



**DEMOCRATIZATION, ECONOMIC POLICYMAKING,
AND
PARLIAMENTARY ACCOUNTABILITY IN THE
REPUBLIC OF KOREA**

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DEMOCRATIZATION, ECONOMIC POLICYMAKING, AND PARLIAMENTARY ACCOUNTABILITY IN THE REPUBLIC OF KOREA

“To govern a state well requires much more than strictly scientific knowledge. Governing is not a science in the sense that physics or chemistry or even, in some respects, medicine is a science. This is true for several reasons. For one thing, virtually all important decisions about policies, whether personal or governmental, require ethical judgments. To make a decision about the ends that government policies should be designed to achieve (justice, equity, fairness, happiness, health, survival, security, well-being, equality, or whatnot) is to make an ethical judgment. Ethical judgments are not “scientific” judgments in the usual sense.”

Robert A. Dahl, 1998

“Democracy’s claim to be valuable does not rest on just one particular merit. There is a plurality of virtues here, including, first, the intrinsic importance of political participation and freedom in human life; second, the instrumental importance of political incentives in keeping governments responsible and accountable; and third, the constructive role of democracy in the formation of values and in the understanding of needs, rights, and duties.”

Amartya Sen, 1999

“In repressive regimes, there is not much talk about injustices. In authoritarian regimes, poverty is hidden. In nondemocratic regimes, information tends to be unclear. In open and democratic regimes, in contrast, the insistence on revealing what is wrong, revealing injustices, revealing inequalities, and urging that all this be corrected paves the way for finding solutions to these problems, even if they cannot be solved immediately.”

Fernando Henrique Cardoso, 2001

INTRODUCTION

The current, “third wave” of global democratization has established a large family of new democracies in regions that were once widely viewed as inhospitable to democratic political development. Of the over five dozen in this family, the Republic of Korea (Korea hereinafter) is one of the most influential and analytically interesting. Unlike many third-wave democracies in other regions, this country has fully restored civilian rule and has made steady progress in expanding political rights and civil liberties. Of all the new democracies in Asia, it is the first country that has peacefully transferred power to an opposition party. Korea is also the only Asian new democracy that has recently been admitted to the Organization for Economic Cooperation and Development (OECD). It has politically weathered a devastating financial crisis at the end of 1997 and is now rebounding economically. As the most vigorous democracy in East Asia and the eleventh largest economy in the world, the country has often been described in the Western media and the scholarly community as an “East Asian model of prosperity and democracy.”

What has been done to promote economic prosperity and political democracy? Which institutions have played a critical role in the process of economic development and democratization? These questions to date have not been examined from the perspective of democratic governance in which the legislature provides for genuine accountability of government (Schedler, Diamond, and Plattner, 1999). In a democracy, the people are sovereign. They exercise their sovereignty through their representatives in parliament. Collectively, the parliament and its members are accountable to the people. Executive agencies are obligated to give accounts of their actions to the parliament. Democratic governance, therefore, can be achieved to the

fullest extent only when executive agencies are *horizontally* held accountable to the parliament, and the parliament is *vertically* held accountable to the electorate.

This study of Korean democracy is predicated on the assumption that the parliament is the key institution of democratic governance that can ensure both horizontal and vertical accountability. It considers both horizontal and vertical dimensions of accountability, in order to provide a comprehensive and accurate picture of the role the Korean legislature has played especially in the wake of democratic regime change. Part One of this report focuses on horizontal accountability by examining the Korean people's personal experiences of democratization themselves, and its consequences for the quality of their living as citizens of a democracy. As expected, the advent of democracy in Korea has opened the process of policymaking to those groups previously excluded by the military regimes of the authoritarian past, and it has also redirected the goal of economic policymaking toward economic redistribution and social welfare. Yet, a large majority of the Korean population does not perceive the government as being responsive to their preferences, although they experience at least some amount of empowerment in the wake of democratic change. As a result, less than one-quarter judge that the present government is run by the people as well as for the people, like themselves.

Part Two of this report deals with various aspects of horizontal accountability, including the extent to which the executive branch explains and justifies its decisions or actions to the National Assembly. Specifically, changing patterns of legislative-executive relations are ascertained in terms of lawmaking, fiscal control, and legislative oversight. The democratization of military dictatorship is found reshaping the authoritarian character of the legislative-executive nexus featuring the hegemony

of the president over the legislative process. Yet, no discernible changes are found taking place in the pattern of the Assembly's budget review process between the authoritarian and democratic eras.

In Part Three, this report continues to examine horizontal accountability with a detailed analysis of the role that the Korean legislature played in approving the national budget for the year 2001. The Constitution of the democratic Sixth Republic mandates the National Assembly to play the key role in the formulation and implementation of the national budget. For a variety of reasons, including institutional constraints and partisan conflicts, however, the Assembly, as the foremost institution of representative democracy, was not capable of fulfilling such a mandate. As in the authoritarian past, it has little or no real control over the budgetary process. When asked to evaluate their own influence in the process, members of the Assembly's Committee on Budget and Audit were in strong agreement that the National Assembly, and its lawmakers, were not the key players in the budget making process. Obviously, the will of the people is not well reflected in the existing process of formulating, deliberating, and implementing the national budget. Both procedurally and substantively, Korea has a long way to go to democratize the process of budget policymaking to the fullest extent.

In Part Four, the report highlights the problems facing the Korean National Assembly in its attempt to play a leading role in formulating and monitoring economic and budgetary policies. The concentration of power in the hands of the president and his staff, under the current presidential system, forces the Assembly to play, by and large, a perfunctory role, one that it played under the military authoritarian regimes. Public preference for technocratic policymaking, and the outbreak of the recent economic crisis, also make it difficult for the Assembly to

claim final control over economic policymaking from the technocrats. It also makes it difficult for the Assembly to ensure appropriate accountability on the part of the executive agencies.

PART ONE

DEMOCRATIZATION AND ITS CONSEQUENCES

Democratization is a dynamic and multi-dimensional movement toward democracy widely known as government by the people and for the people. It affects the way political institutions and procedures form and operate to formulate public policies. It also affects the way the mass public participates in and benefits from the policymaking process. For the masses of new democracies who have suffered a great deal of political oppression, injustice, and poverty for all or most of their lives, democracy symbolizes much more than the abolition of repressive political institutions and the replacement of authoritarian leaders. Democracy represents opportunities and resources for a better quality of life (Shin,1999).

Those opportunities and resources can be made available to ordinary citizens only when their political system functions fully as a representative democracy. First, those citizens, as voters, are allowed to elect and send their own representatives to parliament. Second, they are capable of articulating and aggregating their interests and preferences for legislation. Third, the legislature takes into account those interests and preferences in the process of lawmaking. Finally, the legislature is held responsible by the electorate at election time. This entire process of representative democracy is viewed in this study as the vertical dimension of parliamentary accountability.

The first part of our report focuses on Korea's democratic progress and repose from institutional and substantive perspectives. It begins with a brief discussion of the military dictatorships that ruled Korea for the 1961-82 period. It then examines in chronological order all the major institutional reforms undertaken for the past 12 years of democratic rule. This is followed by evaluations of democratic rule as experienced

by the Korean people. The final section highlights associational, ideological and other important changes taking place in the wake of the regime's democratization.

I. Key Features of Authoritarian Rule

Korea remained a prototype of the developmental state for nearly three decades prior to the advent of democracy (Moon, 1994). In 1961, Park Chung Hee seized political power through a military coup and instituted a developmental dictatorship, which lasted until 1987. At the time of the military coup, Korea was one of the world's poorest countries, plagued by protracted poverty and unending security threats from the Communist North. In order to achieve economic development and national security, Park created the developmental state by undertaking a series of institutional and policy reforms, which subsequently transformed the subsistence agricultural economy into an economy based on manufactured exports.

Politically, the Korean developmental state provided the president with unprecedented and unlimited powers, both executive and legislative in character (Lim, 1998). By allowing the president to appoint one-third of its members, Park's Yushin constitution (1974-79) guaranteed executive control of the National Assembly. In fact, President Park Chung Hee exercised unlimited power to the extent to which he dissolved the National Assembly and took emergency measures, whenever it was deemed necessary for public safety and national security. Under his rule, it was technocrats and bureaucrats, not elected officials, who played the key role in the policymaking process. Those technocrats and bureaucrats, moreover, were completely insulated from partisan politics and social pressures. Through the Korean Central Intelligence, the police, and other security agencies, Park Chung Hee and Chun Doo Hwan, Park's successor, were also able to control political and civil society. Such harsh authoritarian rule of coercion, intimidation, and threats attained

political stability, which, in turn, induced foreign capital and investment for economic development.

Economically, the Korean developmental state was equivalent to the “hard state” described by Gunnar Myrdal. It was capable of actively promoting fast-paced industrialization. It was able to define national priorities through the five-year plans, and enforce the annual development programs through direct intervention in the private sector. In a single generation, the developmental state controlled by the military, successfully transformed a poverty-stricken country into an economic powerhouse. While authoritarian rule was responsible for economic development, the very process of development hastened the collapse of the rule, whose sponsored prosperity fueled popular demands for freedom and democratic rule (Shin, 1999). Unlike the Latin American case, the Korean military rule came to an end not because of economic downturns, but because of economic prosperity.

II. Institutional Reforms

Formally, Korea began its transition to democracy on June 29, 1987 when Roh Tae Woo, the presidential candidate of the ruling Democratic Justice Party (DJP), announced an eight-point pledge, subsequently dubbed the June 29 Declaration of Democratic Reform. This Declaration served as the first threshold of Korea's democratic transition from military dictatorship. In response to 17 consecutive days of street demonstrations, during which the government fired over 300,000 tear-gas canisters at protesters, the military government headed by former general Chun Doo Hwan and the ruling Democratic Justice Party formally accepted public demands for democratic reforms and incorporated those demands into Roh's June 29 Declaration.

Shortly thereafter, the June 29 Declaration was adopted in the National Assembly as a blueprint for amending the Fifth Republic=s authoritarian constitution. The institutional reforms it encompassed included: (1) a constitutional amendment for direct election of the president by all Koreans aged 20 or older; (2) revision of the presidential election law to ensure freedom of candidacy and fair competition; (3) amnesty for longtime democratic dissident Kim Dae Jung and other political prisoners, allowing them to resume political activities; (4) the protection of human dignity and promotion of basic rights, including an unprecedented extension of the Writ of Habeas Corpus; (5) restoration of freedom of the press by abolishing the repressive Basic Press Law; (6) educational autonomy and local self-government through the popular election of local assemblies and executive heads of local governments; (7) the creation of a new political climate for dialogue and compromise, especially among competing political parties; and (8) a commitment to enact bold social reforms to build a clean, honest, and more just society.

Building upon Roh=s June 29 Declaration, the National Assembly drafted and approved the new constitutional framework for the democratic Sixth Republic on October 12, 1987. Sixteen days later the new democratic constitution was ratified by 93 percent of voters in a national referendum. Premised primarily on the principles of presidential democracy - namely, the separation of powers, and checks and balances among the various branches of government - the new constitution provided for direct election of the president with a single, non-renewable five-year term.

As in the past, the president of Korea represents its state and heads the executive branch of government. Under the democratic constitution, however, the president's authority and powers as the head of the government have been curtailed considerably, while those of the legislative and judicial branches have been expanded

significantly. Unlike his authoritarian predecessors, the president in the Sixth Republic can no longer dissolve the National Assembly, which is empowered to oversee governmental operations. Nor can he appoint the entire membership of the Constitutional Court authorized in the constitution to pass ultimate judgment on the matters of impeachment and the dissolution of political parties. Although the constitution attempts to redress the historic imbalances among the branches of the government and forbids presidential reelection, while in office the president still enjoys such enormous powers (especially over the national security apparatus) that some consider the office a kind of civilian dictator. By any measure, the Korean president is much more powerful than the prime minister of Japan.

On February 25, 1988, the Sixth Republic of Korea was born with the inauguration of President Roh Tae Woo, who had been personally chosen as the DJP candidate by the retiring military dictator, Chun Doo Hwan. Roh was elected on December 16, 1987 in the first popular election held in 26 years. With only 37 percent of the vote, he prevailed because opposition support was divided between the two most famous Kims of Korean politics, Kim Young Sam and Kim Dae Jung. Although the election was marred by rock throwing and many other incidents of small-scale violence and irregularities, it enabled the country to achieve the first peaceful transfer of power in its recent history.

The agenda of democratic reform did not end with the transition, however. In fact, in many ways, it had only begun. Many repressive laws and institutions remained from the authoritarian era, and Korea had yet to acquire many of the institutional foundations and constraints of a liberal democracy. The military and national security establishment remained substantially independent of civilian control. Indeed, many Koreans questioned to what extent Roh Tae Woo, a former general who attended the

Military Academy with Chun Doo Hwan and had served as Chun=s deputy in the previous military-authoritarian regime, could really be considered a civilian.

Yet, during the Roh Tae Woo administration, a variety of other liberalizing reforms were adopted to safeguard political rights and civil liberties among individual citizens as well as civic and political associations. For example, laws of Assembly and Demonstration were enacted in March 1989. A new Constitutional Court was created to protect the democratic constitution and human rights by preventing any branch of the national and local government from abusing its power. The laws governing judicial proceedings were also modified to make the judicial system more independent of executive control and freer from political interference. The Basic Press Law, one of the most repressive legal tools of the authoritarian Fifth Republic, was formally repealed in November 1987 in order to ensure freedom of expression and association. Yet, it was the Roh government that made freedom of the press *de facto* by abandoning the various extralegal practices of controlling the news media, such as the issuing of official guidelines and press cards. The government also liberalized restrictions on foreign travel and bans on the publication and possession of works on communism and North Korea. With these reforms, the Korean political system began a course of political change beyond the procedural realm of electoral politics toward *liberal* democracy.

At the national level, the legislative arena of democracy came into being on April 26, 1988, when 67 percent of Korean voters took part in the 13th National Assembly, choosing 299 legislators for four-year terms. Of the total, 224 were elected through the single-member district, plurality system and 75 were allocated to four political parties through proportional representation (initially based on the percentage of seats each party won in the districts). At the local level, two rounds of

assembly elections were held, respectively, on March 26, 1991 and on June 20, 1991, on the basis of the Local Autonomy Law that was enacted in April 1988.

On May 19, 1992 another significant step was taken to expand the limited practice of representative democracy in Korea. The ruling Democratic Liberal Party (the product of a 1990 merger between the DJP and Kim Young Sam=s Reunification Democratic Party as well as Kim Jong Pil=s New Democratic Republican Party) selected Kim Young Sam as its presidential candidate through an openly contested nomination process for the first time. The termination of the authoritarian practice by which the current party president nominated his successor opened a new age of intra-party democracy.

On February 25 1993, Kim Young Sam assumed the second presidency of the Sixth Republic, after winning 42 percent of the popular vote the previous December (with Kim Dae Jung once again trailing well behind). Kim Young Sam was the first truly civilian figure to lead a South Korean government since the May 1961 coup brought General Park Chung Hee to power, and he seemed determined to deepen Korea=s nascent democracy. In his inaugural address, President Kim proclaimed as the ultimate goal of his democratic reform effort the birth of a ANew Korea≡ that would be a freer and more mature democratic community. As a first step to fulfill this goal, Kim formally declared that he would not accept any political funds from any businesses. On February 27, 1993, two days after his inauguration, he formally launched a campaign against political corruption by disclosing his family assets to the public and encouraging other high-ranking government officials to do the same. In May 1993 the National Assembly revised the Public Officials' Ethics Act requiring that cabinet members, legislators, and other high-ranking government officials register and disclose their assets on a yearly basis. Under this law, lawmakers and

approximately 7,000 government officials, including bureau chiefs, three-star generals and higher-ups, are required to disclose their own and their immediate family members' assets each year. Under the same law, Public Officials' Ethics Committees have been set up in each branch of the national and local government to eliminate corruption and maintain a clean government.

President Kim also moved swiftly to dismantle the deeply entrenched power bases of the previous military authoritarian regimes. Within a few months of his inauguration, he purged the generals and colonels who had been key players in those regimes. He disbanded the Hana Hoe Club, a secret clique in the Army whose members had served as pillars of the military dictatorship for 30 years; they occupied all the key strategic positions in the military. In January 1994 President Kim successfully persuaded the National Assembly to revise laws on various intelligence agencies to insure the freely elected government's full authority to formulate and implement new policies. Under the authoritarian Fifth Republic, the executive, legislative, and judicial branches of the government were legally constrained to share their powers with the military.

The revised laws forced the Agency for National Security Planning (ANSP)Xformerly the Korean Central Intelligence AgencyXand the Military Security Command, the two most powerful and oppressive institutions of military dictatorship, to leave politics and return to their original missions. For the first time in over three decades, these two and all other security agencies lost their status as a reserved domain of Korean politics with exclusive control over national security expenditures, defense strategies, personnel management (promotion), development and procurement of weaponry, and intelligence gathering. All these agencies became subject to parliamentary oversight and were prohibited from conducting political

surveillance over other branches of government, public officials, and private citizens. President Kim also moved to demilitarize the ANSP by appointing a civilian as its director. These historic measures to demilitarize and downsize the security agencies and to terminate their privileged status as a reserved domain of authority and decision-making established the supremacy of civilian rule. This was a crucial condition for the emergence of a truly liberal democracy and also, we argue, for progress toward the consolidation of Korean democracy.

On August 12, 1993 President Kim Young Sam issued an emergency decree banning anonymous bank accounts and requiring the mandatory use of real names in all financial transactions. This Areal name \cong financial reform, which was subsequently approved by the National Assembly, aimed to dismantle the structure of political corruption by severing "the collusive links between government and businesses." It also aimed to ensure a rule of law by formally banning underground economic dealings that often involved tax evasion and illicit, speculative investments. By extending to Korean economic life the democratic principles of transparency and accountability, it sought to dismantle the economic foundation of corrupt authoritarian rule.

In March 1994 the National Assembly attempted to strengthen the enforcement of those principles in political life by revising the existing laws on elections, campaign financing, and local autonomy. To ensure freer, cleaner, and more frugal elections, the new Comprehensive Election Law imposed numerous new restrictions on campaigning and spending. As with the Fifth Republic, the initial presidential and parliamentary elections in the Sixth Republic, although much freer, were often marred by the age-old practices of vote-buying, entertaining, and gift-giving. To eradicate such illicit campaign practices, the maximum spending for

presidential and parliamentary candidates was lowered, respectively, from \$35 million to \$25 million and from \$160,000 to \$63,000.

To make political fund raising and spending more transparent, the same law required that all parties and candidates use only the funds withdrawn from their bank accounts for campaigning, and that they submit their account books to the Central Election Management Committee. They are also required to record, on a form provided by the Committee, the campaign contributions they received. If any winning candidate is found to have overspent even by one-half of the legal spending limit the election would be declared null and void. The election of a candidate would also be ruled invalid if his or her campaign workers or family members were found to have violated election laws. Moreover, any candidate whose election is ruled invalid would be banned from holding any elective or non-elective public office for ten years.

The new election laws contain other measures to ensure the democratic principles of accountability, fairness, and transparency. Somewhat superficially, the law prohibits campaigning until 17 days before the scheduled election date in order to ensure equal opportunity for every candidate. The law also prohibits candidates from door-to-door campaigning and political parties from holding rallies during election campaigns. This was intended to minimize the opportunity to hand out money directly to voters. Furthermore, the new election law reduced the total number of National Assembly seats to be proportionally distributed in the forthcoming 1996 elections to 46 (after already being reduced to 62 in the March 1992 election). The basis for distributing these 46 non-district seats was also changed from the number of district seats each party won to the total percentage of the votes won by each party across all the districts. These provisions were intended to usher in a new era of a clean

and responsive politics≡ by curbing illegal electioneering and keeping the electoral process transparent and accountable to voters.

The 1994 amendment of the local autonomy law provided for direct election (every four years) of provincial governors, city mayors, and county chiefs. For over three decades, these executive heads had been appointed by the central government and had remained accountable only to its bureaucrats. A new era of devolution of power and grassroots politics was now ushered in. On June 27, 1995 Korean voters took part in the simultaneous election of executive heads and legislators at all the tiers of sub-national government for the first time in 34 years.

June 28, 1994 the National Assembly moved to enhance its autonomy from the powerful presidency and to make its operations more democratic and effective. Even in the aftermath of democratic transition in 1988, the legislature had played a marginal and subservient role in the passing of bills in accordance with the president=s guidelines and wishes. The new law of the National Assembly, however, merely provided for the rescheduling of its temporary sessions and the creation of three new standing committees and a training and research institute.

In January 1995, President Kim Young Sam announced his intention to extend the twin principles of transparency and accountability to real estate market transactions. In March the National Assembly enacted the new real-name, real estate registration legislation which President Kim announced in his New Year's news conference. For years, the price of land and other real estate had been soaring due mainly to the unscrupulous speculation practices among the wealthy. As a result, members of the working class, the backbone of Korean industrialization, could not afford to purchase houses. In response, the Kim Young Sam government decided to ease their financial burdens by stabilizing real estate prices. Building on the 1993

real-name financial transaction law, the new law required the use of real names in the registration of all real estate parcels. To date, these two laws together with the Public Officials= Ethics Act represent perhaps the most important pieces of anticorruption legislation in any East Asian democracy.

On December 19, 1995, the Kim Young Sam government enacted a special law under which two former presidents and other military leaders were brought to justice. By characterizing the May 18, 1980 mass uprising in Kwangju as a pro-democracy movement, the government supported the passage of the "May 18 Special Law," which authorized the prosecution of those who were responsible for the massacre of hundreds of protesters in Kwangju during May 1998. In parallel fashion, by defining the December 12, 1979 seizure of power as Aa coup-like military revolt,≡ the law also authorized the prosecution of those who destroyed constitutional order at that time by staging a coup d'etat. In April 1997, the Supreme Court upheld lower court rulings sentencing the former president Chun Doo Hwan to life in prison and his successor, Roh Tae Woo, to 17 years. The Court found Chun and Roh both guilty of mutiny, treason, and corruption, and Chun guilty of murder as well. In addition, the two former presidents were convicted of bribery and fined heavily: Chun \$276 million and Roh \$350 millionXthe amounts they were found to have received while in office. The imprisonment of two former presidents after trials for crimes of the authoritarian past constitutes one of the most far-reaching efforts at retrospective accountability of any third wave democracy. However, some Koreans felt the lesson of retrospective accountability was muted when Chun and Roh were released on humanitarian grounds at the end of Kim Young Sam=s term.

Eight years of Korea=s steady progress toward the institutionalization of liberal democracy came to a halt on December 26, 1996 when President Kim Young Sam's ruling party (now renamed the New Korea Party after yet another merger), rammed two important pieces of legislation through the National Assembly in a predawn secret meeting to which opposition lawmakers were not invited. The Law for the Agency for National Security Planning was revised to revive its domestic political role of spying on Korean citizens, which had been abolished in 1994. Specifically, the Agency was reauthorized to investigate, arrest, and interrogate people accused of making favorable comments about North Korea or failing to report on other suspected sympathizers of Communist North. The new labor law made it easier for companies to dismiss workers, hire replacements for striking workers, and adjust working hours. In contrast to the illiberal national security law, the new labor law implemented liberalizing reforms that were long considered necessary to overhaul Korea=s highly inflexible labor markets and make the country more competitive in the global economy. However, this reform was discredited by the undemocratic manner of its adoption and by the postponement of government promise to democratize labor organization by allowing multiple unions at both the federation and company level. In an attempt to "fight against communist forces" and "improve international competitiveness," the Kim Young Sam government had fallen back on the undemocratic methods and spirit of the authoritarian past. Intense protests by labor unions, students, and the opposition parties, however, soon forced the government to beat a humiliating retreat and annul both laws.

On October 31, 1997, the National Assembly made several revisions of a mixed nature to the Comprehensive Election Law it had passed three years before. The most notable of the revisions which the Korean news media criticized as Aanti-

democratic≡ were: (1) to permit indoor speaking rallies only by political party members or candidates; (2) to abolish guilt-by-association previously applied to campaign workers who were engaged in illegal practices on behalf of a candidate; (3) to shorten the period in which charges related to campaign violations can be filed; and (4) to raise the required monetary deposit for a presidential candidate from \$333,000 to \$556,000. The most Apro-democratic≡ revisions were: (1) to ban election campaigns by private organizations such as research institutes; (2) to limit Acongratulatory≡ or Acondolence≡ money to \$33; and (3) to obligate presidential candidates to participate in at least one of three television debates among themselves.

On December 18, 1997, Kim Dae Jung was elected as the third president of the Sixth Republic on his fourth attempt at the office, with 41 percent of the popular vote, in the cleanest and most peaceful presidential race in Korea=s history. It was also the country's least expensive presidential race in a long time, and it took the country across a visible threshold of democratic maturity. Just five years previously when Kim Dae Jung contested for the presidency, army generals openly had warned that they would stage a coup rather than allow the implacable foe of past military regimes to become the president of their country. This time there was no such talk of a coup against his victory. Previously, enormous sums of money were used by the ruling party in the presidential races in order to bribe voters. This time, the ruling party distanced itself from the dirty-money politics of the past.

Kim Dae Jung=s victory ranks in political significance with the election to the presidency of such other courageous democratic dissidents as South Africa's Nelson Mandela and Poland's Lech Walesa. But it also carries social implications that parallel in some respects the elevation of Mandela to the highest office of a previously all-white political system. Kim hails from Cholla, the southwestern region of Korea

that has long been discriminated against both politically and socially. Kim Dae Jung's victory also contradicts the sometimes fashionable view that the only kind of democracy that is viable in East Asia is one based on the enduring dominance of a single party.

Upon his election, Kim Dae Jung quickly moved to support the passage of financial reform bills mandated by the IMF loan deal. He demanded the fundamental restructuring of governmental agencies and major conglomerates controlling over three-quarters of Korea's gross domestic product. At the same time, he began to tame the most powerful labor unions in Asia, which had pushed wages up five-fold in the previous decade, seriously undermining the miracle of Korea's export-led growth. In short, Kim Dae Jung's endeavors to restructure crony capitalism and the old way of running politics signaled real change and began to dispel the view that democratically elected governments in Korea could not implement fundamental economic reforms.

Between December 18, 1997, when Kim Dae Jung was declared as the next president and February 25, 1998 when Kim was formally inaugurated, several landmark institutional and legal transformations took place. President-elect Kim Dae Jung and outgoing President Kim Young Sam established a joint Emergency Economic Committee, which served as a de facto economic cabinet in charge of all important economic decisions. Furthermore, the Financial Supervisory Commission was created, consolidating the Financial Inspector of the Ministry of Finance and Economy, the Office of Bank Supervision under the Bank of Korea, the Securities Supervisory Board, the Insurance Supervisory Board, and the Credit Management Fund Agency. This extremely powerful commission was put under the direct control of the Prime Minister and the Blue House. Increasing this supra-ministerial institution, Kim Dae Jung was able to stave off bureaucratic resistance primarily of

the external support provided by the IMF and the United States and the domestic support by the Korean public. These institutional reforms and changed political context after the crisis enabled the ruling party to pass a number of crucial reform bills and carry out diverse reform policies.

On January 15, 1998, President-elect Kim Dae Jung made the first attempt in Korean history to formally establish the tripartite commission of labor, management, and government. The commission, as a form of societal corporatism, was intended to serve as a democratic forum where different social groups could express their conflicting views on economic affairs and reach a common ground for the formulation and implementation of economic policies and programs. In June 1998, the commission was formally elevated as a standing advisory organization to the president, with the participation of two national labor federations, the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions (Leem, 2000). The commission produced several important agreements and compromises among these actors. For example, labor agreed to more permissive rules on layoffs and the employment of temporary workers. Government pledged to improve labor rights and combat unemployment. Management agreed to reform its corporate governance. In summary, the tripartite commission of labor, management, and government was the first political experiment to expand the scope of procedural democracy to the sphere of economic life and achieve a broad range of agreements among interest groups pursuing conflicting interests.

In the sphere of political life, however, the Kim Dae Jung government and its ruling party to date have failed to carry out any fundamental reform to expand the existing practices of limited democracy. For more than a decade, democratic activists and concerned citizens have continued to demand a number of institutional reforms.

No institutional reform has been initiated to meet their demand that the powers of a democratically elected president be reduced and dispersed to the National Assembly and other governmental agencies. As a result, President Kim Dae Jung rules the country as an “imperial president” even under the constitution of the democratic Sixth Republic. In the electoral systems, no reform has been forthcoming to meet the public demand for the greater involvement of ordinary voters in the process of choosing and campaigning for candidates for the National Assembly. As under the authoritarian regimes, individual voters are not allowed to take part in choosing the candidate of their own party. The elders of each party still select its candidates without much consideration of what the voters think of those candidates. Much worse, Article 87 of the existing election laws banned civic organizations other than labor unions from campaigning for any political parties or their candidates. Despite public demands for greater democracy, the Kim Dae Jung government has made no effort to reform the National Assembly and other malfunctioning democratic institutions.

III. Public Assessments of Democratization

How democratic is the current political system that replaced the military dictatorship of more than a decade ago? How well does the newly installed political system perform as the government by and for the people? How much progress has been achieved in democratizing the institutions and procedures of military rule that lasted nearly three decades? To explore these questions concerning Korean democracy in progress and at response, three sets of items were selected from the Korea Democracy Barometer (KDB) survey conducted in November 1999. For this survey, the Gallup Poll in Seoul, Korea conducted face-to-face interviews with a representative national sample of 1,007 voters (for survey methodology, see Shin and Rose, 2000).

Institutional Democratization

The 1999 KDB survey asked respondents to rate their current and the past political systems on a 10-point ladder scale (for the wording of this and other questions, see Appendix A). This scale allows participants to respond according to their own understanding of democracy and dictatorship. A score of 1 on this scale indicates “complete dictatorship” while a score of 10 indicates “complete democracy.” Responses to this question, as reported in Table 1-1, provide two important pieces of information concerning the perceived character of the old authoritarian and new democratic systems. For the two systems, Table 1-1 provides the percentage of respondents who chose each of the ten positions or steps on the ladder scale. As the data in this table reveals, a vast majority (87%) rated the past regime as undemocratic by placing it at 5 or below. In sharp contrast, a substantial majority (67%) rated the current regime as democratic by placing it at 6 or above. These figures, when compared, make it clear that the military authoritarian rule of three decades has been transformed into a democracy.

Table 1-1 Perceptions of the Current and Past Political Systems

Scale	Distribution (%)	
	Past regime	Current regime

Points	(1980-88)	(1998-present)
1 (complete dictatorship)	10.5	0.9
2	17.3	0.8
3	19.8	5.1
4	18.8	5.5
5	20.3	19.3
6	8.8	32.3
7	2.9	22.5
8	1.2	10.5
9	0.3	2.3
10 (complete democracy)	0.1	0.5

(mean score)	3.9	5.9

Source: 1999 Korea Democracy Barometer Survey.

Table 1-1 also gives the average ratings on this scale for the current democratic and past authoritarian systems. Like the percentage ratings, the average ratings for the current system are indicative of the extent to which the mass public embraces it as democratic. The average rating of the past regime was 3.9; for the present regime, however, the average increased to 5.9. This shift in the mean ratings confirms considerable progress in institutional democratization in the wake of the democratic regime change in 1998. The mean rating of 5.9 for the present system on a 10-point, however, suggests that Korean democracy is highly limited even after more than a decade of democratic rule.

Substantive Democratization

A second pair of key questions asked in the 1999 KDB survey deals with how well the current political system performs as a democracy. Democratization has to bring about significant improvements in the extent to which a political system responds to the public. In addition, it should bring about similar changes to enable the masses to get involved in the making of public policies. The empowerment of ordinary citizens and the responsiveness of a political system to their preferences are at the core of substantive democratization.

Respondents to the 1999 survey were asked: How much influence do you think the votes of people like yourself have on the way our country is governed: a lot, some, a little, or none? To what extent do you think government leaders take the interests and opinion of people like yourself into account when making important decisions: a lot, some, a little, or none? The data in Table 1-2 show the distribution of respondents across four different levels of empowerment and system responsiveness. Based on the nature of these distributions, we can determine how positively respondents feel about themselves as citizens of a democratic state and their own state as a democracy.

Table 1-2 Citizen Empowerment and System Responsiveness

Degrees	Citizen Empowerment	System Responsiveness
A lot	32.1	3.1
Some	44.3	23.7
A little	20.5	51.1
None	1.6	19.7

(no answer)	1.4	2.4

Source: 1999 Korea Democracy Survey

A large majority (76%) reported feeling at least some amount of empowerment under the present system of government. This suggests that Koreans tend to feel that they have a way to express their opinions and promote their interests under the present system. Unfortunately, a large majority (71%), nonetheless, reported that the system is only a little, or not at all, responsive. This suggests that although the people have the ability to express their opinions, they do not perceive the government as being responsive to these opinions.

Table 1-3 Experience of Substantive Democracy

<u>Types of Experience</u>	Distribution
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Empowerment	Responsiveness	(percent)
No	No	17.1
No	Yes	4.8
Yes	No	52.8
Yes	Yes	21.7

<i>(no answer)</i>		<u>3.6</u>

Source: 1999 Korea Democracy Barometer Survey

Table 1-3 collapses four different levels of democratic experiences into two broad categories, one affirming and the other denying the experience of those two substantive qualities of democratic governance. By considering jointly these two categories of empowerment and responsiveness, four patterns were discerned to examine the deepening presence of democracy in the substance of policymaking. The first pattern refers to the absence of either quality. The second and third patterns refer to the presence of only one of those two qualities, which indicates a partial achievement of substantive democratization. The fourth pattern, on the other hand, refers to the presence of both qualities, attesting to the achievement of substantive democratization to the fullest degree. The particular pattern in which a majority or a plurality of Korean voters place them indicates how well or poorly the current political system works as the government by the people as well as for the people. Table 1-3 reveals that a majority (53%) felt that they were empowered in the new system, but that this system was not responsive to their interests.

To assess the overall quality of its substantive performance as a democracy, the 1999 KDB survey also asked respondents how satisfied or dissatisfied they were with the way democracy works in their country today. On a 10-point scale, where 1 means complete dissatisfaction and 10 means complete satisfaction, respondents were asked to express the degree of their satisfaction or dissatisfaction with the current practice of democratic politics. Table 1-4 provides the mean rating on this scale and

the percentages of those placed at each of its 10 scale points. As this figure shows, a minority of 42% expressed satisfaction with the present regime with the placement of the regime at 6 or above on the scale. The mean score of 5.2 reinforces this qualified response. Being lower than the midpoint (5.5) of the 10-point scale, the mean score indicates clearly that the Korean people as a whole are more dissatisfied than satisfied with the way the present democratic system performs.

Table 1-4 Evaluations of the Performance of the Present Political System

Scale Points	Current regime (1998-present)
1 (complete dissatisfaction)	1.5
2	5.0
3	6.7
4	10.5
5	34.1
6	25.8
7	10.4
8	3.7
9	1.7
10 (complete satisfaction)	0.7
<hr/>	
<i>(mean score)</i>	<i>(5.2)</i>

Source: 1999 Korea Democracy Barometer Survey

Overall Patterns of Democratizing Authoritarian Rule

We can make a comprehensive and balanced account of Korean democratization only when we jointly consider positive and negative assessments of its substantive performance with democratic and authoritarian perceptions of its institutional character. In Table 1-5, these perceptions and assessments are classified into four distinct patterns of democratization. The first pattern features the lack of progress in either the institutional or the substantive domain of democracy. The second and third patterns represent partial progress with the advancement of one of these two domains. The fourth pattern represents democratic progress on a full scale

as evidenced in both domains. These patterns make it possible to unravel the dynamics of democratization and its distinctive characteristics.

Table 1-5 Overall Patterns of Popular Assessments of Democratization in Korea

Democratic Character	Satisfying Performance	Distribution (percent)
No	No	25.3
No	Yes	6.8
Yes	No	32.5
Yes	Yes	35.5

Sources: 1999 Korea Democracy Barometer Survey.

As the data in Table 1-5 shows, one quarter (25%) judged their political system as neither democratic nor functioning to their satisfaction. A much smaller minority (7%) judged it as undemocratic but functioning to their satisfaction. One-third (33%) judged it as democratic but failing to function to their satisfaction. Slightly over one-third (35%) were fully positive about the character as well as performance of their current political system. To a large majority, the Korean political system today does not represent a well-functioning democracy. If a democratic regime is to become enduringly legitimated and thus consolidated in Korea, it must be seen by a larger proportion of its people to be delivering on its political promise of freedom, accountability, responsiveness, and respect for the constitution (Chu, Diamond, and Shin, 2001).

IV. Consequences of Democratization

From the above discussion of institutional reforms, it is evident that Korea has experienced three major democratic changes during the past decade-and-a-half. During the period of 1987-88, the military dictatorship headed by former general Chun Doo Hwan was transformed into a democratic state headed by a popularly elected president. In 1992, the country elected its first civilian political leader in more than three decades as its president. In 1997, the leader of an opposition party was elected as the president of the country for the first time in its political history. These changes have brought about a number of significant consequences for the ideological, procedural, associational as well as substantive transformation of economic policymaking that was once deeply embedded in the apparatus of military rule.

Ideological Transformation

Economic policies are shaped by a variety of cultural, economic, and political factors. Ideology as a new vision or superstructure for a good society shapes the formulation of those policies more consistently and coherently than environmental factors or institutional apparatus (Moon, 1999). As a coherent system of beliefs and values, ideology guides political leaders and experts to the foremost goals and appropriate means of economic policymaking. The ideals of democratic politics are, therefore, highly capable of transforming the particular style of economic management not only by shaping an ideological landscape or a dominant paradigm itself, but also by undermining the legitimacy of old authoritarian institutions.

During the period of rapid economic growth in the 1970s and 1980s, Korea's economic policymaking was guided by the ideology of developmentalism that combined *dirigisme* with Keynesian expansionism. The country had to escape poverty and defend itself against Communist North Korea. President Park Chung Hee

adopted economic growth and industrialization as the supreme goals of economic policymaking and President Chun Doo Hwan followed suit. As Moon Chung-in (1999) aptly points out, the old Japanese nationalist ideology of “rich nation, strong army” re-emerged as the dominant paradigm in Korea, dictating the nature and direction of its economic management.

In the wake of the economic slowdown during the early 1980s, the ideology of developmentalism began to lose steam. The founding of the democratic Sixth Republic in 1988 formally put an end to the era of *dirigisme* or developmentalism in Korean politics. Subsequent institutional reforms and competitive elections at the national and local levels occasioned policymakers and ordinary citizens to embrace the ideals of democratic politics and put those ideas into political practice. This shift in new ideological and political templates necessitates fundamental changes in economic institutions and management styles.

Associated with democratic ideology are ideas of economic justice, social welfare, and redistribution. Upon democratic regime change in 1988, the developmentalist ideology couched in terms of national prosperity and security was devalued as economic growth and national security could no longer serve as political *raison d’etre* (Jang, 2000). Popular demands for redistribution, welfare, quality of life, and environmental safety have constituted new political and ideological mandates. In democratic Korea the values of individual freedom, equality, justice, and welfare have replaced those of *dirigisme* and mercantilism. The competitive popular elections of political leaders required policymakers to incorporate popular demands for economic redistribution as critical components of their economic programs. Consequently, the old economic policy that required the state to intervene actively in strategic industries was relinquished as a way of solving the age-old

problems of disparities in income and wealth across the various segments and sectors of the Korean economy.

A careful content analysis of presidential inaugural speeches by Jang Soo Chan (2000) confirms such a shift in policy priorities. Presidents Park Chung Hee and Chun Doo Hwan under military rule emphasized “economic growth and stability” as the top policy priority in economic policymaking. Presidents Roh Tae Woo and Kim Young Sam under democratic rule, on the other hand, were equally devoted to the issues of economic growth and distribution. In several ways, the democratic institutional changes and the expansion of civil society altered the ideological template and thereby reshaped the nature and direction of economic policymaking and management. While Presidents Park Chung Hee and Chun Doo Hwan were obsessed with economic growth and industrialization, their successors were forced to deal with distributional issues.

Substantive Policy Transformation

Democratization has affected all types of economic policies in one way or another. As Kim Jun Il and Mo Jongryn (1999) observe, no change in economic policymaking has been as significant as that of redirecting economic policy toward redistribution and social welfare. Democratization has opened the process of policymaking to those groups excluded by the authoritarian regime. As soon as labor unions, farmers, and small-and medium-size enterprises were allowed to participate in policymaking processes, social welfare and redistribution became the most salient economic issues. As the policymaking process increasingly became more open, decentralized, participatory, and contentious under democratic rule, elected officials as well as technocrats had to respond to popular demands for equity and welfare.

According to Kim and Mo's recent analysis of governmental expenditures in the aftermath of the democratic regime change in 1988, these expenditures increased rapidly. From 1990 to 1994, for example, central government expenditures as a share of GDP rose from 18.5 to 19.7. More notable is the sharp increase in the proportionate share of social services in a short period. Social services, as a share of central government expenditures, rose from 12.5 percent in 1986 to 20.0 percent in 1991. According to an article recently published in *Dong A Ilbo* (January 27, 2001), the welfare budget has been more than doubled over the past three years. The welfare budget for the fiscal year 2001 is 8.1438 trillion won, which amounts to 8.6 percent of the total national government budget. This percentage figure is more than two times as large as 4.1 percent for the fiscal year 1998. This rate of increase in welfare services is known to be much higher than what has happened to the GDP and tax revenues over the past three years. The main reason for such a steep increase is known to be "the basic life guarantee subsidy" program introduced last October. This program is designed to provide four-person families in the lowest income bracket with 940,000 won (\$800) per month.

In addition to this program for the poorest segment of the Korean population, the governments under democratic rule have undertaken a series of programs benefiting the middle- and low-income population. First, efficient vocational training programs and a new credit guarantee system for low-income workers was introduced. Second, the mandatory holding period of employee stock-ownership was reduced to provide workers with more money revenue options. Third, low interest rate loans were expanded to farmers and fisherman. Fourth, minimum livelihood benefits for low-income workers, elderly and physically disabled are now guaranteed. Fifth, employment insurance for all workplaces regardless of the number of employees was

expanded, and the national fund has been extended to society at large. Other social insurance, including medical insurance and industrial accident compensation insurance, has eased its eligibility requirements. Finally, maternity leave for female workers has been implemented.

More recently, the government has implemented various policy measures to address the soaring problems of unemployment and homelessness especially after the outbreak of the economic crisis in November 1997. The trilateral agreement among labor, business, and the government established a special fund in the amount of 5 trillion won for the unemployed in return for the trade unions' concession of the legalization of layoffs. For the unemployed and low-income workers, a total of 10 trillion won were disbursed in 1998 and 9.2 trillion in 1999. Furthermore, two million jobs were created through various programs such as job training, expansion of an information network connecting job searchers to employers, and promotion of the job supply in venture firms and in the tourism industry.

Since the democratic transition in 1988, the government has made the concerted effort to protect and promote small-and medium-sized firms, a victim of authoritarian rule. It is known that as many as eight laws were enacted to protect these firms located throughout the different regions of the country. As many as nine different public funds were created to promote their business activities. For example, local banks are required to allocate 80 percent of every loan increase to them while national banks and financial institutions are obligated to allocate 45 percent of their annual loan increases to them (Moon, 1999). In addition, the Kim Young Sam government inaugurated the Agency for Small and Medium Industry in January 1996 to institutionalize support for small-and medium size firms in the areas of technical advancement, structural adjustment, and corporate management. Under his

presidency, governmental support for these firms soared. From 1993 to 1995, for example, it nearly doubled from 1.1 trillion won to 2.1 trillion won.

In summary, democratic changes in Korea during the past 12 years have significantly shifted the priorities of its economic policies by allocating greater resources to formerly neglected population groups and business sectors (Kim and Mo, 1999). In terms of fiscal policies, the share of central government expenditure by social welfare programs has increased substantially on a steady basis at the expense of national defense. In terms of monetary policies, a high priority has been given to agriculture and fishery, and small and medium industry, the two economic sectors that were neglected by the regimes of the authoritarian past. At the same, there have been significant reductions in policy-based loans, which always favored the heavy industries monopolized by Korean conglomerates called *chaebols*.

Procedural Transformation: From Exclusion to Inclusion

Under the pretext of national security and anti-Communism, the military dictatorships headed by former generals Park Chung Hee and Chun Doo Hwan suppressed political opposition and controlled the news media and civic organizations (Kim, 2000). By invoking the National Security and Anti-Communist laws, the military regimes substantially curtailed the freedom of expression and association among individual citizens and their civic associations. By mobilizing security agencies such as the Korean Central Agency and the National Security Command, those regimes placed the news media under strict censure and labor unions and educational institutions under constant surveillance. Moreover, the regimes even controlled opposition parties and other non-political civic and business organizations through a variety of tactics including those of co-optation and intimidation. By suppressing political opposition and disallowing individual citizens and civic groups

to take part in the political process, the military dictatorship not only shielded economic policymaking from politicization but also insulated it from the pressures of social and political groups (Moon and Kim, 1999).

Democracy, as government by the people, is predicated on active involvement in public affairs. Allowing individual citizens and their associations to take part in public affairs, democratization in Korea during the past decade has transformed the way in which economic policies used to be made under the military regimes. The implementation of various institutional reforms has virtually ended state control over civil society. With the abolition of the Basic Press Laws and other regulations that were used to control public protest and censure the new media, freedom of expression and association has been restored. The institutionalization of free and fair elections in both local and central governments has also expanded the involvement of the mass public in electoral politics and policymaking. Farmers, factory workers, women, the elderly, the urban poor, businessmen, and journalists have all formed new public interest groups as balancing forces against the existing government-controlled representational organization. Today, 6, 159 non-governmental organizations are known to operate in Korea (Lim, 2000). The unprecedented expansion of civil society has produced a high level of political activism. As a result, civic associations and interest groups have become formidable players in economic policymaking in democratic Korea. In general, democratization has transformed the economic policymaking process into the open and contentious realm of mass politics by allowing those groups formerly excluded by the military regimes to participate in it.

Civic associations and interest groups employ a variety of methods to influence the process of legislation in the National Assembly (J. Lee, 2000). In every Assembly election, these groups and associations recruit and support as their own

candidates, the people who would represent their legislative preferences. In the 15th National Assembly (1996-2000), for example, 82 lawmakers were known to actively represent associations of lawyers (20), businessmen (10), educators (10), doctors (7), pharmacists (5), and other citizen groups. These civic associations and interest groups influence the legislative process in the National Assembly by providing political funds to its individual members and their political parties; they also influence the process by regularly attending the Assembly's public hearings, and providing relevant information to its committees.

In addition, the civic associations regularly submit petitions to those committees for legislative consideration. The 15th National Assembly received a total of 5,426 petitions from various citizen organizations and acted on 5,090 (J. Lee, 2000). Besides submitting petitions for or against a particular piece of legislation under consideration, they adopt and issue a public statement or resolution on that piece for the purpose of forming public opinion in favor of their policy position. They sometimes engage in demonstrations or sit-ins to protest the passage of a bill that would be considered harmful to their causes. Environmentalist groups alone, for example, took part in 20 demonstrations or sit-ins, protesting legislative actions during the 1995-2000 period.

Cycles of free and competitive elections have forced politicians to alter their survival strategy. To be re-elected, all office holders have had to garner their hometown voters instead of relying solely on owners of *chaebols*. The replacement of the indirect presidential election into a direct one has dissolved the authoritarian ruling coalition known as the growth-oriented coalition composed of industrialists, generals, and bureaucratic elites. Since the ultimate survival of every president and his political party depends on maintaining support from the electorate, he is

compelled to distribute jobs and budget allocations to his local supporters in compensation for having him elected.

As Jang Soo Chan's (2000) analysis of coalition politics over the past three decades reveals, procedural democracy in Korea since 1988 has developed a new form of coalition politics by inculcating "pork-barreling" politics between elected officials and their region-based constituents. Under the existing system of democratic governance, therefore, economic policies are now driven as much by a winning electoral formula of forming region-based coalitions in terms of votes and contributions as by economic rationality or bureaucratic prerogatives.

The age-old pattern of region-based voting remained virtually intact even after the outbreak of the economic crisis in November 1997. In the December 1997 presidential election, Kim Dae Jung won with 40.3 percent of the popular vote, trailed by Yi Hoi Chang (38.7%), and Lee In Je (19.2%). According to a post-election survey, 93 percent of the residents in the Cholla region, who voted for Kim Dae Jung in 1992, voted for him in 1997. Meanwhile, 70 percent of the residents in the Kyongsang region, who voted for former President Kim Young Sam, remained loyal to his political party, and voted for Lee Hoi Chang, its candidate. These rates of region-based voting indicate that regional loyalty matters far more in presidential elections than various policy issues. They also indicate that the government and its ruling party strive to address those issues in such a way that a high level of electoral support from their own home base can be maintained.

Associational Transformation

In the April 2000 parliamentary elections, a new form of citizen movement was formed to democratize the electoral process by challenging the lawmakers of both the ruling and opposition parties who have thus far refused to reform the

undemocratic election law. Three months before the 16th parliamentary elections held on April 13, 2000, about 500 civic organizations joined together to form the Citizens' Alliance for the 2000 General Elections (CAGE) to reform and democratize the electoral and party systems (Leem, 2000). Specifically, the CAGE, which was often dubbed "a voters' revolution," strove to prevent political parties from nominating "unfit" candidates for the forthcoming elections, and they also tried to discourage citizens from voting for those who were nominated despite being blacklisted (Choi, 2000). It was a direct challenge to the popularly elected National Assembly, one that refused to revise the election law. It was a demand for reforms in the legislature and political parties, entities that failed to serve as effective institutions representing the electorate. It was also a demand that individual members of the National Assembly meet the basic moral standards of democratic political life, not to mention its procedural norms.

The CAGE movement was led by members of the younger generation of the Korean population in their 30s who played a key role in the democratization movement in the 1980s. The movement carried out a two-phase campaign. It first announced a list of "unfit" politicians for the membership of the National Assembly. This directly challenged the power of party bosses who had the ultimate authority to endorse their party candidates. It led to the breakup of the main opposition—the Grand National Party. In the second phase, the CAGE movement held a series of street rallies to dissuade the voters from supporting the candidates who were on its blacklist. Sometimes the civic activists had to silently endure physical assaults on the campaign trail. The final outcome was a stunning defeat ratio of nearly 70 percent: 59 out of the 86 blacklisted candidates lost their races.

Undoubtedly, this civic movement to create a more effective system of representation had its own limitations. Being a negative campaign to eliminate politicians who were considered unfit to run for the National Assembly, it fell short of offering more meaningful alternatives. Its criteria for judgment were often challenged for objectivity. Still, the movement contributed tremendously to raising awareness of the principle that politicians should keep clean records in their public and private lives. It published the sordid records of candidates who were convicted of crimes of various kinds, including draft dodging, tax evasion and domestic assaults. The group also made public important information as the candidates' absence from parliamentary sessions and their opposition to democratic reforms.

Besides defeating unfit candidates, the CAGE played the major role in recalling the lawmakers for an extraordinary parliamentary session to review a legislative bill that they had already passed, and to readjust the electoral constituencies and thus to prevent gerrymandering. Equally noteworthy is that its groups continue to monitor the activities of the National Assembly and its individual members. By demonstrating and inculcating good citizenship among ordinary citizens and encouraging their representatives to be accountable and responsive to themselves, the CAGE opened a new chapter in Korean democratization. Institutionally, the movement is significant for supplementing the unsatisfactory reformative role of the state during the period of democratic consolidation (Choi, 2000). Culturally, it is also significant for invigorating the passive political culture that keeps the voters from becoming informed of the legislative activities of their representatives.

PART TWO

CHANGING PATTERNS OF ECONOMIC POLICYMAKING

In a single generation, Korea has been transformed into an economic powerhouse from a poverty-stricken and resources-poor country. In the world of new democracies, Korea is one of the very few countries admitted to the Organization for Economic Cooperation and Development (OECD). In this exclusive club of rich nations, Korea has the dubious distinction of being bailed out by the IMF with the largest loan program in its history. In the region of Asia, Korea represents the first country that has successfully recovered from the worst financial crisis ever erupted in that region. The second part of our report first examines the practices of key economic policies behind the rapid upsurge, meltdown, and rebound of the Korean economy. It then examines how the legislative-executive nexus as the institutional apparatus of economic policymaking has shifted in the wake of democratization. Finally it evaluates the current process of economic policymaking under democratic rule from the perspective of lawmakers who serve on the National Assembly Committee on Finance and Economy.

I. Economic Policy-Making in Historical Perspective

The economic miracle in Korea was achieved under nearly three decades of military rule (Amsden, 1989; Moon, 1999). The assumption of power by General Park Chung Hee through a coup in 1961 created a developmental state featuring a highly centralized system of policy-making. Under his autocratic leadership, the Korean government actively intervened in virtually all spheres of public life to accelerate economic development and industrialization. The core of his policy makers consisted of economic technocrats and career bureaucrats, exclusive of popularly elected legislators and representatives of political parties (Jang, 2000).

These policy makers, who were trained in prestigious American institutions, were recruited solely on the basis of merit and technical competency and were placed in core policy institutions such as economic planning agencies, development banks, and government research institutes. Under the centralized system of military rule that allowed a high concentration of political powers in the hands of the chief executive, those technocratic centers of economic policy making within the executive were protected from the pork barreling practices of the legislature. Economic policy makers were also insulated from the “interference” of elected politicians and the pressures of interest groups and civic associations. Such technocratic practices of merit-based recruitment and protection from party politics created a high level of autonomy and coherence across government agencies such as the Economic Planning Board and the Ministry of Finance. Working in unison, the government institutions of authoritarian Korea were able to control and steer *chaebols*, their private junior partners with unrestricted political powers and ample financial resources, toward the collective goal of transforming a poor agrarian society into a newly industrializing economic powerhouse.

As in other policy areas, the formulation and implementation of economic policies and programs required the involvement of a large number of bureaucrats, technocrats, and even members of the legislature. Presidents Park and Chun of the authoritarian Fifth Republic, however, exercised unrestrained control over the bureaucracy and their ruling party. Since legislative oversight and checks and balances did not exist, the legislature was nothing but a rubber stamp. As existing electoral cycles had virtually little influence on the political process, the military dictators exercised absolute control over the entire process of economic policy-making and policy implementation. Such a top-down and highly concentrated

approach to economic policy-making in pre-democratic Korea can be best depicted as a “sunflower” model in which government bureaucrats and technocrats with little dividing them radiate around the chief executive with a fusion of military and political authority (Moon and Rhyu, 1998). With “concentrated executive authority and dependable support from the military establishment,” this model “allowed the government to provide unambiguous backing to coherent and powerful teams of economic technocrats” (Haggard and Kaufman, 1995, 43).

The demise of military rule in 1988 brought about enormous implications for the vertical sunflower model of economic policy-making that had been highly instrumental in producing an economic miracle in one of the poorest countries with little natural resources. Democracy, by definition, involves popular participation and competition in policy-making and subjecting governmental resources to political bargaining among competing groups. The free and competitive elections of the chief-executive and the national legislature, the redistribution of political powers between the branches of the government, and the expansion of political rights and civil liberties has served to undermine the institutional foundation of the vertical sunflower model of economic policy-making in the past. A winning strategy of electoral politics also makes it necessary to take into account popular demands and interests in economic policy-making. As the new political coalitions of popular demands and interests become more complex and intense, economic policy makers and agencies can no longer work in unison as they did under the centralized system of authoritarian governance. Instead, they more often compete than cooperate with each other over the goals as well as means of the various economic programs.

Rapid expansion of popular participation in politics has led to increasing conflict and fragmentation among government agencies during the first two governments (Roh Tae Woo and Kim Young Sam) of the democratic Sixth Republic (1988-1997). With the deregulation and liberalization of the economy, the balance of power between the government and business shifted increasingly in the latter's favor (Mo and Moon, 1999; Kim, 2000). All these changes, in turn, diminished the absolute command of the president over the economic bureaucracy and the dominant influence of the government over the social and business sectors. In a nutshell, democratization has made it difficult for the Korean government to manage the economy by bringing new realities to its vertical sunflower model of economic policy-making. The president, who used to have absolute control over the policy-making process, has had to act as a broker between competing groups of bureaucrats and technocrats and between a growing number of interest groups and civic associations in conflict (Hahm, 1998).

The inability of Kim Young Sam, the second president of democratic Korea, to deal with such competitions and conflicts among economic policy coalitions contributed directly to the financial crisis of November 1997 (Haggard, Pinkston, and Seo, 1999). Specifically, in the year when foreign current reserves were rapidly dwindling and the Korean currency had to be devalued, the Kim Young Sam government engaged in costly delays due as a result of intensive lobbying by merchant banks, *chaebols*, and state enterprises which were benefiting from heavy foreign borrowing. As early as July 1997 the Bank of Korea issued warnings to President Kim's Blue House and other economic agencies about the incoming danger of a foreign exchange crisis. But his chief economic secretary and the Ministry of Finance and Economy ignored those warnings and tried in vain to put off any bailout

from the IBM until February 1998 when his tenure was ending (Moon and Rhyu, 1999). The feeble and incompetent endeavor of the Kim Young Sam government to defend the value of *won* alone cost Korean taxpayers more than \$6 billion.

Moreover, ongoing “turf wars” among its own ministries, namely the Ministry of Finance and Economy and the Bank of Korea, made it impossible to pass important financial reform legislation that was absolutely necessary for the restructuring of crony capitalism featuring endemic corruption and debt-ridden *chaebols*. As such, the Kim Young Sam government was not capable of formulating a coherent economic policy (Mo and Moon, 1999b). Nor was this government capable of implementing the policies and programs enacted by the legislature effectively. The government’s policy failures were an important contributor to the genesis and severity of the financial crisis that befell Korea in November 1997 (Leem, 2000; Mo and Moon, 1999c).

Kim Dae Jung, the current, third president of democratic Korea, quickly recognized that the economic failures of the previous Kim Young Sam government had resulted partly from the fragmentation and resistance of the economic bureaucracy (Mo and Moon, 1999). In response, President Kim Dae Jung took a series of measures to re-centralize the powers of the executive branch and consolidate the recalcitrant economic bureaucracy. The Budget and Planning Bureau (BPB) was, for example, created and placed under the direct supervision of the Blue House, the Office of the President. In addition, the Financial Supervisory Commission (FSC) was formed to implement structural reforms in the financial sector by consolidating five economic agencies within the executive branch. These include the Financial Inspector of the Ministry and Economy, the Office of Bank supervision under the Bank of Korea, the Securities Supervisory Board, the Insurance Supervisory Board,

and Credit Management Fund Agency. With support from the IMF and the U.S. Government, the FSC was not placed under the jurisdiction of the Ministry of Finance and Economy, the Korean government's oldest and most powerful economic bureaucracy. Instead, it was placed directly under the control of the Blue House.

To avoid policy conflicts among economic agencies in managing the economic crisis, moreover, President Kim Dae Jung chose himself as his government's coordinator in formulating economic policies. In the Conference of Economic Ministers, which had worked as an economic coordinating system from 1972, the Minister of Economy and Finance served as its chair and was often unable to coordinate the divergent interests of the economic ministries and other institutions. As a result, economic policies often lacked coherence and suffered from the lack of effective implementation. In the newly-installed Policy Coordination Council, however, the president himself presided over its regular meeting which was held once a week and acted as the policy coordinator among the economic agencies involved.

The IMF's Stand-By Agreement signed on December 5, 1997 and the crisis situation itself helped President Kim Dae Jung to push through wide-ranging reform legislation for the restructuring of the private and public sectors of the Korean economy. To fix the problems of the banking sector directly responsible for the outbreak of the economic crisis, for example, his government moved swiftly and in a highly directive fashion with \$49.2 billion (roughly 15 percent of GDP) on April 1998. Allocating one-half of this money to the Korean Deposit Insurance Company for re-capitalization and coverage of losses and one-half to the Korea Asset Management Corporation for purchasing and disposing of non-performing loans, the FSC has played a crucial role in restructuring the financial sector as its regulator and reformer. By the end of 1998, 265 institutions including banks and securities firms

were ordered to close. In restructuring the corporate sector also, the government adopted a “command and control style” and forced *chaebols* to change fundamentally the way they had been doing business. They have been ordered to reduce their debt-equity ratio, end mutual-payment guarantees among their subsidiaries, and even appoint outside directors.

Financial, corporate, and other reforms to date have contributed to the heavy concentration of policy-making authority in the president and agencies directly accountable to him, not to the National Assembly. These reforms have served to strengthen the control of the government over the financial and corporate sectors. The government now plays a more central role than ever before as the largest shareholder in the financial market, acquiring major shares in 10 commercial banks, 8 insurance companies and 2 investment trust companies. Besides using the threat of cutting off credit, the government has mobilized various agencies such as the National Tax Services and Fair Trade Commission to pressure the financial institutions and corporations that are reluctant to comply with its reform agenda. Obviously, such a coercive approach involves the abuse of discretionary power on the part of executive agencies with “insufficient regard to democratic procedures and safeguards.” At the same, the existing practice of insulating economic agencies such as the BPB and FSC from legislative scrutiny raises a serious question about the democratic accountability of the Kim Dae Jung government’s endeavors to restructure crony capitalism.

For the purpose of restructuring the Korean chaebol system, the Kim Dae Jung government issued, in 1998, a series of administrative decrees in order to implement five broad objectives of corporate restructuring. Included in these decrees are:

1. Enhanced transparency

- adoption of combined financial statements
- adoption of international accounting principles
- strengthening voting rights of minority shareholders
- compulsory appointment of outside directors
- establishment of an external auditors committee

2. Resolution of cross-debt guarantees

- resolution of existing cross-debt guarantees
- no new cross-debt guarantees between subsidiaries

3. Improvement of Financial Structure

- agreement with banks to improve capital structure
- removal of restrictions of capital infusions
- introduction of asset backed securities

4. Streamlining Business Activities

- adoption of corporate-split system
- liberalization of foreign ownership of real estate
- streamlining of bankruptcy procedures

5. Strengthening Accountability

- strengthening the legal liability of controlling owners
- Introduction of cumulative voting systems
- allowing institutional voters rights

II. Legislative-Executive Relations

What features of economic policymaking distinguish the current democratic model from the past authoritarian model of economic policymaking? It has been pointed out that the democratization of military rule has ended the insulation of the

policymaking process from contending political and social pressures. It has also been pointed out that democratization has heightened the conflicts among the different economic ministries and agencies of the government to the extent that the internal cohesion of economic policymaking apparatus is profoundly divided and fragmented. The popularization and fragmentation of economic policymaking are the two major changes that have taken place in economic policymaking during the first decade of democratic rule in Korea. From the perspective of consolidating nascent democratic rule, another institutional change of a more significant nature concerns the character and pattern of legislative-executive relations.

Conditions of Legislative-Executive Relations

Constitutional/Legal Provisions

A constitutional framework defines and shapes the character and pattern of legislative-executive relations and thereby sets forth the prevalent mode of economic policy-making. As done in the constitution of the authoritarian Fifth Republic, a presidential system has been adopted in the current constitution of the democratic Sixth Republic. Underlying both constitutions were the same principles of separation of powers and checks and balances. Yet, the Fifth Republic's constitution was shaped less by those principles in the distribution of powers between the executive and legislative branches and in the internal operation of the legislature (Park, 1999). The president was, for example, given the right to dissolve the National Assembly whenever he considered it necessary to deal with the nation's security. The National Assembly was, on the other hand, allowed to be in session for a period of 150 days a calendar year. These and other constitutional arrangements made the president clearly predominant over the legislature. In the current constitution of the Sixth Republic, the president is not authorized to dissolve the National Assembly. The Assembly is no

longer required to be in session only for a limited period of 150 days. It is also authorized to inspect all aspects of executive operations during every annual regular session. Still, the current constitution of the Sixth Republic does not make the president and the Assembly equal in power and authority. Unlike the U.S. presidential system, the Korean system tips the power toward the president.

The current constitution authorizes the executive branch to play a clearly predominant role especially in the formulation of economic policy. In principle, the National Assembly is required to approve the government's budget proposals before they are implemented. The Assembly, nonetheless, is not provided with the fiscal authority either to increase any particular item or to create new expenditure lines. If the legislature wants to increase the amount of any item of expenditure or create a new item in the proposed budget, it must obtain the consent of the executive branch in advance. The National Assembly law also stipulates that a motion for amending the budget proposal in plenary session be supported by at least 50 members. Constrained so severely in amending the government budget, the National Assembly usually modifies the original request by 1 percent or less. As such, the Assembly exercises little control over budgetary deliberations.

Together with the nation's constitution, there exist several formal rules and regulations to organize the National Assembly and have it conduct internal business and formulate decisions. Of these rules, the National Assembly law is the most important. After the law was initially promulgated in the Constituent Assembly, it has been revised twenty-nine times, either partially or on a full scale.

The twentieth revision initiated under the military authoritarian leadership in 1981 set the tone for the eleventh assembly (April 1981 to April 1985) and the twelfth assembly (April 1985 to May 1988) of the Fifth Republic. Under the pretext of

boosting the efficiency and productivity of the legislative institution, the National Assembly law limited members' opportunities for making speeches and participating in debates and kept strict controls on the proceedings. In a nutshell, the National Assembly law of the authoritarian Fifth Republic significantly constrained legislative autonomy.

In contrast, the revisions of the National Assembly law since the late 1980s were intended to build a strong and internally democratic legislature. Two major revisions deserve special mention. The twenty-third revision of 1988, effective in the thirteenth assembly (May 1988 to May 1992), marked a restoration of the legislature's powers that had been curtailed under the authoritarian dictatorship. For example, a procedure of investigative hearing was introduced to exercise an effective check over the executive branch. The twenty-seventh revision, carried out in the fourteenth assembly (May 1992 to May 1996), further opened up the possibility of the democratic and effective management of legislative proceedings. This revision, which touched on wide-ranging organizational and operational aspects of the National Assembly, aimed to routinize all kinds of legislative proceedings, to galvanize debates and deliberation, and to strengthen the committee system and professional staff organization. However, talks are ongoing about further reform.

Party/Electoral Factors

Apart from the legal framework, several other categories of factors have a significant bearing on legislative-executive relations. Political party and electoral variables constitute one such category. Political parties are a key force in organizing legislative members' activities within and outside the National Assembly. A party's political status within the legislature, its internal discipline, and its relations with other parties affect the ways its members interact with the president, cabinet ministers, and

executive agencies. Since reelection is the prerequisite for a successful legislative career, it is important to understand how members' electoral incentives affect legislative-executive relations (Jaung, 1999).

The president's party often emphasizes that a stable legislative majority is needed to secure governability. In effect, however, a wide majority controlled by the ruling party reduces the extent of legislative autonomy. The stronger the ruling party is in the legislature, the less it feels necessary to compromise with the opposition. The ruling party can easily translate its preferences into decisions in the legislature by imposing strong party discipline on its members and by imposing the principle of majority rule on the opposition parties. As would be expected, given the authoritarian nature of the Fifth Republic, its eleventh assembly was the most subservient to the president among the assembly under study here. During that time, the ruling Democratic Justice Party commanded 55 percent of the legislative seats and was not effectively checked by the tame opposition parties.

In the thirteenth assembly election in 1988, after the transition to democracy, the president's party failed to gain a majority for the first time in Korea's constitutional history, with the National Assembly split among four parties. This "divided government," in the American parlance, generated an opportunity for developing the politics of coalition building. Given the strength of the opposition, the legislature could be put up on an independent standing. In early 1990, however, the ruling party, having found it both time-consuming and difficult to build working majorities and make compromises, merged with two opposition parties to form the Democratic Liberal Party, which commanded a more than two-thirds majority. In the second half of the thirteenth assembly, the ruling party rammed through controversial

bills supported by the president, thus critically undermining the autonomy of the National Assembly.

In the elections for both the fourteenth and the fifteenth assemblies (in March 1992 and April 1996, respectively), the president's party was not able to obtain a majority of legislative seats. But after the election, the ruling party drew in some opposition members and independents and eventually manufactured a majority. In the sixteenth assembly (April 2000), the ruling New Millennium Democratic Party headed by current President Kim Dae Jung obtained only 42 of legislative seats with 36 percent of the total vote. Failing to control a majority of the legislative seats, the ruling party formed a ruling coalition with the United Liberal Democrats after the former leased four legislators to the latter (*Chosun Ilbo*, January 10, 2001; *JoongAng Ilbo*, January 11). The ruling party's betrayal of the electoral mandate on a continuing basis has hindered the democratically elected National Assembly from being an autonomous institution of representative democracy.

If it were not for strong party discipline, the president could not depend on his party to realize his will in the National Assembly. The Korean ruling party is highly centralized with strong internal discipline. Party leaders strictly control their rank-and-file members (Kim, 1988; Shin, 1999). At every stage of decision making, legislative members follow instructions from above. Even the speaker, ostensibly the supreme leader of the National Assembly, is not immune from party discipline, which is why the speaker is unable to run the legislature in an impartial manner and keep up its autonomy (Park, 1999).

Strong electoral incentives exist for members to obey their leaders' directives. For a member to be reelected, he or she must first obtain a party nomination from the party leadership, making a member's loyalty to his party's top leaders an important

issue. Also, the candidate needs the party's financial and organizational support, crucial for electoral campaigns and for constituency representational activities after the election.

Even during the democratic Sixth Republic period, the National Assembly has not significantly changed, in that strong party discipline is still embedded in the legislative process. Members in both majority and minority camps risk expulsion if they defy party lines on major issues. Strong party discipline, especially that of the ruling party, reins in members and restricts the autonomy of the National Assembly. The fluidity of Korean political parties, which is particularly evident at this phase of democratic consolidation, makes it difficult to coordinate among them, which keeps the National Assembly from acting as a unified body when dealing with external forces. Not only ever-shifting parties and intense partisan conflicts devastate cross-party accommodation and cooperation in the National Assembly. As most of the energy are consumed by the unending cycle of deadlocks, gridlocks, standoffs, and stalemates over major issues of partisan interests, there can be no fruitful check over the executive branch.

Legislative Organizational Features

We now turn to the organizational features of the National Assembly that affect its control over the executive branch, including the number of sessional days, the proportion of experienced members, the importance of committees, and the availability of professional staff, all of which have significant implications for the National Assembly's deliberative capacity. Members' working days in the chamber of the National Assembly are constrained by the constitution and the National Assembly law. The session of the National Assembly are not year-round but meet either in regular or special sessions. The regular session opens annually on September

10 (September 20 during the Fifth Republic period) or the next day if the tenth is a holiday. A special session may be convened at the request of the president or at least one-fourth (formerly, one-third) of the total membership. The regular session may not last more than one hundred (formerly, ninety) days; a special session may not last longer than thirty days. Officially, the eleventh assembly of the authoritarian Fifth Republic averaged 144 sessional days a year, including regular and special sessions. This figure is misleading, however, because the plenary session only averaged thirty-six days a year, meaning that three-fourths of the total time was spent on committee work, intermittent recesses, or interparty disagreement over the legislative agenda. In the democratic Sixth Republic, the thirteenth assembly met on average 165 days a year, and the plenary session, 41 days. Thus, the National Assembly falls far short of being a constantly deliberating body.

Because contemporary policy issues are complex and technical in nature, the executive branch, teeming with policy specialists and technocrats, enjoys a decisive edge over a generalist legislature. This deficiency can be compensated for, however, by the presence of career politicians in the legislature. Indeed, legislatures with a significant policy influence are characterized by a low rate of turnover, as measured by the percentage of freshmen members (Mezey, 1979). Thus we can see that first-term members in the eleventh assembly constituted 79 percent of the total membership, for the military leaders barred old politicians from engaging in politics. Career politicians thus became a rare breed in that assembly. After the political ban was lifted, the percentage of the first-term members in the twelfth assembly went down drastically to 39 percent. Because the democratic opening of the Sixth Republic ushered in a new political aspirants, the percentage in the thirteenth assembly rose again to 55 percent. That number decreased to 41 percent for the fourteenth assembly

and then showed a slight increase for the fifteenth assembly (46%). In the current sixteenth assembly, the percentage once again went down slightly to 41 percent.

The character of the committee system is related to the legislature's autonomy relative to the executive. When committees have the power to scrutinize executive proposal, the legislature is highly likely to amend, delay, or even reject those proposals (Loewenberg and Patterson, 1995). Committees' deliberative capacities are maximized if they are organized in parallel to existing executive departments or agencies, specialized according to their exclusive jurisdictions, permanently established, composed of members with the relevant policy interests and expertise, small enough for lively debates among the members, and given extensive powers of agenda control, amendment, and evidence taking (Lees and Shaw, 1979; Strom, 1998).

At the beginning of the 1960s the National Assembly law placed committees center stage throughout policy deliberations in the national legislature. Before a legislative proposal or any matter for deliberation is formally introduced to the National Assembly, it must first be referred to an appropriate committee. A Committee may make amendments to a legislative proposal, which are usually upheld by the plenary session. A Committee may also hold public hearings, request explanations from high-level executive officials, and question them about the matters of importance.

When the committee system of the authoritarian Fifth Republic's assemblies is compared with that of the democratic Sixth Republic's, differences emerge in some detailed aspects of committee organization and operation, such as the number of committees, the frequency of their off-session meetings, and the opportunities for speech making in committees.

The committee system has yet to take a firm hold in the deliberative process. First, committees do not meet regularly. In the eleventh through fourteenth assemblies, the meeting days of a full committee and its ad hoc subcommittees number at at most thirty-seven a year. Second, committees are party dominated rather than autonomous, meaning that committee appointments are controlled by parties and the committee deliberations are liable to become partisan skirmishes. A sense of identity is missing in the committees. Expertise is not appreciated, and reviews of legislation are on the whole hastily conducted.

Changing Patterns of Legislative-Executive Relations

Lawmaking

The legislature interacts with the executive branch to make laws, deliberate budgets, conducts legislative oversight, and so forth. To investigate the patterns of legislative-executive relations in the Fifth and Sixth Republics, we will look first at lawmaking.

Both the members of the National Assembly and the executive branch can introduce legislative bills. The executive branch's proposal called government bills. The average number of bills introduced a year was 122 in the eleventh assembly (1981-85) and 126 in the twelfth assembly (1985-88). But those numbers almost doubled in the democratic Sixth Republic: an average of 235 bills was introduced each year during the thirteenth assembly; the comparable figures for the fourteenth (1992-96) and fifteenth (1996-2000) assemblies were 225 and 280. This sharp increase in legislative workload may result from proliferating popular demands for government action and appropriate laws in a newly emerging democratic regime. But an increase in the sheer load of legislation does not necessarily mean that the National Assembly has strengthened its legislative influence on the executive branch.

The proportion of member bills among the total introduced is sometimes used to indicate legislative initiatives taken by legislative members relative to the executive branch. Overall, throughout the history of the National Assembly, government bills have outnumbered member bills. The question is whether members' legislative initiatives have become more visible in the democratic era than they were in the authoritarian era. The numbers show that the portion of members' legislative initiatives have become more visible in the democratic era than they were in the authoritarian era. Table 2-1 shows the portion of member bills was 41 percent in the eleventh assembly and 56 percent in the twelfth assembly. The comparable figure in the thirteenth assembly was 61 percent and 36 percent in the fourteenth assembly. In the latest fifteenth assembly, the figure rose slightly to 41 percent. Thus the regime's democratization had no consistent effect on the pattern of members' legislative initiatives.

Table 2-1 The Proportions of Legislator-Sponsored Bills

National Assembly	Legislator-sponsored	Government-sponsored	Total Bills	Legislature Proportion
	(A)	(B)	(C)	(A/C)
1 st (48-50)	89	145	234	.38
2 nd (50-54)	182	216	398	.46
3 rd (54-58)	169	241	410	.47
4 th (58-60)	120	202	322	.37
5 th (60-61)	137	159	296	.46
6 th (63-67)	416	242	658	.63
7 th (67-71)	244	291	535	.46
8 th (71-72)	43	95	138	.31
9 th (73-79)	154	479	633	.24
10 th (79-80)	5	124	129	.04
11 th (81-85)	202	287	489	.41
12 th (84-88)	211	168	379	.56
13 th (88-92)	570	368	938	.61
14 th (92-96)	321	581	902	.36
15 th (96-00)	461	659	1,120	.41

Source: The Secretariat of the Korean National Assembly

It is also the case that executive branch drafts legislative proposal to a greater extent than suggested by the figures above. In every session, some bills prepared by the executive branch are formally proposed and sponsored by the ruling party's legislative members. In the fourteenth assembly these included such reform measures as public officials' ethics law, election law, and the like. This assembly even passed a special law, drafted by the executive branch, to prosecute those involved in the military *coup d'etat* and brutal crackdown of the Kwnagju uprising, including two former presidents. Most of these bills were initiated and prepared by presidential aides and then delivered to ruling party members for their formal introduction.

The success rate of government bills can also indicate legislative influence over the executive branch. As one would expect, the passage rate of government bills was a bit lower under democratic rule (lowest in the thirteenth assembly). During the Chun Doo Hwan government (1983-88), the National Assembly passed more than nine out of 10 government bills (93%). With the advent of democracy, this ratio has declined to 82 percent in the 15th assembly, As Table 2-2 shows. Still, even in this democratic legislature, four out of five government bills are adopted, pointing to heavy executive dominance of the lawmaking process and continuation of that dominance into the democratic era. Since the end of military rule, the passage rate difference has been on a steady decline from +62 in the twelfth to +42 in the 15th assembly in favor of legislature over the executive branch (see the last column of Table 2-2). This seems to indicate the growing autonomy of the Assembly from the executive branch.

Table 2-2 The passage Rates of Bills Sponsored by the Executive Branch and Legislators

National Assembly	Legislature (A)	Government (B)	Difference (B-A)
1 st (48-50)	48%	73%	+25%
2 nd (50-54)	43	64	+21
3 rd (54-58)	43	35	-8
4 th (58-60)	26	22	-4
5 th (60-61)	22	25	+3
6 th (63-67)	43	64	+21
7 th (67-71)	50	80	+30
8 th (71-72)	14	35	+21
9 th (73-79)	55	96	+41
10 th (79-80)	60	78	+18
11 th (81-85)	41	90	+49
12 th (84-88)	31	93	+62
13 th (88-92)	30	87	+57
14 th (92-96)	37	92	+55
15 th (96-00)	40	82	+42

Source: The Secretariat of the Korean National Assembly.

The legislature's modifications to government bills are another way to measure its influence on the executive branch. According to Jang Soo Chan's (2000) analysis, under authoritarian rule (1972-86), the National Assembly passed about 90 percent of government bills without any revision, testifying to the powerlessness and subservience of the legislature to the executive branch. This figure dropped somewhat to 84 percent in the 13th assembly (1988-92) when Roh Tae Woo was the first president of the democratic Sixth Republic. Since then, the figure fell to 47 percent in the 14th assembly (1992-96) when Kim Young Sam was the first civilian president. These figures suggest that the National Assembly has recently started to challenge the dominance of the executive branch in the legislative process and gained greater influence on the process. Undoubtedly the regime's democratization has been reshaping the character of the legislative-executive nexus featuring the hegemony of the president over the legislative process.

Fiscal Control

Government budget proposal should be approved by the National Assembly before their execution. Thus the National Assembly receives the proposed budget from the executive branch in the plenary session and then sets committee review procedures in operation. Each standing committee examines the portion of the budget that concerns that committee's jurisdictional counterpart in the executive branch. The special committee on budget and accounts then examines the overall budget. After a modified budget proposal has been adopted by the special committee on budget and accounts, it is reported to the plenary session for final approval.

The modifications able to be made by the National Assembly to the original budget proposal are strictly bounded. In both the Fifth and Sixth Republics changes amounted to just 1 percent of the original proposal, with the single exception of the budget for the fiscal year 1990. The legislature is such a passive reviewing body that its budgetary power cannot be decisive source of leverage in its dealing with executive agencies.

There has been no discernible changes in the pattern of the National Assembly's budget review process between the authoritarian and democratic eras. First, the time schedule remains much the same and thus hardly conducive to a thoroughgoing review. A standing committee's preliminary reviews last only five or six days; the overall review of the budget and accounts committee is conducted within at most two weeks. Second, there is a significant constitutional constraint on the legislature's deliberations. If the legislature wants to increase the amount of any item of expenditure or create a new item in the budget, it must obtain the consent of the executive branch in advance. Third, the National Assembly law itself is also restrictive in this regard. To amend the budget proposal in the plenary session

requires the support of at least fifty members. Furthermore, the budget for the National Intelligence Service (formerly the National Security Planning Agency) is only subject to the preliminary review by the intelligence committee in a closed session, thus bypassing a comprehensive review by the budget and accounts committee. Last but not the least, the budget and accounts committee is a temporary committee that changes membership every year and does not deal with fiscal matters on a continuous basis.

Legislative members are well aware that the National Assembly exercises little control over the budget. Those members, in both the ruling and the opposing camps, lobby the government to make funds available to their district projects during the summer, when the Ministry of Budget and Planning is preparing the budget proposal to be submitted to the legislature.

Legislative Oversight

Legislative oversight refers to those activities that review the decision making and policy implementation of the executive branch and hold the executive branch accountable for its policy actions. Under such oversight, the legislature must obtain information on government operations and investigate possible irregularities, policy failures, and abuses of power. The Korean constitution provides the National Assembly with various means of legislative oversight, including inspection, investigation, and interpellation.

At the outset of the annual regular session, the National Assembly sets aside a period of twenty days or less for conducting inspections of government operations. Each standing committee oversees the government ministries or agencies under its jurisdiction. The National Assembly lost this inspection power during the authoritarian Fourth and Fifth Republics and regained it after democratic transition.

Supervising the executive branch, however, is hampered by shortcomings and drawbacks in the organization of inspection activities, in the behavior patterns of members as inspectors, and in the agencies' attitudes toward the inspection. Too many agencies are chosen by the committees for inspection every year, and too many witnesses are summoned. As a result, members are pressed by a tight schedule, some agencies are subject to overlapping inspections, and some witnesses are questioned superficially. Members' inappropriate behavior patterns include obsessing about exposing irregularities, seeking their own visibility, emphasizing partisan or district interests, neglecting to check that past agency problems have been corrected, demanding that irrelevant documents be submitted in unreasonably large quantities, and conducting inspections even when drunk. In addition, agencies often do not conscientiously respond to members' requests for information and documents.

The legislature is also empowered to investigate specific matters with a standing or a special committee. That right was not annihilated but was never exercised in the authoritarian Fifth Republic. In the first half of the thirteenth assembly (1988-92) of the democratic Sixth Republic, however, it launched a series of probes into the brutal crackdown of the Kwangju uprising, egregious abuses of power, and wrongdoing under the rule of President Chun Doo Hwan. The former president had to testify before a hearing panel organized jointly by two special investigative committees.

The National Assembly investigations depend on the changing political eliminate. During most of the fourteenth assembly (1992-1996), when President Kim Young Sam was highly popular and had a good grip on the ruling party, no cases were under investigation. When public opinion and the political situation are not pressing for a legislative investigation, the National Assembly is unlikely to carry one out.

In the early 1997, the Hanbo financial scandal, together with the controversial passage of two bills in late 1996, caused presidential popularity to plummet. Thus the political parties agreed to appoint a temporary special committee to investigate. The committee held a series of hearings involving not only senior politicians, an incumbent cabinet minister, and a presidential aide, but also the president's second son concerning influence peddling and bribery. Such investigative activities, which were never attempted in the authoritarian era, suggest that the legislature can defy the president when the political tide is strongly against him.

Despite the investigative hearings serving as a forum for executive accountability, the hearing did not dispel public suspicion about the matters under investigation. Legislative members had difficulty taking evidence and getting access to documents. Members were unskilled at handling witnesses, who evaded and perjured themselves. Such plenary session may require the presence of the prime minister, ministers, or other government representatives for interpellation, a procedure through which a legislative body calls the government to account.

In the democratic Sixth Republic, both ordinary people and legislative members enjoy much greater freedom of speech than in the previous authoritarian regime. On paper, the constitution of the Fifth Republic guaranteed lawmakers parliamentary privileges and immunities, such as the exemption of legal accountability for opinions officially expressed in the legislature. In reality, however, unwritten taboos, called *songyok*, are not to be spoken of in the legislature. Such taboos include critical remarks about the existing constitutional order, about the behavior of the president and his extended family, and about the president's major policies. In the twelfth assembly (1985-88), an opposition was arrested because of a speech criticizing President Chun Doo Hwan's authoritarian regime. To dodge the

controversy concerning the member's privileges and immunities, the prosecution indicted him for distributing materials containing anti-state remarks to reporters before his speech in the legislature. By contrast, in the Sixth Republic, because members are not prohibited from dealing with any topics in the legislature, interpellation time may come to serve as a forum for executive accountability.

Despite members' enlarged freedom of speech, it is hard to say that floor interpellation serves its intended purposes. Legislative members rarely raise concise and genuine questions. Some members, forgetting their proper role of lawmaking, ask a cabinet minister if he or she has any intention of make such-and-such a law. There is doubt about whether members' questions will ensure executive accountability or contribute to the information base on which members exert a policy influence. Cabinet ministers do not seem to provide sincere answers to the questions raised. Interpellation thus remains tedious, unmoving, and no more than a blunt warning against executive mismanagement.

III. Lawmakers' Assessment of Economic Policymaking: A Survey of Members of the Assembly Committee on Finance and Economy

What role does the Korean National Assembly play in the process of economic policymaking? To what extent does the Assembly amend the economic bills drafted by the executive branch? Whom do its lawmakers contact for consultation and information? To what degree are they satisfied with their involvement in economic legislation? Do they play a greater role in the wake of the democratic transition from authoritarian rule in 1988? To explore these and other important questions concerning the role of the National Assembly and its members in economic legislation, a self-administered questionnaire was developed after a careful review of the literature dealing with the main themes of the UNRI project (see Appendix B for a copy of this questionnaire). This questionnaire, composed of 20 structured and

unstructured items, was administered to all the lawmakers serving on the Assembly Committee on Finance and Economy (CFE) directly in charge of economic policymaking during the months of December 2000 and January 2001. Of a total of 23 lawmakers serving on the CFE, 20 filled out the questionnaire, registering a high response rate of 87 percent. These 20 respondents include 20 males and 2 females; 17 district and 3 non-district members; and 10 members of the ruling Millennium Democratic Party, 8 members of the opposition Grand National Party, and one member of the United Liberal Democrats. They are college-educated and their ages range from 32 to 68 (for demographic profiles of these CFE members, see Appendix D; see also Appendix E for their professional backgrounds).

Key decision-makers in economic legislation

In Korea, it is widely believed that the executive branch enjoys a decisive edge over the legislative branch in policymaking, especially in the areas of formulating national budget and economic policies. Because contemporary policy issues become increasingly complex, a great deal of technical expertise is required to enact legislation on those issues. Nonetheless, popularly elected lawmakers tend to have little experience and training in the management of economic affairs. They have no direct access to the necessary information and technical support from policy experts. For these reasons, generalist legislators are known to play a marginal role in economic legislation by relying heavily on the bills drafted and submitted by the executive branch.

To determine the exact nature of the role that popularly elected lawmakers actually play and desire to play, the questionnaire survey asked CBA members two related questions. First, the survey asked: "In general, who do you think should play a leading role in making economic policies? Would you say: (1) the president and his

assistants; (2) the relevant ministry of the government administration; (3) the relevant committee of the National Assembly; (4) social organizations and interest groups; or (5) others?” Then the survey further asked: “Which organization on this list do you think actually plays a leading role in making economic policies? Would you say (1) the president and his assistants; (2) the relevant ministry of the administration; (3) the relevant committee of the National Assembly; (4) social organizations; or (5) others?”

From Table 2-3, we see members of the National Assembly Finance and Economy Committee confirming the widely held view that their legislative body fails to play a key role in economic policymaking. An overwhelming majority of 95 percent chose as the key economic policymakers either the Office of the President or government agencies under his direction. More precisely, 70 percent of the lawmakers identified the President and his staff as the key players while 25 percent chose other relevant government agencies as the key players. Only one member (5%) on the Finance and Economy Committee replied that their own legislative body plays a key role. This finding makes it clear that, even in the eyes of lawmakers, the National Assembly is not at all influential in economic legislation. The power of formulating economic legislation is highly concentrated in the executive branch, especially the Office of the President known as the Blue House in Korea. The dominance of the executive branch over the legislature remains a notable feature of economic policymaking in Korea today even under democratic rule.

Table 2-3 Lawmaker's Perceptions of Key Players in Economic Policy-making

Views on organizations Key Players	Institutions Playing a Key Role			
	President/ Blue House staffs	Relevant governmental institutions	National Assembly committees	Social and groups
Actual key players (A)	70% (14)	25% (5)	5% (1)	0%
Preferred key players (B)	15% (3)	70% (14)	15% (3)	0%
<i>Discrepancy (A-B)</i>	+55%		-45%	-10%
<i>0%</i>				

Notes: Figures in parentheses refer to the number of lawmakers falling in each category

Source: Surveys of Korean Economic Lawmakers

When asked about the institution that *should* play a key role in economic policymaking, a small minority (15%) of the lawmakers surveyed mentioned their own Finance and Economy Committee of the National Assembly. Once again, an overwhelming majority (85%) replied that either the Blue House or other relevant government ministries should be the key players. Between these two institutions of the executive branch, however, they preferred the latter to the former by a substantial margin of 70 to 15 percent. Their overwhelming preference for the economic ministries to the Blue House contrasts sharply with what they actually experience in the world of economic policymaking. To a large majority of the lawmakers surveyed, the Blue House is actually playing the key role that it should not play, registering a score +55 on the index measuring the discrepancy between the actual and preferred roles (see the third row of Table 2-3). Other relevant government ministries and the Assembly, on the other hand, are not playing the role of key economic policymaker that they should play, registering, respectively, -45 and -10 on the same discrepancy index.

Three points can be made on the basis of these findings. First, there is little discrepancy between what lawmakers tend to think the National Assembly should do and what it is actually doing for economic policymaking. According to their own view, the Assembly should continue to play a secondary role in legislating economic policies, following the lead of the executive branch. Second, the President and his staff are too much involved in the management of economic affairs at the expense of the particular government agencies in charge of those affairs. Finally, the powers of economic policymaking, therefore, need to be redistributed from the Blue House to each ministry in charge of specific policy issues. In the eyes of Korean legislators, it is the technocrats and bureaucrats with a great deal of expertise who should play the role of greater significance in economic policymaking. The technocratic mode of decision-making is the most preferred among Korean legislators.

Why is it that Korean legislators refuse to play a central role in economic policymaking? It appears that they fail to understand that economic policymaking, like all other policymaking, requires much more than strictly scientific knowledge. It requires ethical judgments about the ultimate ends that various policies should achieve. It also requires judgments about trade-offs of divergent policy ends. Relying on experts to make crucial decisions is not, therefore, considered the same thing as ceding final control over major decisions to those technocrats. Korean legislators should be made aware, that the practice of economic policymaking by technocrats, can be compatible with electoral democracy only when they are made accountable to Parliament.

Mode of Economic Policymaking

How do the key decision-makers identified, whether elected or not, formulate economic policies. They can decide on those policies either unilaterally or on the basis of extensive consultation with other officials and civic groups. To ascertain the prevailing mode of decision-making, the survey asked: “How much effort do you think that particular leading organization named above makes to collaborate with other relevant organizations, individual citizens, and groups in making economic policies—a lot, some, a little, or none?” None said that the key decision-makers are seeking “a lot” of consultation with government, other agencies or civic associations, while 50 percent said “a little.” From this finding it is evident that extensive consultation is not the modal characteristic of economic policymaking in present Korea, as it is in advanced democracies. Yet the current mode is distinguished from the one under military regimes in which the key players refused to consult with other actors.

The Role of the Finance and Economy Committee

Naturally the question arises as to what the National Assembly actually does in deliberating the major economic legislation proposed by the executive branch. To explore this question, we selected five major pieces of economic legislation that the Committee on Finance and Economy deliberated during the month of October 2000. They include: (1) a bill amending the existing laws on foreign currency transactions; (2) a bill amending the existing laws on income taxes; (3) a bill limiting special cases of tax exemptions; (4) a bill to create a financial holding company for economic restructuring; and (5) a bill to regulate the establishment of banking corporations.

Table 2-4 Lawmakers' Assessments of Amending Government-Sponsored Bills

Type of Bills	The level of amending			No Answer	Total
	Not at all	slightly	a lot		
Holding Company	30% (6)	45% (9)	20% (4)	5% (1)	100% (20)
Corporate restructuring	20% (4)	60% (12)	15% (3)	5% (1)	100% (20)
Income Tax	5% (1)	75% (15)	15% (3)	5% (1)	100% (20)
Tax Exemption Ban	5% (1)	60% (12)	30% (6)	5% (1)	100% (20)
Currency exchange	20% (4)	70% (14)	----	10% (2)	100% (20)

Notes: Figures in parentheses are the number of lawmakers.

Source: Surveys of Korean Economic Lawmakers.

Our survey asked the committee members to what degree these bills were amended or revised during its deliberation. Table 2-4 reports the percentages of their responses to each question on three levels of amendment ranging from “not at all” to “a lot.” The percentages affirming a large degree of amending by the committee range from 0 percent for the bill on foreign current transactions to 30 percent for the bill on tax exemptions. The percentages of those affirming the occurrence of no amending at all also ran up to 30 percent. In four of the five bills surveyed, a substantial majority of 60 or 70 percent admitted only to slight amending of those bills. This can be interpreted as an additional piece of evidence confirming that the National Assembly plays nothing other than second fiddle in economic policymaking.

Does the National Assembly play a greater role in economic policymaking in the wake of the democratic transition from nearly three decades of military rule? To explore this question, the survey asked members of the CFE: “In general, how would you compare the amount of influence members of the National Assembly are currently able to exercise in the national economic policymaking process with what they were before the birth of the democratic Sixth Republic?” In response to this question, a majority of 60 percent replied that there has been at least some degree of increase in the level of influence they exercise, while 40 percent believe that there has

been no such increase. Undoubtedly democratic regime change has occasioned lawmakers to exercise influence to a greater extent than they did in the authoritarian past.

The Role of Individual Lawmakers

How do individual lawmakers assess the role they are actually playing as economic policymakers under the existing system of democratic governance? This subject is explored in terms of their responses to a pair of additional questions. “How much influence do you think you personally exercise in the process of making national economic policies--a lot, some, a little, or almost none?” “To what degree are you satisfied with the amount of influence you currently have in the economic policymaking process--very satisfied, somewhat satisfied, not much satisfied, or not at all satisfied?”

In response to the first question concerning the level of influence, none replied “a lot” or “almost none at all.” Lawmakers were equally divided between the two middle categories of “some” and “a little.” To the second question concerning the level of satisfaction again, none of them said that they were “very satisfied” with the amount of influence they have had under the current democratic regime. While less than one-third (30%) said “somewhat satisfied”, twice as many (65%) replied that they were “not much satisfied.” The negative responses to both questions, when considered together, make it clear that all lawmakers on the CFE are neither highly influential in economic legislation nor very satisfied with what they do there as policymakers. It is apparent that they just want to play a greater role in economic policymaking somehow, although they do not feel that they should be the key players in that process.

With whom do lawmakers consult when they deliberate economic legislation? To examine this subject, our survey asked lawmakers on the CFE to identify the two main sources from which they gather the necessary information for their work in their own committee. More than 10 percent of them mentioned their own personal staff (30%), non-governmental organizations (23%), other government institutions (18%), their own committee staff (10%), and the mass media (10%). Less than 10 percent referred to other lawmakers in the same party. One in every three (33%) is found to consult with non-government organizations including the media. This suggests that Korean lawmakers have yet to practice the democratic art of engagement with civic associations extensively.

PART THREE

THE NATIONAL ASSEMBLY AND BUDGET DELIBERATIONS

The ninth constitutional amendment in October 1987 created the democratic Sixth Republic with a presidential type of government and a legislature called the National Assembly or *Kukhoe*. The Assembly is a unicameral legislature composed of 273 district and non-district members. This final part of our research report first examines the limitations and possibilities of the Korean legislature as a democratic legislature and the impact of those characteristics on budgetary policymaking. Then it describes in detail how the Assembly deliberated the budget proposal for fiscal 2001 and why it failed to approve the proposal before the deadline of December 1. Finally it highlights the key findings of a questionnaire survey designed to evaluate the current practices of budget policymaking from the perspective of the lawmakers who serve on the Assembly Special Committee on Budget and Accounts.

I. The National Assembly as a Democratic Legislature

Elections

Unlike the president who is elected to a term of 5 years, members of the Assembly are elected to 4-year term by two different systems of elections. District representatives are those members who are elected from single-member districts, and at-large members are chosen under nationwide party lists. The latter seats are divided in proportion to each party's nationwide vote share among those parties that win at least five district seats or that receive 5 percent or more of the total valid votes. Each voter cast one vote to choose a single district candidate, and that vote is also counted as the choice of the candidate's party list for nationwide proportion representation.

Organization

The National Assembly has always been unicameral except for a brief period during the Second Republic (1960-61). Key officials of the Assembly are the speaker, two vice speakers, partisan floor leaders, and committee chairs. The speaker and vice speakers are elected by secret ballot in the plenary session. Elections require the concurrence of a majority of the entire membership. Each officer serves for a two-year term. The position of the speaker is controlled by the majority party. As a courtesy, one of the two vice speakerships is assigned to the opposition party, although there is no formal requirement to do so. In the absence of the speaker, a vice speaker designated by the speaker is in charge. If the speaker and vice speakers are all absent, the Assembly elects a speaker pro tempore.

The speaker

The speaker represents the National Assembly, presides over its proceedings, maintains order in the Assembly, and supervises its administrative affairs. An example of the speaker's power to act for the national legislature is that he sends a bill passed by the legislature to the government in his name. The speaker has wide ranging powers to regulate parliamentary proceedings. His or her permission is necessary when a member wishes to ask the floor. The speaker may change the opening hour of the plenary session, which normally begins weekdays at 2:00 p.m. He prepares the agenda, which includes the date and hour of the opening of the plenary session. He can also limit the period of examination of a proposal by a committee. In exercising these powers, the speaker consults with partisan floor leaders. To keep order when the National Assembly is in session, the speaker has the authority to ensure security in the legislature. If disruptive behavior occurs at

committee or plenary meetings, the speaker may mobilize security guards to restore order.

Bargaining Groups

A bargaining group, which is called *kyosop danche* in Korean, refers to an intra-parliamentary party caucus formally established with the National Assembly. This group can be formed whenever a political party has secured at least twenty seats. In the present sixteenth Assembly, the Millennium Democratic Party, the Grand National Party, and the United Liberal Democrats are formally recognized as bargaining groups, controlling twenty or more seats. Each bargaining group is represented by its floor leaders, who sit on the Steering Committee of the legislature and engage in the give and take of parliamentary politics. The floor leaders of a bargaining group include a whip, a senior deputy whip, and several deputy whips.

Floor Leaders

The purpose of floor leaders is to ship up support among the rank and file in order to maintain strong party discipline. At every stage of decision-making members follow the instructions of their floor leaders. In Korea's presidential system of government, an underlying principle is checks and balances between the executive and legislative branches. Furthermore, about 85 percent of the members of the National Assembly are elected in single-member districts where individual candidate appeal is instrumental in determining electoral success. Although one may conclude the party discipline is weak in the Assembly, in reality there are good incentives for members to follow the directives from above. The top leaders of a Korean party, in or out of power, hold a firm grip on the process of nominating candidates for Assembly seats. Candidates are legally allowed to run without party nomination. Yet a member who fails to obtain re-nomination faces a much smaller chance of being reelected as

an independent candidate than in running with the party label. Also, the central party's financial and organization support is crucial for activities related to representing constituencies and in electoral campaigns. Party discipline is especially strong in the president's party because the chief executive controls the legislative members of his party through rewards and sanctions.

Committees

The National Assembly has two types of committees, standing and special. Currently, there are sixteen standing committees, including the steering committee, and fifteen standing committees that oversee specific functional areas. The jurisdictions of these functional committees are parallel to those of government ministries and agencies. They are: (1) legislation and justice; (2) government administration and local autonomy; (3) finance and economy; (4) national unification, foreign affairs and trade; (5) national defense; (6) education; (7) culture and tourism; (8) agriculture, forestry and maritime affairs; (9) commerce, industry, and energy; (10) science, technology, information and telecommunication; (11) environment and labor; (12) health and welfare; (13) construction and transportation; (14) intelligence, and (15) national policy.

Special committees are appointed to examine special matters as deemed necessary by the National Assembly. In particular, the Special Committee on Budget and Accounts reviews the budget proposal and statement of accounts. This committee, unlike other special committees, does not dissolve automatically even after the plenary session of the Assembly decides on the budget proposal and accounts. Two other special committees, on ethics and on women, are permanently established.

Of all committees, the Special Committee on Budget and Accounts—with fifty members—is the largest. The other committees vary in size from twelve to thirty members. A member can sit on only one of the standing committees. Formally, the speaker is responsible for committee assignments. In practice, the party whips play a key role in committee assignment. The partisan composition of each committee reflects the legislative strength of each party in the Assembly.

Chairs of standing committees are elected by secret ballot in the plenary session. Chairs of special committees are elected in committee meetings. The chair presides over meetings, maintains order, and supervises the management of its affairs. Standing committees have a central role in the parliamentary process by reviewing legislative bills and petitions for their deliberations in the plenary session of the Assembly. The committee may make amendments to legislative proposals, and the plenary session usually upholds the committee's decision. The committee may hold public hearings, request explanatory remarks of high level executive officials, and question them about important matters.

Staff

The National Assembly's support staff consists of roughly three thousand people including 250 researchers, 215 committee staff, and 1,638 support staff for individual lawmakers. The secretariat manages administrative affairs and provides support for the members of the Assembly. It is headed by the secretary general, equivalent in rank to a cabinet minister. The secretary general is appointed and dismissed by the speaker in consultation with the floor leaders and with the consent of the Assembly. The National Assembly's library assists members with their legislative activities by supplying reference materials. Its legislative Information Service Section has 22 full-time professionals trained in the retrieval of legislative information.

Parliamentary Sessions

The National Assembly meets either in regular or special sessions. The regular session opens annually on September 1 or the next day if it is a holiday. It used to be September 10 in the Sixth Republic and September 20 in the 5th Republic. A special session may be convened at the request of the president or at least one-fourth of the total membership. If the president requests convocation of a special session, its duration and the reason for the request must be specified. Before January 10 each year, the speaker draws a basic framework of the legislative schedule for the calendar year in consultation with the Steering Committee.

The duration of a session, except for that requested by the president, is determined by a vote immediately after the opening of the session. The period of the regular session may not exceed one hundred days, a special session may not exceed thirty days. During a session the National Assembly may decide to adjourn for a fixed number of days. Committee meetings may be held when the Assembly is not in session. The Assembly must terminate adjournment and resume its plenary session if the president, the speaker, or at least one –fourth of the entire membership asks for a continuation because of an urgent matter. Recently, the Assembly has averaged 170 days or so a year in session. The plenary session, however, has met only for an average of 45 days a year, meaning that approximately three-fourths of a session is usually spent on committee work and intermittent recess.

The quorum for opening the plenary session is at least one-fourth of the whole membership. Unless otherwise stipulated in the constitution or other laws, a decision in the plenary session requires the presence of a majority of the total members and concurrence of a majority of those present. A tie vote means that the matter has been rejected. To open a committee meeting, one-third of the members or more forms a

quorum. A decision is made in the committee if a majority of the committee members are present and a majority of those members present affirm the decision.

Generally, sessions in the National Assembly are open to the public, but they may be closed if a majority of the members present decides to close the session or if the speaker invokes a national security. Thus the Intelligence Committee holds executive sessions. There are some other principles governing the sessions of the National Assembly. A matter submitted for deliberation should not be dropped on the ground that it was not acted upon during the session in which it was submitted. A matter defeated in a vote may not be proposed again during the same session.

A member who wishes to speak in the plenary session must gain prior permission from the speaker. Normally, members may speak for no more than fifteen minutes; they must further limit their speech to five minutes; they must further limit their speech to five minutes if it concerns a point of order or persona matter, or if it supplements a committee report. Members who speak on a topic of their own choice during the first hour immediately after the opening of the plenary session are given only for minutes. The time can be extended up to forty minutes when a representative of a bargaining group makes a speech on its behalf.

The number of members of each bargaining group who address a matter on the agenda is based on the total length of time available for speeches and each group's share of seats in the Assembly. In addition, there are further constraints on the speeches made in the plenary session so that members have equal opportunities to take the floor. For example, a member normally is prohibited from making a speech that is not relevant to the subject on the agenda and from speaking more than twice on the same subject. But these kinds of limitations are almost nonexistent when it comes

to speeches made by members in committee. This lack of restrictions is conducive in-depth deliberation in the committees.

Legislative Procedure

The government as well as members of the National Assembly may introduce a legislative bill. When a member introduces a bill, he or she must obtain at least twenty co-signatures. A committee can introduce a bill concerning a matter under its jurisdiction in the name of the chair. If the bill requires budgetary measures, it must be accompanied by financial statements. Once a bill is introduced to the Assembly, the speaker has it printed and distributed to each member. After reporting the bill to the plenary session, the speaker refers it to the relevant committee before placing it on the agenda of the plenary session.

Committee Examination and report

Before examining a referred bill, the committee is given an explanation of the purpose of the bill by the bill's sponsor and a report from a senior committee staff member. Following a period of general debate, an ad hoc subcommittee may be established for reviewing the bill and reporting the result to the full committee. The committee may hold public hearings by summoning interested parties and experts as witnesses to hear their opinions. The committee must also hear from the government about any budgetary matters. The committee then examines the bill article by article (a process may be superseded by a vote). Finally, the committee votes on the bill. Once the bill is approved, it is referred to the Committee on Legislation and Justice; this committee checks the legal formalities, including the organization and wordings of the bill.

The committee reports to the plenary session noting whether it approved or rejected the bill either in its original or amended version. The plenary session usually does not act further on a bill that has been rejected in committee. In unusual cases, however, the bill can be placed on the agenda of the plenary session if thirty or more members make such a request within seven days, excluding the times between sessions or intermittent recesses in the middle of a session, from the date of the committee report.

Debate and amendments

Further debates and amendments regarding a bill reported by the committee can take place in the plenary session. Members who wish to debate must notify the speaker in advance. The speaker gives alternate turns to members who oppose and support the bill, while taking into consideration the order of notice and the strength of each bargaining group. The speaker ensures that the members opposing the bill take priority in speaking. Once the debate has finished, the speaker declares it closed.

A motion for amending a bill in the plenary session should be submitted in advance together with the reasons stated and accompanied by at least thirty co-signatures. When multiple amendments are submitted for the same subject, the speaker determines the order of voting as follows: the amendment proposed last is first voted on, an amendment proposed by an individual member is voted on before the one submitted by the committee, and the amendment differing most from the original proposal is the first voted on among the amendments submitted by members. When all the amendments have been voted, voting on the original proposal takes place.

Voting

After the speaker's announcement of a vote, no member may speak on the subject at hand. A member who is not present at the time of voting cannot participate in the voting. When a vote is taken by ballot, members may participate in the voting up to the time the ballot box is closed. When the speaker asks members if there are any objections and sees that none are raised, he or she declares the matter passed. If, however, there is an objection, the speaker takes the vote by asking members to stand or to cast ballots. Until recently, other voting methods have rarely been used in the National Assembly. An open ballot vote has been used only for deciding on a proposal to amend the constitution. And a secret-ballot vote has been limited to a few instances such as the decision about a bill vetoed by president. But now the National Assembly law stipulates that the recorded vote (open ballot, electronic vote, or roll call) or the secret-ballot vote can be applied to any important matter at the speaker's proposal, at the request of at least one-fifth of the total membership, or by a decision in the plenary session.

A bill passed by the National Assembly is sent to the government, and the president signs the bill and promulgates it within fifteen days. The president may return the bill to the Assembly for reconsideration. The president cannot request the legislature to reconsider some part of the bill, nor can he or she propose an amendment to it. If the Assembly with at least a majority of the total members present, passes the same version of the bill as before by a two-thirds majority, the bill becomes law. There have been seven presidential vetoes exercised over the bill approved by the Assembly in the past fifteen years. All of these occurred in the first two years of the Thirteenth Assembly (1988-90) when the ruling Democratic Justice Party did not hold the majority status and hence could not dominate the legislative

process. The vetoed bills died or were significantly modified to obtain presidential approval.

The 16th National Assembly

The current 16th National Assembly was elected on April 13, 2000. Formally it opened its doors June 5. The size of its membership has been reduced to 273, 26 seats down from the 15th Assembly. Of the total seats, 227 were elected from single-member districts, and the remaining 46 were elected by the method of proportion representation discussed earlier. President Kim Dae Jung's Millennium Democratic Party (MDP) received 35.9 percent of the popular vote, which yielded 42 percent of the legislative seats. The main opposition Grand National Party (GNP) held 48.7 percent of the seats with 39.0 percent of the vote. The United Liberal Democrats, a regional party based in Choongchung province, received 17 seats, 3 seats shy of the required 20 seats to form a negotiation group (party group) within the National Assembly (Park, 2001). Five independents and two minor parties held the 8 remaining seats. Shortly after the elections, 4 out of these independents joined the ruling party.

For the six months or so since the beginning of its four-year term on May 30, 2000, the 16th Assembly is judged to have set several "dishonorable" records in terms of legislative effectiveness and productivity. Out of the 200 days the Assembly was in session, only 34 days were spent on passing bills and resolutions through the plenary session. As many as 85 days were lost because the ruling or opposition party staged boycotts to protest the other party's views or activities. According to *Munhwa Ilbo*, a daily newspaper published in Seoul, a total of 298 bills and resolutions were passed. Deliberations took place on the most crucial bills on such matters as anti-corruption, human rights, and the National Security Law. This indicates that the

Assembly spent 900 million won (\$800,000) for every bill they passed. This calculation was based on the salaries and other expenses of the 273-member legislature, which totaled 165 billion won during the period of its first 200 days. With endless partisan bickering and boycotts among its members, the 16th Assembly registered the worst record as a legislative body (*Korea Herald*, December 26, 2000).

As of February 2001, three political parties are currently represented in the National Assembly. The main opposition GNP, which lost in the 1998 presidential elections, holds 133 seats, a plurality of 273 seats. President Kim Dae Jung's MDP holds 115 seats, much less than a legislative majority. Until early this year, the United Liberal Democrats (ULD) held only 17 seats. This small regional party was, therefore, unable to achieve the formal status of a negotiating group in the Assembly because it was three seats short of the minimum legally required. In order to compensate for this the party registered as a negotiating group in the legislature when the ruling party leased four of its lawmakers to the ULD. And then the two parties formed a ruling coalition. This unprecedented political maneuvering by the ruling party is widely viewed by the news media and the electorate as "low-quality political comedy" and epitomizes the ignoring of basic principles in democratic politics by political leaders. It strained further the working relationship between the ruling and opposition camps and added to their partisan conflict and legislative deadlock (*Chosun Ilbo*, January 10; *JoongAng, Ilbo*, January 11). It also deepened the Korean people's disillusionment with political leaders and their party's politics.

In February 2001, Seoul Institute for Transparency conducted a survey of 108 business people (*Korea Herald*, February 27). Of those people surveyed, 77 or 71 percent judged the National Assembly as the most corrupt public organization, followed by the police (69%), and prosecutors' office (65 percent). From this finding

alone, it is evident that lawmakers do not respect the rule of law besides failing to work together on the urgent problems facing the country. The current 16th National Assembly is an institution of representative democracy in a serious crisis.

II. The Deliberations of the 2001 Budget

On September 26, 2000, the executive branch finalized the budget proposal for the fiscal year 2001. On October 2, it formally submitted this proposal to the National Assembly. For the next eight weeks, the Assembly failed to deliberate the proposal mainly due to a series of partisan conflicts between the ruling MDP and the main opposition GNP. Having failed to complete its deliberations during the regular session that ended on December 9, the Assembly had to convene on December 11 the 216th extraordinary session that lasted for 30 days. In its plenary session opened at 0:38 a.m. on December 27, the Assembly passed the budget for the next fiscal year with the approval of 78 percent of those lawmakers present in the session. This was 26 days after the legislature was supposed to finish the annual budget review.

The National Assembly's Special Committee on Budget and Accounts (SBA) was convened on November 27, 2000 to begin the process of deliberating the budget request of 101.3 trillion won (\$92 billion) for the fiscal 2001 year. The ruling MDP and the main opposition GNP widely differed on the appropriate size of the next year budget. Rep. Chung Kyun-hwan, the MDP floor leader, emphasized that the 6.3 percent increase in the requested budget from the current year's level reflected a conservative fiscal plan. In reply, the opposition GNP claimed that the 101 trillion won budget was based on inaccurate estimates of economic growth and included "unnecessary" and overlapping expenditures that could be cut without hurting efforts to stabilize the economy. The GNP demanded that at least 1 trillion won be retrenched. The GNP cited revenue shortfalls stemming from the deterioration of the

economy as the reason to reduce the budget by 1 trillion won. The ruling Millennium Democratic Party (MDP) refused this demand, saying that it could not accept more than 400 billion won cut from the government-proposed budget bill.

The center of their disagreement was over how much would be needed to run the country and ensure economic growth on a continuing basis. In view of the growing problems of the national economy, the opposition GNP wanted to freeze the budget at roughly the same level as the previous year's, that was about 92 billion won. The ruling MDP challenged this view by arguing that sharp cuts at the time of economic slowdown would undermine the already weak flow of capital through the market and make economic recovery more difficult. Partisan differences on this and many other crucial issues made it difficult for the two parties to sit down together and genuinely deliberate the 2001 budget.

With less than a week to go before the legal deadline for the plenary session of the National Assembly, a new fight between the ruling and opposition camps stalled the passage of the 101 trillion budget for 2001. The Special Committee on Budget and Accounts was paralyzed shortly after its Chairman, Chang Che-shik of the ruling MDP, sent out an internal memorandum to his party members. In that memorandum, he asked his fellow party members to "ruthlessly attack and destroy" an ultraconservative lawmaker, Rep. Kim Yong-Kap of the GNP. Rep. Kim had been a harsh critic of the Kim Dae Jung government's North Korean policies. In October, he caused an uproar by accusing the ruling MDP of being a subsidiary of the North Korea's Workers' Party at an Assembly interpellation session.

At the general meeting of GNP lawmakers on Saturday December 2, the opposition party denounced the inappropriateness of Rep. Chang's memorandum, calling for his apology and resignation as committee chief. The opposition lawmakers

also pointed out that Rep. Chang failed to fulfill his duty as the chairman of the budget committee fairly, not to mention his partial handling of committee proceedings. They added that unless these demands were met, they would be forced to boycott all meetings to review the 2001 budget. To such demands, the MDP countered that the GNP's threat of boycott was an irresponsible act that could adversely affect government policy implementation and the economy. The ruling party also hinted that GNP might plan to stall the budget process in order to call for an extraordinary session of the Assembly and protect some of its lawmakers from being questioned by the authorities. This incident prevented the National Assembly from passing the 2001 budget by the legal deadline.

The breakthrough of the deadlocked negotiations came on Sunday December 24. The floor leaders of the ruling and main opposition parties—Rep. Chung Kyung-hwan of the MDP and Rep. Chung Chang-hwa of the GNP—agreed to 800 billion won (\$649 million) in budget cuts. They also agreed to forward a bill proposing a 2001 budget of W100.23 trillion for passage at the plenary session of the National Assembly scheduled for Tuesday December 26. The 800 billion won compromise is a record high for a year-on-year budget and is almost twice the previous year's cut of 432.2 billion won. In their six-point agreement, the two whips decided to cut spending on “pork-barrel” projects and instead they increased expenditures for infrastructure. They also vowed to focus on financial measures to reduce debts in the farming and fishing sectors.

Refusing to honor the six-point agreement, members of the rival parties failed to finalize the budget's size at a subcommittee meeting of the Special Committee on Budget and Accounts on Monday December 25. They could not agree on the specific areas where the budget cuts of 800 billion won should take place. The ruling party

demanded a cut in spending on relief measures while the main opposition party asked for the reduction of political spending. One of the biggest fights was over the North-South exchange and cooperation fund. The Ministry of Unification initially requested a 318 percent increase in its budget, including a five-fold increase in the Inter-Korean Cooperation Fund to 500 billion won from 100 billion in 2000. They finally agreed to 350 billion won.

On Tuesday December 26, the Special Committee on Budget and Accounts passed the 2001 draft budget valued at 100.2246 trillion won, a reduction of 805.4 billion won or 0.8 percent from the government's original budget bill. Shortly thereafter, the National Assembly passed this draft budget. The 2001 budget approved by the Assembly included the original amount of 500 billion won the government requested for the North-South cooperation fund. The fund was restored to the original amount only after increasing to \$150 billion the funding of infrastructure projects in Yongnam, the opposition party's power base. Such practices of budget making in the Korean National Assembly testify to the fact that Korean lawmakers, like their peers in other new democracies, were primarily interested in protecting their own pork-barrel projects and securing funds for the projects that would boost the economy in their own regional power bases. The budget cut in the amount of 805.4 billion won should be viewed as nothing more than cosmetic surgery because it came from a reserve fund of 946.3 billion, including 800 billion won for natural disaster relief and government bond interest payments. The government is obligated to pay the latter and would have to revise the budget later next year when natural disasters occur.

Appendix F provides details of the cuts and increments made by the National Assembly for the 2001 national budget. Welfare was one of the nine budget

categories the Assembly chose for increased spending above the level requested by the government. Its increases in the amount of 11 billion won, however, was significantly smaller than that for the other categories of agriculture and fishery (570 billion won), social overhead capital (535 billion won), and environmental protection (108 billion won). Among five subcategories of welfare, the Assembly expanded the basic subsistence program by the largest amount of 306 billion won. This was followed by the program to support the "marginalized" segment of the Korean population including the disabled, the elderly, and female-headed households.

III. Lawmaker's Assessments of Budgetary Policymaking: A Survey of Members of the Assembly Budget and Accounts Committee

What role does the National Assembly play in the process of preparing and implementing the state's annual budget? What role should the legislature play in the budgetary process? How much influence do individual lawmakers exercise in the making of budgetary policies? Do they exercise greater influence in the wake of democratization? To explore these and several other important questions concerning budget policymaking, a questionnaire, composed of 15 items, was administered to all the members of the Assembly Committee on the Budget and Accounts (CAB) during the months of December 2000 and January 2001 (For the wording of these questions, see Appendix C). Of the 50 lawmakers currently serving on the CAB, 43 filled out the questionnaire, registering a high response rate of 86 percent. These respondents include 42 males and one female; 39 district and 4 district members; and 19 ruling party members, 21 opposition party, and 3 United Liberal Democrats. They are all college-educated and their ages range from 32 to 63 (for further details, see Appendix D). This section highlights major findings of this survey.

Key Budget Makers

Who plays the key or leading role in making policies on the national budget and accounts? Who should play such role? Should it be the legislature or the executive branch? As Table 3-1 shows, more than three-quarters (77%) of those lawmakers directly involved in the budgetary process identified the relevant ministries of the executive branch as the key budget makers. Only a small minority (14%) saw themselves and their legislative institutions playing such a role. Among those lawmakers who are most directly involved in budget deliberations, there is a very strong agreement that the National Assembly and its lawmakers are not the key players in the budget making process.

Table 3-1 Lawmakers' Perceptions of Key Players in Budgetary Policymaking

Role	Institutions Playing a Key			
	President/ Blue House staffs	Relevant governmental institutions	National Assembly committees	Social and groups
Views on organizations				
Key Players				
Actual key players (A)	7% (3)	77% (33)	14% (6)	2%
Preferred key players (B)	0% (0)	47% (20)	51% (22)	2%
<i>Discrepancy (A-B)</i>	+7%		+33%	-41%
<i>0%</i>				

Source: Surveys of Korean Economic Lawmakers.

When asked about which particular institution should play the key role, however, there is no similar agreement among CBA members. Table 3-1 shows their choices are almost evenly split between the categories of the legislature and government ministries. While 51 percent chose the former, 47 percent did the latter. When these figures are compared to the ones reported earlier, there is a considerable gap between what CAB members think these institutions actually do and should do.

On the index measuring this gap (see the third row of Table 3-1), the Blue House and government ministries register positive scores, but the National Assembly does a negative score. Obviously, the legislature is unable to perform the leading role it should play while the executive branch is playing that role it should not do. In a nutshell, lawmakers themselves are well aware that the National Assembly exercises little control over the budget, though they think the legislature should be a key player in the budget process.

Mode of Budgetary Policymaking

How do the key decision-makers identified, whether elected or not, formulate economic policies. They can decide on those policies either unilaterally or on the basis of extensive consultation with other officials and civic groups. To ascertain the prevailing mode of decision-making, the survey asked: “To what extent do you think that particular leading organization named above seeks to collaborate with other relevant organizations, individual citizens, and groups in making budgetary policies—very actively, somewhat actively, not much actively, or not actively at all?” A majority (61%) replied affirmatively. Equal notable is that more than one in ten (14%) CBA members observed “a lot” of consultation by the key decision-makers with other agencies or civic associations. At least some degrees of frequent consultation, if not extensive, are the modal characteristic of budgetary policymaking in present Korea. In this respect, the process of budgetary policymaking appears to be more democratized than that of economic policymaking where none of extensive consultation is reported. Democratization in Korea to day has had divergent and uneven impact on the process of policymaking.

Legislative Control over the Budget

How much influence does the National Assembly exercise in the making and implementing of the national budget? To estimate the extent of the Assembly's leverage over the executive branch with respect to deliberations of the national budget, the survey asked CAB members to what degree they think the Assembly amended the executive budget proposed for the current 2001 fiscal year. To estimate the Assembly's control over the implementation of the budget, on the other hand, the survey asked the same respondents how well or poorly the legislature controls and oversees the management of the executive state budget.

As described in the case study of the 2001 budget, the net change (cut in this case) the National Assembly made to the budget was just 0.8 percent of the executive branch's original proposal. In fact, this cut is not a significant departure from what is usually done in the National Assembly's budget deliberations in the past. The legislature rarely modifies the government-proposed budget by more than one percent. This is well reflected in the survey results. When CBA members were asked about the extent of revision over the original budget proposal, about two-thirds (67%) said that the National Assembly revised it just a little. Nearly one-fourth (23%) stated the legislature modified almost nothing. The remaining 9 percent or so only responded that it made quite a few changes. On the whole, the lawmakers' perception of legislative control over budget policies is pretty close to the objective reality of the National Assembly's policy leverage.

When asked to evaluate the role of the National Assembly in overseeing the implementation of the budget by the executive branch, the survey revealed a similar result, i.e., legislative control is, by and large, far from being effective. Specifically, the survey asked: "Overall, how well or poorly do you think the National Assembly

controls and oversees the formulation and implementation of the budget by the executive branch?” There was not a single lawmaker who rated the legislature as doing that job very well. Only one-tenth (12%) was somewhat positive in the evaluation of legislative control over budget implementation. In sharp contrast, more than two out of five (44%) legislators were somewhat or very negative about budgetary control. By a large margin of 8 to 1, positive ratings were outnumbered by neutral and negative ratings.

This pattern of responses from the CAB members accurately reflects what is actually done in the legislature to control the implementation of the budget by the executive branch. At least 120 days before the beginning of the new fiscal year, for example, the Board of Audit and Inspection, an executive agency under the president’s direct control, submits to the National Assembly the annual accounts of revenue and expenditure for the previous fiscal year, with its audit findings. The accounts are then reviewed in part by each standing committee, in full by the Budget and Accounts Committee, and are finally approved in the plenary session. In general, this process of overseeing budget implementation is nothing more than perfunctory. In many respects, it is much more perfunctory than the one involved in the deliberation of the budget proposal that takes place toward the end of each fiscal year. Even in the annual inspection of government ministries and agencies that is conducted during its regular session, the National Assembly is unable to scrutinize thoroughly the appropriateness and accuracy of budget implementation.

How do CAB members feel about what has happened to the National Assembly in the wake of democratic regime change? A large majority (72%) recognized that the influence of the National Assembly in budgetary policymaking has increased at least somewhat in the wake of democratization. A small minority

(14%), however, did not agree with such an assessment. Instead, they judged that the Assembly has lost its influence in the wake of the regime's democratization. It is difficult to figure out why democratization has seemed a lost cause to this minority.

The Standing of the Committee on the Budget and Audits in the Assembly

The second part of the survey asked CAB members to examine the status of their own committee in the National Assembly and the several key aspects of deliberation and decision making taking place within the committee itself. A pair of questions was first asked to determine the exact place the CAB occupies in the legislature. With the exception of one member, all respondents from the committee agreed that the deliberations of the state's budget and accounts constitute a very important component of all the legislative activities conducted in the National Assembly. In a similar vein, equally many (94%) approved enthusiastically of the recent elevation of the CAB to the status of a standing committee with the revision of the National Assembly Act in February 2000.

Before the revision of this law governing the organization of the Assembly, the Committee on the Budget and Accounts served merely as a temporary special committee. It was organized on an ad hoc basis whenever a budget came up on the legislative agenda, and then it dissolved soon after the passage of the budget. The committee has now become a permanent special committee that can review budget matters all year round. In the survey, the respondents were asked how much they expected this change in the committee's status would contribute to the strengthening of the National Assembly policy influence in budgetary policy making. Forty-seven percent said that the change would contribute a lot to legislative influence. Another 47 percent expected some strengthening of legislative leverage. The remaining 7.0 percent expected little or none. Thanks to the reorganization of their committee, CAB

members are expecting their committee to play a greater role. They believe this will, in turn, enhance the National Assembly's influence over budget policymaking.

Budget Deliberations within the Budget and Audits Committee

For a comprehensive account of the budgetary deliberations in the CAB, our survey prepared a set of four statements concerning the workings of the CAB and asked CBA members what extent they agreed or disagreed with each statement. As to the role of partisanship in budget deliberation, about one-tenth (12%) said that partisanship matters little or not at all. One-quarter (26%) said "a lot" and three-fifths (63%) said "somewhat." When asked about the differences in policy position across political parties, an overwhelming majority (92%) recognized political parties as an important source of conflict in the legislature. It is evident that partisan interests and views greatly affect deliberations and decision-making even in the committee dealing with the state's budget. This confirms the popular perception that political parties dominate the legislative process in Korea.

One cannot expect the easy achievement of negotiations and compromises in a place where partisan views collide head-on on a frequent basis. In this regard, the survey asked CBA members how much they would agree or disagree with the statement that their own committee does a good job of negotiating conflicting opinions and views among its members. Nearly nine out of ten (88%) disagreed with the statement, revealing the difficulty of reaching such necessary cooperation between rival parties.

When asked to assess the level of expertise individual members of their committee command on budgetary matters, more than three-fifths (63%) of CBA members affirmed the view that they have a high level of expertise and knowledge on budget matters. Considering the fact that legislative members do not compare

favorably with the bureaucrats and technocrats of the executive branch in terms of policy expertise, the survey reveals a positively biased picture of the committee members' expertise. In the current legislature, for example, there are so many limitations that work against the buildup and exercise of individual lawmakers' specialty and expertise. First of all, due to the prevalence of partisanship as discussed above, even those members with a high level of policy knowledge and skill do not have a strong voice in the deliberative process. Second, a committee member's term of service on the Budget and Accounts Committee is just one year, which does not allow members to acquire expertise or use it over the long run. Third, the current schedule for budget deliberations cannot provide the members with ample opportunity for scrutinizing the details of the budget both extensively and intensively from an expert's vantage point. On average, the full committee conducts its budget review for 12 days, while the subcommittee for adjusting budget figures does so for 8 days. Even if committee members are policy experts, therefore, it is highly unlikely that they can actually exercise their expertise in the deliberative process in such a short span of time.

The Role of Individual Lawmakers

In a situation where the legislature has little or no control over what the executive branch does with the budget, it is difficult to expect that individual lawmakers will see themselves as exercising a great deal of influence over the budgetary process. As expected, about half (51%) of the legislators evaluated their own influence in a negative light. While 44 percent said "a little," 7 percent said "almost none." As much as they are critical about the role their legislature plays, CBA members are critical about their own role, too. Equally notable is that only one out of 43 respondents to the survey saw lawmakers exercising a great deal of

influence over the budget. Among Korean lawmakers there is consensus that the National Assembly as well as its members are not highly influential in the budgetary process.

To no one's surprise, a large majority (79%) of survey respondents are not satisfied with the amount of influence they hold over budget policies. When asked to evaluate the amount of influence they exercise personally over those policies, only one-fifth (19%) expressed any degree of satisfaction. Out of 43 respondents, only one lawmaker had a high level of satisfaction. Once again, there is consensus among Korean lawmakers that they are not at all satisfied with what they do in the budgetary process. It should be noted that these respondents serve on the CBA, and it has primary responsibility over budget policies and hence they have more influence over the process than their peers who are not on the committee. There is little doubt that all the members of the National Assembly are unsatisfied with the current level of their policy leverage over budget matters.

Whom do CAB members contact for the necessary information for their committee work? To explore this question, the survey asked them to identify the two most important sources of information in their deliberation of budgetary matters. Their own personal staff was mentioned most frequently (27%), followed by government ministries (22%), the committee staff and special staff working in the National Assembly's Secretariat (14%), civic association and other interest groups (19%), in that order. The two other sources less frequently cited include mass media (7.1%), and constituents in electoral districts (7.1%). Party colleagues and leaders were also mentioned, but their importance appears to be negligible.

Each lawmaker has six personal staffers, including a chauffeur, an attendant, and a clerical worker. Of those six staffers, three people at most may be able to gather and sort out information for his or her committee work. Despite such meager personal resources, it is all legislative members have. CAB members also frequently depend on the bureaucrats, whom the members are supposed to oversee and control, for obtaining policy information. Why don't they utilize other professional services available within the National Assembly?

The Budget and Accounts Committee, for example, has as many as ten full-time professionals whose job is to provide its members with specialized policy assistance. The Budgetary Policy Bureau, a recently reorganized support agency, also has additional 26 professionals with budgetary expertise. More than ever before, these professionals can supply the necessary information in a timely fashion. Yet, individual lawmakers are either unaware of or reluctant to rely on them. As in the past, they still rely most heavily on their own personal staff with limited expertise and time.

The constitution of the democratic Sixth Republic mandates the National Assembly to play the key role in the formulation and implementation of the national budget. For a variety of reasons including institutional constraints and partisan conflicts, the Assembly as the foremost institution of representative democracy is not capable of fulfilling such mandate. As in the authoritarian past, it has little or no control over the budgetary process. In this situation, it is difficult to expect that public needs and preferences are well reflected in that process. CBA members confirm this expectation. With the exception of one lawmaker, the CBA members surveyed agree that the will of the people is not well reflected in the existing process of formulating, deliberating, and implementing the national budget. Both

procedurally and substantively, Korea still has a long way to go to democratize the process of budget policymaking to the fullest extent.

PART FOUR

SUMMARY AND CONCLUSIONS

Korea has been in democratic transition for nearly one-and-a-half decades. During this period, the country has carried out a large number of institutional reforms and reshaped the institutions and procedures of military-authoritarian rule into those of a representative democracy. Free and fair electoral contests have been held at all government levels. Three free and competitive presidential elections were conducted, the third of which produced a historic transition of power. Four rounds of parliamentary elections also enabled the people to choose their representatives to the National Assembly. In local communities, popularly elected governors and legislators have taken the place of appointees of the central government.

Korea thus has fully restored civilian rule by extricating the military from power. Korea has also fully established the other minimal architecture of procedural democracy. Accordingly, in Korea today, there is general agreement that electoral politics has become the only possible game in town. Korean democracy meets the criteria of a robust procedural democracy or polyarchy specified Robert Dahl (1971), Larry Diamond (1999), and many others. For the past several years, the country has received an average rating of 2.0 on Freedom House's scale of political rights and civil liberties, placing it within the ranks of the world's liberal democracies.

The democratization of military rule to date has brought about significant changes in the making of economic policymaking. With the expansion of political freedom and reinvigoration of civil society, the policymaking process is open to those who were excluded in the authoritarian past. The goal of economic policymaking has also been redirected to promote economic justice, social welfare, and quality of life.

More than ever before, the government provides for those people and businesses that were long neglected under the military regimes of Presidents Park Chung Hee and Chun Doo Hwan. There is no doubt that more than a decade of democratic rule in Korea has transformed its economic policymaking process into the one that is more open as well as “kinder and gentler” to ordinary citizens (Lijphart, 1999).

Democratic Policymaking at Repose

In terms of formulating policies democratically, however, progress has been much slower and less substantial. As in the authoritarian past, the country suffers the imbalance of power between the president and the National Assembly. The constitutional principle of checks and balances rarely applies in the process of policymaking even though the legislature is elected by the people to represent themselves in that process. Instead, the principle of executive dominance always prevails over the democratic principle of checks and balances. While the democratic principle of popular sovereignty is well practiced at all levels of government through regularly scheduled electoral contests, no progress has been made in institutionalizing the equally important principle of checks and balances. Unevenness in democratic progress is one important feature of Korean democratization.

Unlike his peers in fully consolidated democracies in Western Europe and North America, the Korean president exerts a strong leadership unchecked by the National Assembly. As Leem Seong-Ho (1998) aptly points out, the Korean National Assembly, which was once ridiculed as “a rubber stamp” under military regimes, still remains a “peripheral” legislative institution even under a civilian president. While the constitution has been amended to give the people the right to elect their president, restore the freedom of the press and establish the rule of law, an all-powerful, imperial presidency has continued. Rule of person, not the rule of law, has persisted. Even the

election of Kim Dae Jung, a well-known activist for democracy, has not changed old-style “politics as usual.” All other major political leaders, including those of ruling and opposition political parties, have not shed their authoritarian behavior (Mo and Kim, 1999). Consequently, Korean democracy suffers serious deficiencies in the rule of law and the proper restraint of executive power.

In the current presidential system in which power is still concentrated in the hands of the president and his staff, the National Assembly does not play a leading role in formulating and monitoring economic and budgetary policies. Under the exigency of the worst economic crisis the country has experienced since the Korean War 50 years ago, the executive branch is seeking to restructure its crony capitalism primarily by means of executive orders and decrees, and administrative ordinances. The newly created Financial Supervisory Commission directly under President Kim Dae Jung’s control, for example, is known to be most powerful in formulating as well as monitoring various policies and regulations affecting the nation’s economy on a daily basis (Mo and Moon, 1999c). Even when important pieces of economic legislation are referred to the National Assembly, its standing committees in charge of economic legislation fail to consider any of those bills thoroughly. By and large, the role of the National Assembly in economic policymaking remains perfunctory as it was under the military authoritarian regimes.

In democratic Korea today, there is little doubt that the executive branch dominates the process of economic policymaking. How does this model of executive dominance differ from the “sunflower” model under military rule that also featured executive dominance? To explore this question, we considered together responses of 63 lawmakers who are currently serving on the two National Assembly committees in charge of legislating economic and budgetary policies. These lawmakers identified

the relevant agencies of the executive branch as the key economic policymakers far more frequently than the Office of the President (60% vs. 27%). Nearly three-fifths (57%) of them pointed out that the key economic policymakers consult with other agencies “somewhat actively” or “very actively.” When these patterns of responses are considered together, the differences between the pre-democratic and democratic models of economic policymaking are evident.

As discussed earlier, the authoritarian “sunflower” model represents an extreme version of technocracy featuring efficient decision-making mostly by technocrats with little or no consultation with other governmental and nongovernmental institutions, including the National Assembly. The current model is, on the other hand, a moderate version of technocracy in which technocrats formulate in consultation with other appropriate organizations. Obviously, this model is significantly different from a fully democratic model of economic policymaking in which the president and elected lawmakers formulate jointly with extensive consultation with civic groups and all other relevant governmental and non-governmental organizations.

Problems of Technocratic Policymaking

The delegation of economic policymaking from lawmakers to government ministries and agencies is not a new political phenomenon. As Stephen Heggard (2000) correctly observes, it is widely recognized as crucial to the functioning of any democracy by facilitating gains through organizational specialization and expertise and avoiding losses from politicians’ seeking particularistic benefits for their constituents. Moreover, supporters of democracy are not against the practice of delegating economic policymaking to the agencies of the executive branch. As Table 4-1 shows, the Korea Democracy Barometer surveys conducted for the past three

years, for example, found that from 72 percent to 77 percent of the respondents were in agreement with the statement that “the most important decisions about the economy should be made by experts and not by the government and parliament.”

Table 4-1 The Extent to Which the Korean Electorate Agrees or disagrees with the Most Important Role Technocrats play in Economic Policymaking

Response categories	Survey Years		
	1997	1998	1999
Strongly agree	27%	26%	24%
Somewhat agree	49	46	53
Somewhat disagree	17	21	15
Strongly disagree	7	5	4
(no response)	--	2	4
(N)	(1,117)	(1,010)	(1,007)

Sources: Korea Democracy Barometer Surveys

Nonetheless, it should be noted that relying on experts to make crucial decisions is not the same thing as ceding final control over major decisions to those technocrats (Dahl, 1998). It should also be noted that economic policymaking, like all other policymaking, requires much more than strictly scientific knowledge. It requires ethical judgments about the ultimate ends that various policies should achieve. It also requires judgments about trade-offs of divergent policy ends. Elected lawmakers should be empowered to have final say in decisions made by government ministries. Those ministries should be made more accountable to the National Assembly. In this regard, the ruling and opposition parties have agreed to revise budget accounting laws for the purpose of improving transparency and accountability in the use of public funds (*Joongang Ilbo*, March 3, 2001). This is an important step toward the democratization of technocratic economic policymaking in Korea. An active civil society, a free press, interest associations, and NGOs are all actively involved in this crucial phase of democratization in Korea.

APPENDIX A

1999 National Sample Survey Questions

1. Perceptions of the Current and Past Political Systems

Q49. Here is a scale ranging from a low of 1 to a high of 10. On this scale, 1 means complete dictatorship and 10 means complete democracy. The closer to 1 the score is, the more dictatorial our country is; the closer to 10 the score is, the more democratic our country is.

- a. On this scale, where would you place our country under the Chun Doo Whan government? Please choose a number on this card.
- b. Where would you place our country under the Kim Young San government?
- c. Where would you place our country under the Kim Dae Jung government?

2. Citizen Empowerment and System Responsiveness

Q32. How much influence do you think the votes of people like yourself have on the way our country is governed—a lot, some, a little, or none?

Q36. To what extent do you think government leaders take the interests and opinion of people like your self into account when making important decisions—a lot, some a little, or not at all?

Q37. To what extent do you think government leaders take into account the interests and opinions of the interest groups and organizations before making decisions?

3. Overall Performance of the Current Political System as a Democracy

Q40. How satisfied or dissatisfied are you with the way democracy works in our country? Please choose a number on this scale ranging from a low of 1 (complete dissatisfaction) to a high of 10 (complete satisfaction).

4. Support for Democracy-in-Principle

Q49e. To what extent would you yourself want our country to be democratic right now? Please choose a number on this card where 1 means complete dictatorship and 10 means complete democracy.

Q42. Let us consider the idea of democracy, not its practice. In principle, how much are you for or against the idea of democracy—very much for, somewhat for, against somewhat, or again very much?

Q47. How much do you agree or disagree with the statement that our political system should be made a lot more democratic than what it is now—strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

5. Support for Democracy-in-Practice

Q43. With which of the following do you agree most?

1. Democracy is always preferable to any other kind of government.
2. Under certain situations, a dictatorship is preferable.
3. For people like me it doesn't matter if we have a democratic or non-democratic government.

Q48. Between the two National goals of democratization and economic development, which goal do you think is more important?

Q50c. Here is a scale measuring the extent to which people think democracy is suitable for our country. On this scale, 1 means complete unsuitability while 10 means complete suitability. During the present Kim Dae Jung government, to what extent is democracy suitable for our country?

6. Views on Technocratic Economic Policymaking

Q34. How much do you agree or disagree with the view that the most important decisions about the economy should be made by experts and not the government and Parliament?

APPENDIX B

Economic Policymaking Survey Questions

1. Of all the legislative activities the National Assembly is mandated to conduct, how important do you think the deliberations of economic policies are?

- ____ (1) Very important
- ____ (2) Somewhat important
- ____ (3) Average
- ____ (4) Not much important
- ____ (5) Not at all important

2. In general, who do you think should play most a leading role in making economic policies? Would you say:

- ____ (1) the president and his assistants
- ____ (2) the relevant ministry of the government administration
- ____ (3) the relevant committee of the National Assembly
- ____ (4) social organizations and interest groups
- ____ (5) others (specify _____)?

3. Which organization on this list do you think actually plays most a leading role in making economic policies?

- ____ (1) the president and his assistants
- ____ (2) the relevant ministry of the administration
- ____ (3) the relevant committee of the National Assembly
- ____ (4) social organizations
- ____ (5) others (specify)

4. How actively do you think that particular leading organization named above seeks to collaborate with other relevant organizations, individual citizens, and groups in making economic policies?

_____(1) Very actively

_____(2) Somewhat actively

_____(3) Not much actively

_____(4) Not actively at all

5. Whom do you think that particular organization brings in to the process of economic policymaking as its main partner?

6. How much do you think the following bills of economic legislation were amended or revised during the Budget and Accounts Committee's deliberation process before they were enacted into laws last October? Would you say those bills were changed during the deliberation process not at all, to some degree, or a lot?

_____(1) Bill amending the existing law on foreign currency transactions

_____(2) Bill amending the existing law on income taxes

_____(3) Bill removing special cases of tax exemptions

_____(4) Bill intent to create a financial holding company for economic

restructuring

_____(5) Bill intent to regulate the establishment of banking corporations

7. On the whole, how much do you think the will of the people was reflected in the processes of formulating, deliberating, and enacting these five economic bills into laws?

_____(1) A lot

_____(2) Some

____(3) Little

____(4) None

8. How much influence do you think you personally exercise in the process of making policies affecting the nation's economy?

____(1) A lot

____(2) Some

____(3) A little

____(4) Almost none

9. How much are you satisfied with the amount of influence you currently have in the economic policymaking process?

____(1) Very satisfied

____(2) Somewhat satisfied

____(3) Not much satisfied

____(4) Not at all satisfied

(10) In general, to what extent do you think lawmakers' influence on economic policymaking has increased or decreased in the wake of democratic regime change?

____(1) Increased a lot

____(2) Increased somewhat

____(3) Changed little

____(4) Decreased somewhat

____(5) Decreased a lot

(11) To what extent do you reflect your party's position in the Finance and Economy's various activities?

____(1) A lot

____(2) Some

____(3) Not much

____(4) Not at all

(12) From what sources do you gather the necessary information for your work in the Committee? Please name just the two main sources of your information.

____(1) Peers of own party

____(2) Officials of own party

____(3) Staff members of the Committee

____(4) Personal assistants

____(5) Citizens of own constituency

____(5) Relevant governmental ministry

____(6) Relevant industries, cooperatives, etc.

____(7) News media

____(8) Others

(13) To what extent do you agree or disagree with the following statements concerning the Committee on Finance and Economy? Please indicate you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each statement.

____(1) Members of the Finance and Economy Committee tend to have a high level of expertise and knowledge about the matters it is supposed to handle.

____(2) Policy opinions among the members vary a great deal across their party lines.

____(3) The Committee does a good job of negotiating and compromising conflicting opinions among its members.

(14) What legal, institutional, or procedural changes do you think would strengthen the role the Finance and Budget Committee plays in making economic policies?

APPENDIX C

Budgetary Policymaking Survey Questions

1. Of all the legislative activities the National Assembly is mandated to conduct, how important do you think its deliberations of budget and accounts are?

- _____ (1) Very important
- _____ (2) Somewhat important
- _____ (3) Average
- _____ (4) Not much important
- _____ (5) Not at all important

2. In general, who do you think should play most a leading role in making policies on national budget and accounts? Would you say:

- _____ (1) the president and his assistants
- _____ (2) the relevant ministry of the executive branch
- _____ (3) the relevant committee of the National Assembly
- _____ (4) social organizations and interest groups
- _____ (5) others (specify _____)?

3. Which organization on this list do you think actually played most a leading role in deciding on the national budget for the fiscal year 2001?

- _____ (1) the president and his assistants
- _____ (2) the relevant ministry of the executive branch
- _____ (3) the relevant committee of the National Assembly
- _____ (4) social organizations
- _____ (5) others (specify _____)

4. How actively do you think that particular leading organization named above is seeking to collaborate with other relevant organizations, individual citizens, and groups?

- ____(1) Very actively
- ____(2) Somewhat actively
- ____(3) Not much actively
- ____(4) Not actively at all

5. To what extent do you think the National Assembly amended or revised the budget submitted by the executive branch this year?

- ____(1) Revised little
- ____(2) Revised somewhat
- ____(3) Revised quite a lot
- ____(4) Don't know

6. On the whole, how well or poorly do you think the National Assembly controls and oversees the management of the state finance by the executive branch?

- ____(1) Very well
- ____(2) Well
- ____(3) Fairly
- ____(4) Poorly
- ____(5) Very poorly

7. On the whole again, to what extent do you think the wills of the people are reflected in the processes of formulating, deliberating, and implementing the national budget?

- ____(1) A lot
- ____(2) Some

____(3) Little

____(4) None

8. How much influence do you think you personally exercise in the process of deciding on national budget?

____(1) A lot

____(2) Some

____(3) A little

____(4) Almost none

9. How much are you satisfied with the amount of influence you have in the current process of formulating the budget?

____(1) Very satisfied

____(2) Somewhat satisfied

____(3) Not much satisfied

____(4) Not at all satisfied

(10) In general, how would you compare the amount of influence members of the National Assembly are currently able to exercise in the budget making process with what they were before the birth of the democratic Sixth Republic?

____(1) Increased a lot

____(2) Increased somewhat

____(3) Changed little

____(4) Decreased somewhat

____(5) Decreased a lot

(11) On the whole, to what extent do you reflect your party's position in deliberating the state's budget and accounts?

____(1) A lot

____(2) Some

____(3) Not very much

____(4) Not at all

(12) From what sources do you gather the necessary information for your work in the Committee on Budget and Accounts? Please name just the two main sources of your information.

____(1) Peers of own party

____(2) Officials of own party

____(3) Staff members of the Committee

____(4) Personal assistants

____(5) Citizens of own constituency

____(5) Relevant governmental ministry

____(6) Relevant industries and cooperatives

____(7) News media

____(8) Others

(13) How much do you agree or disagree with the following statements concerning the Committee of Budget and Accounts? Please indicate you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each statement.

____(1) Members of the Budget and Accounts Committee tend to have a high

level of expertise and knowledge about the matters it is supposed to handle.

____(2) Policy opinions among the members vary a great deal across their party lines.

____(3) The Committee does a good job of negotiating and compromising conflicting opinions among its members.

(14) The Budget and Accounts Committee has recently been to a permanent special committee so that it can run throughout the entire period of each fiscal year. To what extent do you think this change contribute to the strengthening of the Assembly's influence on the formulating and implement of the national budget?

____ 1) A lot

____ 2) Some

____ 3) Not much

____ 4) Don't know

APPENDIX D**Demographic Profiles of the Lawmakers Who Responded to Questionnaire Surveys**

Demographic	Sub-samples		Total
Characteristics	Finance & Economy	Budget & Accounts	sample
Gender			
Male	18	42	60
Female	2	1	3
Age			
Under 40	1	11	12
50-59	11	19	30
60 & older	8	13	21
Education			
Some college	--	3	3
College graduation	8	21	29
Graduate school	12	19	31
Being elected			
First	10	19	29
Second	4	16	20
Third	3	6	9
Fourth	2	2	4
Fifth	1	--	1

Electoral district

District	17	39	56
Non-district	3	4	7

Party affiliation

MDP	10	19	29
GNP	8	21	29
ULD	1	3	4
Others	1	--	1

Appendix E

Professional backgrounds of Members of the Current National Assembly

	Finance Com.	Budget Com.	All members
Party officials	3	12	46
Bureaucrats	9	14	40
Civic group leaders	3	5	38
Journalists	2	0	38
Businessmen	3	4	37
Lawyers	0	9	33
Educators	2	0	11
Military officers	0	3	7
Doctors and dentists	1	2	5
Writers and artists	0	1	3
Others	0	0	15
Total	22	50	273

Appendix F

The Budget Outlays for 2001

A. Proposed and Approved Amounts by Major Categories

Categories	Proposed	Passed	Change
Information technology	1,414	1,406	- 8
Science & technology	4,103	4,105	+ 2
Education, culture & tourism	1,040	1,046	+ 6
Welfare	8,135	8,146	+11
Environmental protection	2,975	3,083	+108
Flood prevention & safety	1,870	1,943	+73
Venture firms & SMEs	1,796	1,806	+10
Agriculture & fishery	9,319	9,889	+570
Social overhead capital	14,097	14,632	+535
National defense	15,375	15,388	+13
Unification & foreign affairs	779	779	0
Financial restructuring	9,494	8,576	-918
Reserve	2,700	1,754	-946
Total	73,097	72,553	-544

B. Proposed and passed amounts by subcategories of Social Welfare Budget

Subcategories	Proposed	Passed	Change
Basic subsistence	2,387	2,693	+306
Employment support	274	285	+11
The marginalized	776	807	+31
Health insurance	2,173	2,173	0
Patriots and veterans	1,369	1,369	0
Total	6,979	7,327	+348

Unit: billion won.

Source: the Ministry of Planning and Welfare

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