuniting separated families.

May 29 - 30

South and North Korea end 2 days of Red Cross talks. They agree in principle to "free travel" for those looking for relatives. Agreed to meet on August 27.

June 2

South Korean national assembly agrees to accept North Korean offer of preliminary discussion of political talks between legislators.

July 6

North Korea parliament accepts South Korean offer on contacts between legislators on July 23.

July 11

The US State Department says that North Korean government, due to its terrorism and repression, is in the lowest esteem with the Reagan administration. States only United States forces prevent second North Korean invasion.

August 23

South and North Korea agree to allow 100 to cross DMZ in September to search for lost relatives. Also agree to cultural exchanges.

September 21

50 southern born North Korean citizens and 50 northern born South Korean citizens cross DMZ to hunt for lost relatives.

September 24

100 Koreans cross respective borders. Red Cross calls exchange success.

October 21

South Korea sinks a North Korean spy ship after 3-hour chase and gunfire.

1986

January 20

North Korea suspends talks with South Korea, citing joint military maneuvers with the United States.

May 7 - 8

US Secretary of State Shultz makes a two-day visit to South Korea and expresses strong support for President Chun Doo Hwan.

August 8

Japanese education minister Fujio sacked for asserting in interview that 1910 Japanese invasion of the Korean peninsula was undertaken with Korean consent.

August 10

North Korea says South Korea fired machine guns at North Korean guard post across DMZ.

August 21

UN command says North Korea fired across DMZ, starting 5-

minute gun battle.

October

The Soviet Union announces that it rebuilt much of North Korea's infrastructure and repaired many of its major facilities and industrial capabilities. Chinese President Li Xiannian makes a four-day goodwill visit to North Korea and reports that the two sides exchanged various international issues reaffirming friendly relations between the two countries.

October 22 - 27

North Korean President Kim Il Sung makes a sixday goodwill visit to the Soviet Union at the invitation of Mikhail Gorbachev. North Korea's intention to strengthen ties with the Soviet Union seemed obvious from Kim's speech in which he stated, "[t]oday the friendly and cooperative relations between the Koreans and Soviet Peoples are developing onto a new higher stage and are coming into full bloom in all domains of politics, economy, culture, and military." However, Kim's visit was not reported to China, which shocked China.

November 8 - 9

Japanese Premier Nakasone makes a two-day visit to China and offers to help improve Chinese-South Korean relations.

November 30

South Korea expresses worry over North Korea dam project and its potential to disrupt South Korean water supply and power.

December 2

North Korea accuses the United States of two reconnaissance overflights.

December 31

North Korean President Kim Il Sung calls for unity talks.

1987*January 11*

Kim Il Sung proposes in a letter that high-level political and military talks be held between the Koreans to discuss: (i) ceasing mutual vilification; (ii) promoting multifarious collaboration and exchanges; (iii) reducing arms and stopping the arms race; (iv) turning the DMZ into a peace zone; (v) stopping all large scale military operations; (vi) strengthening the powers of the Neutral Nations Supervisory Commission; and (vii) setting up a neutral nations supervisory force. Kim also expresses his desire for tripartite talks with the United States.

March 17

South Korea make a counter proposal, but negotiations continued to go back and forth with neither side actually agreeing and setting a date for talks to begin.

May

Kim Il Sung made a five-day secret visit to China to assuage Beijing's fear about growing ties with Moscow and to reaffirm the ties between China and North Korea.

1988*January 15*

A serious revelation is uncovered in relation with the downed airline in November of 1987. Kim Hyun-Hee, a 25 year-old woman confesses that she was a North Korean spy and planted a bomb on the airline causing it to explode in mid-flight, killing 115 people. North Korea denies it and claims it is a plot by the "South Korean ruling clique" to perpetuate its military rule. South Korea threatens to take retaliatory measures against North Korea and the United States and Japan impose sanctions on Pyongyang. The United States adds North Korea to its list of "terrorist" countries.

July 7

South Korean President Roh announces a plan that is very le-

nient on North Korea. He plans to cease hostile actions towards North Korea and also stop diplomatic competition and to cooperate with North Korea's desire to improve ties with the United States and Japan.

September 16

Soviet General Secretary Mikhail Gorbachev indicates that Soviet Unions is willing to establish economic relations with South Korea.

October

Vladimir Golanov, deputy chairman of the Soviet Chamber of Commerce and Industry, visits South Korea and agrees to exchange trade missions.

November

South Korea and North Korea establish a format for full-fledged talks between the two on such issues as reunification and open trade.

1989

February 1

North Korea boycotts talks aimed at convening joint parliament sessions until the end of US-South Korea 'Team Spirit' exercises on February 8.

June 11

North Korea makes its first acknowledgement of the Tianenman Square incident. The state-run paper in North Korea carries an article condemning the United States for interfering in China's domestic affairs.

July 1

The North Korea state-run paper expresses support for China's crackdown on the Pro-democracy demonstrators.

September 11

President Roh addresses the National Assembly and unveiled a new unification policy proposing to establish a Korean

Commonwealth as an interim stage to unification.

September 20

US Vice President Dan Quayle is met by a US flag-burning demonstration staged by radical students.

September

The house of new ambassador Donald Gregg is ransacked by six students who protested US pressure on South Korea to lower trade barriers and wanted President Roh to cancel his October visit to Washington. Inter-Korean dialogue resumes with plans to exchange visits by separated family members, entertainers, and journalists. They will allow 300 people from each Korea to visit their relatives on December 8.

October 18

South Korean President Roh visits Washington and speak before a joint session of Congress promising to seek economic openness for South Korea.

October 24

South Korea agrees to buy 120 fighter planes from the United States at the cost of \$2 billion.

November 5 - 7

North Korean President Kim Il sung makes a sudden visit to Beijing which is announced after his return. This is done to consolidate their position despite the normalization between East European countries and South Korea.

1990

January 11

South Korean President Roh says the United States and South Korea will reduce the size of annual joint military maneuvers to improve the climate for North Korea-South Korea negotiations. Also agrees with North Korean President Kim's suggestion for free travel between both Koreas.

February 8

Talks between South Korea and North Korea sports officials aimed at fielding joint team for 1990 Asian games collapse. North Korea rejects South Korean proposal. South Korea fears trap that will prevent them from using Beijing locale to shore up relations with China.

February 16

US Defense Secretary Cheney meets with South Korean Defense Minister Lee Sang Hoon. Lee accepts, in principle, gradual withdrawal of 5000 noncombatants from United States forces of 43,000. Cheney assures Lee that any troop withdrawal will not harm capacity to deter North Korea.

March 7

South Korean President Roh attacks North Korea over tunnel found under border, warns that Pyongyang risks its own destruction. Soviet Banker Vitaly Kolkho arrives in South Korea to discuss better financial relations between South Korea and the Soviet Union.

March 15

North Korean military delegation surprises its American and South Korean counterparts by agreeing in principle to jointly investigate tunnel dug underneath DMZ. Chinese Party leader Jiang Zemin arrives in North Korea for 3 days of talks with North Korean leader Kim Il Sung.

April 23

South Korea seeks joint oil exploration with North Korea, as well as direct trade, electric power networks and railroads in effort to make economies more interdependent.

May 25

South Korean President Roh demands that Japanese emperor Akihito apologize for Japanese occupation of Korea during WW II. Roh states previous apologies are not enough and rejects offer of apology from Prime Minister Toshiki Kaifu, and insists it be from the emperor. Japanese emperor Akihito apologizes during state banquet

for occupation of Japan.

May 27

South Korean President Roh says Japanese apology for WW II is basis for new friendship.

June 1

South Korean and Japanese officials say that meeting between Gorbachev and South Korean President Roh marks an unprecedented shift of relations in northeast Asia. North Korea is incredulous and directs veiled threats against the USSR and South Korea, saying the move will further isolate North Korea. North Korea says that Roh/Gorbachev meeting would have "serious political consequences" on future of the Korean peninsula.

June 2

Experts expect North Korea not to soften its position on contacts with South Korea. North Korea incredulous and hints at threats toward the USSR.

June 5

Gorbachev and Roh meet, saying 2 nations will establish diplomatic relations soon.

June 6

The USSR downplays suggestion that it reestablish diplomatic relations with South Korea.

June 8

North Korea lashes out at the USSR and South Korea for meeting.

June 30

South Korean President Roh announces that South Korea will open its borders to goods and transport from North Korea, and predicts reunification in ten years.

July 26

North Korea and South Korea sign agreement for Prime Minister exchanges. Talks are aimed at reducing tensions, reunification.

July 27

South and North Korea sign accord for historic first meeting between Prime Minister's, but negotiations over border opening have collapsed. Both side resume denunciations.

July 28

Hopes rise in South Korea for improvements in the relationship with North Korea. Two Prime Ministers will meet in Panmunjom for the first time since 1948.

August 1

20 mile cement cliff, likened by North Korea to Berlin Wall, is subject of dispute concerning talks on letting families cross Korean borders. The wall was built to keep North Korean tanks out.

August 5

Thousands of South Koreans seek passes to travel to North Korea during five-day border opening. South Korea takes applications, but North Korea rejects the plan.

August 31

North Korea and South Korea leaders will meet in South Korea.

September 2

Shevardnaze, Soviet Foreign Minister, visits Pyongyang to inform North Korea of the current South Korea-Soviet situation. North Korean President Kim Il Sung, however, refuses to meet with him. North Korea demonstrates its anger by issuing a lengthy and critical commentary in the state-controlled newspaper accusing the Soviets of selling out its ally for \$2.3 billion in aid from South Korea.

September 4

North Korean Prime Minister Yon Hyong Muk arrives in Seoul for the highest level meeting with South Korea since 1953. South Korea hopes for more ties. North Korea rejects early accords until the United States withdraws 43,000 troops and bans nuclear weapons. The two nations are still at the state of war.

September 5

North Korean Prime Minister Yon Hyong Muk meets with South Korean Premier Kang Young Hoon. Yon reiterates calls for US troop withdrawal and release of dissidents from South Korea.

September 6

South Korean officials say they would reject North Korean initial proposals to reduce tensions, but say it is useful to lay positions on the table.

September 7

South and North Korean Prime Minister's meet and agree to resume talks in five weeks. They will discuss joint membership of single UN seat and how to reunite families split by the war.

September 16

South Korea begins ferry service with China for the first time since 1945. The boat will fly Panamanian flag, since the two nations have no diplomatic relations.

September 27

Japanese Secretary of International Affairs meets with North Korean President Kim Il Sung, and the two agree to initiate governmental negotiations in November to establish diplomatic relations between the two countries.

September 29

Japan and North Korea, at the end of unofficial visit by Japanese officials, agree to talks aimed at establishing normal relations. Japan pledges reparations for Korean occupation.

October 25

North Korea expresses that it will move away from the Soviets and closer to China when it aired two statements on the North Korean Central Broadcasting Station. The first, welcomed a Chinese goodwill delegation and supported China's conservative policy. The second statement criticized the Soviet domestic policy stating that one-fourth of the Soviet people have been reduced to extreme poverty.

1991

January 11

South Korea and Japan sign an agreement in Seoul to end routine fingerprinting of Japan's ethnic Korean minority, a practice that has been one of main obstacles to better relations between the two countries.

January 18

North Korea breaks off high level-talks with South Korea.

January 30

North Korea welcomes Japanese delegation for the first formal government talks on normalizing relations, a process that Tokyo says could take several years.

February 4

Supreme Commander of North Korean Army orders all military units to take up combat mobilization positions.

April 7

North Korean President Kim Il Sung's refusal to allow international inspectors to see his Yongbyon nuclear reactor takes its toll on his country. Japan has said price of diplomatic relations with North Korea and its accompanying billions of dollars in aid is regular inspection of plant. Even Soviet Union, which gave Kim technology to get started, is now trying to restrain North Korea's nuclear ambitions.

April 20

South Korean President Roh and the Soviet Union President Gorbachev hold meeting in Cheju. Two agree to negotiate mutual co-operation treaty and to multiply trade tenfold over next five years in effort to assist Soviet Union's faltering economy. Gorbachev endorses South Korea's campaign to gain membership in the UN, moving adamantly opposed by North Korea. Gorbachev's visit seen in part as gesture of gratitude for South Korea's offer to provide \$3 billion in economic aid to shore up Soviet economy.

May 5

Prime Minister Li Peng of China gets warm reception on his arrival in North Korea on an official visit. The visit reportedly is aimed at assuring North Korean leaders that China remains an ideologically despite recent effort by China to open trade ties with South Korea. North Korea apparently softens hard-line stand toward normalizing ties with Japan and agrees to extend talks.

July 2 - 5

South Korean President Roh Tae Woo visits the United States for three days and meets with President George Bush on South Korea's role as an emerging Pacific power.

August 6

South Korea applies for separate membership in the United Nations. Diplomats, including those of North Korea, expect the bid to succeed after nearly 50 years of failures. Factors that will aid in successful bid this time are warming East-West diplomatic relations, example of reunified Germany, and North Korea's yielding to idea of having two Koreas represented in United Nations.

August 13

College students from South Korea and North Korea meet at heavily fortified border in first such official gathering in 46 years. Students hug and sing unification songs. North Korea then calls off talks, demanding return of North Korean judo champion who defected to Seoul weeks ago.

September 27

US President Bush reports a decision to remove all American nuclear weapons from South Korea.

October 23

The United States agrees to withdraw nuclear weapons from South Korea by April 1992.

December 13 - 31

Leaders of South Korea and North Korea sign the Treaty of Reconciliation and Nonaggression, formally ending the Korean War

38 years after fighting ceased. The agreement would also re-establish regular communications between the two countries, including telephone lines, mail, some economic exchanges and the reunion of families separated since war broke out in 1950. President Roh Tae-woo announces all US nuclear weapons are removed from South Korea on the 18th. North Korea pledges to allow nuclear inspections on the 26th. Agreement is reached on a draft nuclear weapons ban on the 31th.

1992

January 5 - 6

US President George Bush arrives in Seoul. He warns the South Korean leadership against moving too fast in their dealings with the Communist North before hard evidence emerges that it has ended its nuclear weapons program.

January 7

South Korea cancels huge annual military maneuvers with US forces after receiving indications that North Korea is ready to allow inspections of its secret nuclear installations.

January 17

Japanese Prime Minister Kiuchi Miyazawa arrives in Seoul to talk about Japan's trade surplus with South Korea.

January 23

The United States and North Korea hold their highest level meeting since the Korean War. It focuses on Washington's concern about North Korea's nuclear program and the potential for better relations.

January 30

North Korea signs an inspection agreement drafted by the International Atomic Energy Agency (IAEA). In mid-May the director of the IAEA toured several nuclear facilities. A North-South task force intends to tour the North Korean facilities, but the Joint Nuclear Control Commission (JNCC) fails to meet several inspection

deadlines.

February 19

South Korea and North Korea sign a declaration to formally end their 40-year confrontation.

March 14

South Korea and North Korea conclude a new agreement that allows the inspection of suspected nuclear weapons sites.

August 23 - 25

South Korean Foreign Minister, Lee Sang Ock begins a threeday visit to China. South Korea and China formally establish a diplomatic relationship. Taiwan severs relations with South Korea on the 24th.

September 7

South Korea and North Korea agree to cross-border economic exchanges.

September 16

The Prime Ministers of South Korea and North Korea open a new round of talks, amid concern that reconciliation efforts are faltering.

September 27

South Korean President Roh Tae-woo begins a four-day visit to China.

November 21

Russian President Yeltsin visits South Korea promising increased pressure on North Korea to give up its nuclear weapons development program. He declares that Russia has stopped supplying North Korea with nuclear technology and materials. He also wants to change or abrogate Soviet Union's 1961 treaty with North Korea regarding mutual aid in case of war. He agrees to high-level military exchanges with South Korea.

December 30

China tightens the economic pressure on North Korea by demanding cash for all trade starting in 1993. North Korea depends on China for oil and other supplies. North Korea has no hard currency and is already in arrears on \$4 billion in foreign debt.

1993

February 1

North Korea rebuffs a request by the International Atomic Energy Agency to visit two sites. Western intelligence agencies say the two sites are linked to the development of nuclear weapons.

March 12

North Korea, in a defiant move against international pressure for inspections announces that it is withdrawing from Nuclear Non-proliferation Treaty (NPT) to defend its sovereign interest. This surprise announcement comes just after the International Atomic Energy Agency had given North Korea a deadline of late March to accept inspection of two buildings that the United States believed contained evidence describing the extent of the North Korean nuclear project.

March 13

After its announcement of pulling out from NPT, North Korea warns through its ambassador in China that it will adopt counter-measures if Western countries impose sanctions.

March 18

American diplomats meet with North Korean officials in Beijing to express their displeasure with North Korea's intentions to withdraw from the NPT. If North Korea follows through on their threat to withdraw, it would be the first of the 155 participants in the 1968 treaty to do so.

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